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THE SUNDAY TIMES

Labour puts £50bn cap on HS2 scheme

Mark Hookham, *Transport Correspondent* Published: 25 August 2013



One Tory backer believes the HS2 money will be better spent on a new Thames airport (Rob MacDougall)

LABOUR has imposed a £50bn cap on the High Speed 2 rail line and threatened to withdraw its support for the troubled project if costs rise further.

Maria Eagle, the shadow transport secretary, also called for HS2's management to be sacked and replaced by more experienced rail experts.

Her comments come as David Cameron faced renewed pressure from within his own party to scrap HS2. One of his top industry backers lambasted its soaring costs.

Sir Anthony Bamford, the chairman of tractor manufacturer JCB, warned that HS2 could drain funds from other vital transport schemes needed to boost economic growth.

Bamford, whose family has given about £2.5m to the party since 2002, believes the vast sum required for HS2 would be better spent on building a new airport on the Thames estuary.

the economic case for the scheme. "He is concerned that the escalating cost of HS2 could result in funding being diverted from other rail, road and air transport improvement projects that would deliver better value for money and drive nationwide economic growth," he said.

Another senior Tory source who has donated substantial sums to the party predicted that Cameron and George Osborne, the chancellor, would dump the project because they were nervous that it could cost Tory votes at the 2015 general election. "I think it will be very difficult for the project to survive," he said.

The cost of HS2, which would see 225mph trains linking London to Birmingham and cities in the north of England, has already leapt by almost £10bn from £32.7bn in 2012 to £42.6bn in June. Treasury insiders have begun using an even higher figure of £73bn.

Eagle's intervention, during an interview with The Sunday Times, is the first time a Labour frontbencher has set a target the scheme must meet to avoid being scrapped.

"I am not willing to see this project start draining money from other vital rail projects — it's got to be delivered within the current budget," she said.

"Nobody who is delivering it should be under any illusions that I will allow it to go up and up. That would put our commitment to it at risk. It shouldn't be going up above that £50bn cap."

Eagle's comments will fuel fears in Downing Street that Labour leader Ed Miliband, who is under pressure to fund eye-catching new policies, is preparing to abandon his support for the project.

Two Labour "big beasts" from the last government — Alistair Darling, the former chancellor, and Lord Mandelson, a cabinet minister and European commissioner for trade — have spoken out against the project. Ed Balls, the shadow chancellor, last week insisted that there was "no blank cheque" for HS2.

Eagle said that, although initially an HS2 "sceptic", she had been convinced of the case for a new north-south railway line which, she believes, is the only way to boost capacity on Britain's creaking rail network.

She said she considered HS2 to be the best means of easing the misery of overcrowded carriages, particularly on the west coast main line, which is due to reach capacity within a decade.

However, she said that HS2 Ltd, the quango which manages the project, should be "abolished" and that the scheme requires "new leadership".

Network Rail should, she argued, then be handed control of all Britain's rail investment schemes, with its management told to ensure that other transport budgets are not raided to prop up the high-speed line.

"It has tried to up its game in recent weeks, but it is too little too late, and HS2 Ltd is becoming an obstacle to the success of the scheme," she said.

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 **Michael Daventry**

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christopher ledger

4 days ago

It will be interesting to see whether the Tory party have ANY strategic vision left. On present showing over HS2 the answer seems to be NO! It does seem that Tory ministers who oppose it have been told to shut up - or else by the (frightening?!) Chief Whip.

Other politicians like Alistair Darling have had the guts to say that what seemed a good idea 5 years ago is no longer a viable proposition, nor is it appropriate. Indeed the ever more desperate propaganda put out at our expense is making very silly and clearly specious claims which are easily disproved.

Will the DS kindergarten grow up enough to pull the idea before many more millions are spent in useless studies and huge areas of land and properties are blighted?

Somehow I doubt it - it's now a virility thing perhaps.

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John Howard

4 days ago

How will a cap on expenditure work-- once building starts it must surely continue to its bitter end at whatever cost

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Philip Smith

4 days ago

@John Howard A typical labour response I'm afraid. It was their pet project and as they now see an opportunity to beat the coalition over the head they use it. The bottom line is that if the benefits outweigh the costs do it - otherwise don't.

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Alan Thorpe

4 days ago

Scrap the present plan and get a new plan that starts the building at the northern end. If this can be justified that I will accept the full scheme is viable and when construction starts we can be certain that it will eventually reach London.

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PJS

4 days ago

@Alan Thorpe

Excellent idea :-)

Quite like the ones in the article about getting rail professionals involved and linking up with other rail/infrastructure schemes too.....

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David Harris

4 days ago

A very good idea, problem is, if the contractor cuts corners to keep within budget, we end up with a 50 mill' death trap. Scrap the idea altogether, we can't afford it, i travel to London regularly, if i want to get there earlier, i get up earlier.

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