

Why The Wheels Came Off HS2

Dr. Steven McCabe, Associate Professor, Birmingham City University

So, finally, after the Prime Minister's announcement on Wednesday we know what the government's intention is on HS2.

Given leaks of an impending decision by PM Rishi Sunak on the future of high-speed rail (HS2) prior to the Conservative Party Conference in Manchester, there'd been intense discussion about the worth of this project.

Indeed, for many months there's been scrutiny of what some referred to as "£100 billion money pit" (Calver and Hellen, 2023).

Sunak, it's widely reported, having seen the rapidly rising costs of building new lines capable of enabling electric trains to travel at "up to 225mph (360km/h" (HS2, 2023), was actively considering abandoning construction connections from Birmingham to Manchester and the East Midlands.

When the scheme had been originally announced by Labour's Secretary of Transport, Lord Adonis in March 2010, HS2, so named as a high-speed line already existed linking London St Pancras to the Channel Tunnel and allowing connection to Europe's extensive network of high-speed railways, he proclaimed it would ensure faster journeys between cities in the Midlands, Northwest, Yorkshire and Scotland.

Building HS2, Adonis stressed, would mean Britain would have a network comparable to leading European economies and developed nations across the globe.

Though Labour lost the general election in May 2010, and was replaced by a coalition of Conservative and the Liberal Democrats, the new government was no less enthusiastic about the development of a high-speed rail network as a way to achieve social and economic change.

In November 2013, Parliament unanimously passed the 'High Speed Rail (London to West Midlands) Bill' giving formal authority for work to proceed on the first phase of HS2 between London and Birmingham though work did not commence for another four years.

Crucially, when this go-ahead was given by MPs the estimated cost of HS2 at 2009 prices was £37.5 billion (Johnson 2023). As well as continuing the line beyond Birmingham to Manchester and the North-West, there was this sum would building a North-Eastern connection through the East Midlands and upgrading of existing lines up to Scotland.

According to the most up-to-date estimate carried out by the Department for Transport the cost (at 2019 prices) but without building the North-Eastern leg to Leeds which was scrapped by then Secretary of State for Transport Grant Shapps in November 2021, was £71 billion.

Though this represented almost a doubling of the cost in a decade, there were some who believed the costs of building HS2 could be far higher.

In 2020, Douglas Oakervee a former chairman of HS2, published an independent review indicating the whole project, including the line to Leeds could cost as much as £108 billion.

However, though acknowledging costs on HS2 had had become "carried away", Oakervee stated his belief that that construction of rail links as proposed in 2010 by Adonis were still "much needed" by this country (BBC, 2020).

Significantly, the *Telegraph* recently carried an article which included an unofficial estimate of the costs of HS2 by Michael Byng suggesting just under £182 billion would be needed to complete phase 1, London Euston to Birmingham, phase 2 west, Birmingham to Manchester, and phase 2 east, Birmingham to East Midlands, (Clark and Brignal, 2023).

Byng, a chartered quantity surveyor responsible for creating “the method used by Network Rail to cost projects” and has provided HS2 estimates to the Department for Transport has estimated the cost of these phases respectively as £99.4 billion, £54.5 billion and £28.2 billion.

In the absence of better cost information, it’s extremely difficult to know how expensive HS2 was likely to be. However, on the basis there’s substance to Byng’s estimate, it’s no surprise why the PM came to the conclusion that building HS2 beyond the phase already under construction between London and Birmingham would be phenomenally expensive (Pickard, *et al*, 2023).

Appointed as Chancellor under Boris Johnson in February 2020 and in post until 5th July 2022, Sunak can be presumed to be well acquainted with the costs of building build HS2.

Though he publicly stated his support for HS2, any private doubts Sunak may have harboured will have been heightened by a report of The Public Accounts Committee (published in September 2021) pointing out concerns of there being “no clear end in sight” and was “increasingly alarmed” at speed of progress and rapidly rising costs for HS2.

However, if the rapidly rising costs of HS2 may be conveniently ignored, there’s strong justification for the transformative effect of railways.

Seminal railway commentator Christian Wolmar in his book *Fire and Steam*, published in 2007, explains how the rapid building of rail lines across this country in the nineteenth century – referred to as ‘railway mania’ – accelerated the incredible and economic change already under way as a direct consequence of the industrial revolution.

Being able to transport people (and goods) at speeds inconceivable only a generation previously, allowed experiences hitherto all but impossible.

Railways, Wolmar contends, directly led to the society taken for granted today and were enabled prosperity for commerce and social opportunity for millions.

Trains allowed towns and cities to develop in all parts of the country in attracting investment for new ventures, creating employment and enabling local economies to thrive.

Railways, it’s universally accepted, offer considerable benefits to society.

In February 1804, a steam locomotive developed by Cornish engineer Richard Trevithick capable of an average speed of ten miles per hour. This led to a constant quest to ensure technological development would allow trains to travel ever faster.

According to Nilson (2023), trains now standardly operate across the world at speeds well in excess of 300 km/h (186.41 mph).

Such progress is widely accepted to be beneficial to the local economies they serve (Blanquart and Koning, 2017).

Though operators of trains, as well as users, acknowledge the undoubted advantage in transporting of passengers and goods as fast as possible, for a variety of reason, Britain’s progress in developing high-speed trains is markedly slower than the rest of the world (Schomberg, 2023).

What benefit to disadvantaged communities, it should be asked, will running trains with a maximum speed of 250 miles an hour (322 km/h)? The Department of Transport in its November 2015 document, *Supplement to the October 2013 Strategic Case for HS2, HS2 and the Market for Business Travel* (DfT, 2015).

This report outlines a number of what were seen as firms operating on Knowledge-based and in which, since 1984, have created jobs at three times that of other sectors. Moreover, in a report of the Economic Affairs Committee of the same year, *The Economics of High Speed 2*, there is reference to agglomeration that will lead to increased productivity based on integrating cities possessing their own specialism.

Southeastern's currently offer the only UK's high-speed service. Opened to international services in two sections in 2003 and 2007 and operating at a speed just over 200 km/h between London St Pancras and the Channel Tunnel Rail Link it cost £6.84 billion to build, (£51 million per mile), and was completed on time and under budget.

Notably, it delivers an estimated economic benefit of £427 million per annum (Steer, 2020)

Spurred on by the success of this line, and whilst the country was still reeling from the cataclysmic consequences of the 2008 Global Financial Crisis, Lord Adonis proudly announced his government's intention to expand the high-speed network.

In language resonant with that used to extol the virtues of 'levelling up', Adonis asserted that the proposed high-speed lines would unite England and Scotland, north and south, "richer and poorer parts of our country, sharing wealth and opportunity, pioneering a fundamentally better Britain."

Rob Holden, a former chairman of the first (and currently only) high-speed line, HS1, was interviewed on BBC Radio 4's *Today programme* on Tuesday morning.

Fascinatingly, when asked why he had not been involved in HS2, Holden said he'd applied heard a "message from a senior official" at the Department for Transport which informed him he possessed "no qualifications or experience".

In describing HS2 as "ill-conceived" he pointed out that the original objective was for trains to operate at 400 km/hr (248.55 mph) which he thought unnecessary.

When asked by HS1 was completed on time and under budget, Holden stressed that the technology used was "out of the box" in that the line was built to the specification used by French in creating the TGV network on which trains run at 320 km/h (198.84 mph).

In addition, Holden added, the costs of HS2 have risen at such an alarming rate because of a combination of changes being made to the scheme as work progressed and, especially, the need for elaborate engineering and environmental design, including 32 miles of tunnelling and extensive cuttings, to assuage communities who'll potentially be affected by the line between London and Birmingham.

For this reason, as Nicholas Hellen explains, during the journey northward "Passengers will experience "meaningful" views for only nine minutes of the 45-minute journey, according to simulations" (2023).

Notably, it's believed that around £4 billion has been spent purchasing property along the line.

As many commentators and, significantly, the chancellor Jeremy Hunt have asked, why is costing so much more than building high-speed lines in Europe.

Melissa Lawford in *The Telegraph* in examining why the cost of building HS2 costs “10 times more in Britain than France”, believes there are significant issues in terms of continuity of work on major infrastructure projects which undermines planning and organisation of key resources such as labour, materials and managerial expertise (2023).

According to Calver and Hellen (2023), France, Germany and Spain are able to build high-speed rail networks at a cost of “tens of millions per mile” rather than the many millions each mile of the current phase of HS2 is costing.

Usefully, they present data showing the cheapest high-speed line is between Madrid and Galicia at £19 million a mile and the highest, Stuttgart to Munich, at £70 million a mile.

Right from the outset, HS2 has been criticised as likely to be cost far more than any supposed benefits it may eventually produce.

Indeed, last November it was reported that analysis carried out by Department of Transport staff into the economic benefit had concluded that HS2 was likely to produce on 90p for every pound spent on building the proposed lines (Driver, 2022).

Sunak’s decision has been criticised by those who claim it will undermine the potential growth in northern England regarded as critical to the ‘levelling up’ agenda which his former boss Johnson trumpeted as part of his successful December 2019 ‘Get Brexit Done’ general election.

Does Sunak’s announcement in Manchester mean the dream of many of an extensive network of high-speed lines connecting the country in the same way as Europe is dead?

Should Labour win the next general election, it will not have the financial headroom to revive HS2.

Questions whether Sunak, even if his financial rationale is absolutely correct, has done the right in abandoning HS2 beyond Birmingham will continue to swirl around him for months to come.

Part of the calculation is that there will be a dividend in terms of voters in marginal constituencies, particularly former ‘red wall seats’, who agree with his decision.

However, the opprobrium heaped on Sunak by both politicians, business leaders in Birmingham, Manchester, and other cities and towns that would have benefitted from HS2.

As Lancefield reports, the cost of cancelling contracts to carry out work on HS2 will cost “hundreds of millions of pounds” (2023).

What, many ask, will one high-speed from London and Birmingham achieve for the country in terms of social inclusiveness and opportunity advocates claimed would be possible?

Sunak continues to make clear his commitment to levelling up and “spreading opportunity around the country” in all regions. Clearly, high-speed rail links will play no part in any future strategy.

As critics of HS2 have consistently argued from the outset, and though agreeing that investment in infrastructure is entirely logical, what cities in the Midlands and north of England lack is east-west connectivity through reliable and efficient train services that can be built at a fraction of the cost of HS2 (McCabe, 2023).

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