

Six hundred words

Largest civil project in the UK is going belly up at taxpayers' expense!

15 years ago, in a flurry of hype, Secretary of State for Transport, Lord Andrew Adonis, announced the go ahead for building High Speed 2, a new rail line linking London with the Midlands, the North West and Scotland.

Whilst welcoming the idea, I challenged him as to why it was to start in London rather than in the North, and he replied that the business case was much better at the London end. This was probably the last time that the word 'business case' was used in justifying the next fifteen years development and construction where the capital cost started at £33 bn for the whole project and is now, according to the figures quoted last week, likely to exceed £100bn for a smaller part of the project.

During the intervening years, we have had numerous secretaries of state and governments from all three parties, with the state-controlled HS2 Ltd and DfT officials all seeking to protect ministers from bad news of cost overruns, fraud or delays so that politicians would continue to support the creation of this mega project at unspecified mega costs.

Most parliamentarians were clearly dazzled by the thought of such an exciting project. without expressing concern about the costs and most, importantly, who was going to monitor them independently of the ministers and their officials who were naturally keen on achieving a successful project outcome.

But then, in response to an increasing wave of concerns about the damage to the environment and costs, PM Boris Johnson MP set up the Oakervee Committee and asked me to be deputy Chair. Our task was to investigate the state of the HS2 project and advise on whether it should continue or be cancelled. When it came to my asking for the latest cost estimates, I insisted on an independent view from both QS Michael Byng and KPMG, but HS2 and DfT still refused to provide enough information to enable a proper investigation into whether there was a good business case to proceed or not.

In spite of the absence of evidence, Doug Oakervee's draft report recommended continuing with the project. I pointed out that there was no evidence to support this recommendation and therefore resigned.

In her statement to Parliament last week, Heidi Alexander MP cited reasons for this sorry state as including a 'lack of ministerial oversight', stricter cost control and hints at fraud She is correct – construction contracts on a cost-plus basis are generally licences to print money for the contractors and, for juicy projects such as HS2, fraud cannot be far away

But along with the churn of ministers and HS2 CEO/Chairs, a large army of HS2 employees and DfT officials have been on this for years. Why did they not speak up? Answer, because the DfT has the most efficient way of silencing whistleblowers with the threat of job and pension loss.

Do we really believe that this is the end of the story, or will the S of S come back to parliament in 2 years' time and apologise for another 2 years delay just to get to Birmingham and another two years on the programme?

I conclude that our political and parliamentary structure is at present incapable of building major projects, largely because we do not accept that a project must have a sponsor with teeth capable and ready to take decisions even against the wishes of parliament.

In the meantime, if ministers really wish the project to continue at all, it should split the contracts into smaller bite-size elements, relet them and put HS2 Ltd into Administration!