

23 September 2013 Last updated at 20:40

Labour ready to cancel HS2 'if costs rise'

Labour is questioning whether the HS2 rail project is "the best way to spend £50bn for the future of our country".

Shadow chancellor Ed Balls told the party conference they still backed the idea of a new north-south rail link, but there could be no blank cheque.

Supporters say the project will provide much needed extra rail capacity.

The Labour leader of Manchester City Council criticised his party for raising doubts about its viability, accusing Mr Balls of a "cheap shot".

Sir Richard Leese - head of the Labour council since 1996 - said the high-speed line was "essential" to prevent the North and Midlands "slowly grinding to a halt".

"There are better ways for the shadow chancellor to demonstrate fiscal responsibility than take a cheap shot at HS2," he added.

BBC transport correspondent Richard Westcott said Labour would not commit to cancelling HS2 before the election, but would review it if they won.

He said Labour would look at whether it was the best way to spend £50bn, or whether they should look at other options, like different routes or big improvements to existing lines.

Value for money

Earlier another of Labour's frontbench team, shadow treasury chief secretary Rachel Reeves, said the party would cancel it "if we don't think it's good value for money and costs continue to rise".

The project's first phase would see 225mph trains running on a new line to be built between London and the West Midlands by 2026. A second phase would see the line extended further north, with branches to Leeds and Manchester by 2033.

The estimated cost of the plan has risen in the past few months from £34.2bn to £42.6bn - plus £7.5bn for rolling stock - and some senior Labour figures such as Lord Mandelson and Alistair Darling now oppose the project.

HS2 has had the backing of all three main party leaders since its conception - despite strong opposition among some backbench MPs.

Supporters of HS2 argue that apart from shorter journey times, the main argument in favour of the project is the need to greatly increase passenger capacity.

'Mismanaged'

In his conference speech Mr Balls said: "We continue to back the idea of a new north-south rail link."

He went on: "But under this government the HS2 project has been totally mismanaged and the costs have shot up to £50bn.

"David Cameron and George Osborne have made clear they will go full steam ahead with this project - no matter how much the costs spiral up and up. They seem willing to put their own pride and vanity above best value for money for the taxpayer."

Mr Balls added: "Labour will not take this irresponsible approach. So let me be clear, in tough times - when there is less money around and a big deficit to get down - there will be no blank cheque from me as a Labour chancellor for this project or for any project.

"Because the question is - not just whether a new high-speed line is a good idea or a bad idea, but whether it is the best way to spend £50bn for the future of our country."

The Stop HS2 campaign said Mr Balls was "dead right", adding that it was "only the vanity of politicians which is keeping this white elephant on life support".

But the RMT union said ditching HS2 would set the modernisation of the railways "back a decade".

"Britain is already in the slow lane when it comes to the railways and RMT will fight any plans by Ed Balls and the political class to leave us stuck there," said its general secretary Bob Crow.

'Tight lid'

Construction on the London-West Midlands phase is expected to begin around 2017, once Parliament has approved the necessary powers - probably in 2015.

The onward legs to Manchester and Leeds could start being built in the middle of the next decade, with the line open by 2032-33.

A Department for Transport spokesman said HS2 was right for the future of the country and had the support of civic leaders across the North and Midlands.

"HS2 will free up vital space on our railways for passengers and freight, generate hundreds of thousands of jobs and deliver better connections between our towns and cities," a spokesman said.

While a "tight lid" must be kept on costs, the CBI urged politicians to focus on the big picture.

"HS2 will connect eight of our 10 biggest cities, boost regeneration projects across the country for years to come, and will avert a looming capacity crunch on the West Coast Main Line," it said.

More Politics stories



Miliband: We'll freeze energy prices

[\[news/uk-politics-24213366\]](#)

Ed Miliband tells his party conference Labour will freeze energy prices if they get into power - but energy firms criticise the plan.

Labour wants votes for 16-year-olds

[\[news/uk-politics-24229366\]](#)

Bloom quits UKIP group after row

[\[news/uk-politics-24222992\]](#)