

**From Lord Berkeley**

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Rt Hon Rishi Sunak MP  
Prime Minister  
10 Downing Street, SW1  
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### **HS2 is still bleeding the country dry!**

On 7 October at the Conservative Part Conference, you announced the scrapping of much of HS2, due to 'huge costs and long delays'

Five months on, chaos and confusion whilst the money keeps on flooding away. With £24.7bn spent up to February 2023, a further £5 bn will be spent on the project this year, according to HS2 Chair Sir Jon Thompson. This is still some way before reaching the £180bn that Michael Byng and I estimated as the total cost of all phases, but reason enough to question – when will this money flow to HS2 stop?

### **Prime Minister's HS2 decision being ignored!**

You said that the £35bn saved would be 'reinvested' in "alternative rail, road and bus schemes instead'. "Every region outside of London will receive the same or more government investment than they would have done under HS2, with quicker results'; '£12bn to better connect Manchester and Liverpool' and a fully electrified line to connect Manchester with Hull in 84 minutes; and 'Building the Midlands Rail Hub connecting 50 stations'

So what has happened to capture the flow of funding from the cancelled parts of HS2 and to deliver these alternative commitments? Answer – very little has changed and ministers and officials appear to be dragging their feet whilst much of the high spending parts of HS2 continue to haemorrhage money as before.

So even though you said that phase 2A and 2B was cancelled, ministers are delaying the removal of safeguards to the route in case a future government might wish to reinstate it.

Similarly, although some of the HS2 approaches to Manchester might be of use in a future East-West route, this would need an underground station and new plans for much of it.

Where is the £12bn of private sector money to be spent on extending HS2 from Old Oak Common to Euston when OOC provides quicker access via the Elizabeth line to central London?

There is no evidence of any serious private sector interest in OOC to Euston, there is no safe design of the approaches and, although ministers have said they have reduced the number of HS2 platforms to 6, they are still wasting money on planning approach bridges to take 12 platforms. The Public Accounts Committee Report on Euston dated 7 February concluded '*We are also highly sceptical that the Department will be able to attract private investment on the scale and speed required to make the London terminus station a success.*'

Why is the Government still going ahead with ordering the new very high speed trains for the whole of HS2 when they will only be used between Birmingham and OOC and much of this will be at reduced speed in the Chiltern tunnels?

So where has the actual work stopped – designed to save the £36bn that you committed to other projects? The Mayors of Manchester and Birmingham seem more intent on creating a new high speed line between their cities (a route that HS2 did not provide anyway) rather than developing East- West routes from Liverpool-Manchester-Leeds- Hull, promised by the PM, or Wolverhampton – Birmingham – Nottingham – Derby?

The hidden agenda is clearly to ignore your decision to cancel most of HS2 and grind on with North-South high speed plans which it is naively hoped that the next Government will fund and take forward – with the absolute minimum committed to improve east – west regional lines.

But what is missing from all this chaos is a business case – forecasts of demand for what is left of HS2, for freight (still confidential although produced 3 years ago) and the all-important regional investment and service that the PM promised?

The PAC Reports on HS2 confirms comments, which Michael Byng and I have made since 2017 about HS2 costs; *‘Poor cost management indicates a failure of governance and oversight across both HS2 Ltd and the Department’.*

It concludes *‘The Department does not yet understand how HS2 will operate as a functioning railway following recent changes. It is vital the Department now gets to grips with the programme to complete Phase 1 within the estimated range of 2029 to 2033, with HS2 Ltd aiming for 2030, and maximises what value it can for the taxpayer.’*

So perhaps you need to go further and set out your decision in even clearer words of one syllable:

1. Stop all work on HS2 and mothball all construction sites.
2. Close down HS2 Ltd and its many contractors.
3. DfT to demonstrate how the £36bn is saved.
4. Cancel the order for HS2 trains.
5. Set up a new development company to re-engineer the parts of HS2 between Birmingham and Old Oak Common for lower cost, conventional speeds and connections to other rail lines.
6. Put an early deadline on private sector commitments to build the tunnels from OOC and the HS2 station at Euston. Otherwise, cancel this part, make OOC the terminus of this small new line, save another £15bn and hand the sites to Network Rail.

The only new work that is clearly necessary as a result is to develop additional rail capacity for passenger and freight trains between the northern end of HS2 at Handsacre and around Stafford, work that Network Rail is very capable of undertaking.

East-West line developments in the North and Midlands should be led by the regional transport bodies with funding coming from the £36bn saved.

I urge you to finish what you started and take the credit for it. The next Government should take the above shopping list and demonstrate how what is left of a major project can be properly managed.

Tony Berkeley