

Fees for consultants on £33bn rail link 'higher than forecast'

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Fees for consultants working on the much-criticised plans for the £33bn High Speed Two rail link from London to Scotland are "higher than forecast", according to the project board's latest published minutes.

Confirming recent revelations in The Independent on Sunday that HS2 is already threatening to bust its budget four years before construction even starts, the minutes also show that the board realised it has not made a strong enough argument for building a line that critics say will blight the countryside.

The minutes, from a meeting just before Christmas, referred to a plan to "move from being reactive to adverse commentary from opponent groups to focusing on the wider benefits of high speed rail". This appears to have been taken up since the meeting in arguments highlighting the benefits to regional economies when HS2 links up major cities in the North, such as creating 50,000 jobs at stations in Manchester and Leeds.

However, spending on professional services contracts, most of which is for designing rail routes and stations, has already reached more than £250m. Some of the contracts have broken their initial estimated budgets, with more work left to do on them before a hybrid Bill to approve the project is introduced in Parliament later this year.

The minutes of the meeting, whose attendees included HS2's chairman, Douglas Oakervee, and chief executive, Alison Munro, said: "It was noted that the current year rate of expenditure is higher than forecast on the professional services contractors."

There was also a reference to work on bringing down costs and expenditure on design work. It is understood that this team is looking at what can be stripped out of the HS2 proposals in order to meet that budget, with a major focus likely to be on how to deal with inflation of construction material costs.

However, industry sources believe that it is still likely that the budget will have to be revised, which could only mean that it would eventually be more than £33bn.

HS2 has cross-party support, and groups campaigning against the link lost virtually every argument they made in a judicial review of the project, the verdict of which came out last month. However, it is thought that officials at the Department for Transport are still edgy over the likelihood of mounting criticism over the need to move ancient woodland to make way for the project.

There have also been problems with the IT that has been used at HS2, which is, so far, the most expensive contract to have been dished out.