

Louisa Clarence-Smith, Property Correspondent, The Times

My exclusive on a leaked government-commissioned review to determine whether the HS2 rail project should go ahead had major implications across the built environment sector.

The story was the splash of The Times on November 12 2019. It was clearly marked as an “exclusive” and was followed up with a credit in every major British news publication, including the BBC, Financial Times, Telegraph and Guardian.

To obtain the story I developed contacts in the sector and government over several months and received a leak of the report written by Douglas Oakervee, former HS2 chairman, which recommended that the project should go ahead despite the ballooning taxpayer bill.

The leak put pressure on Boris Johnson to reveal whether he was “for” or “against” the project during the general election campaign.

The outcome of the review gave the government license to approve the biggest infrastructure project in Europe, unlocking billions of pounds worth of construction contracts and regeneration opportunities while changing the value of land and property owned by Times readers across the country.

I wrote a comment piece to go alongside the exclusive (see below). I also produced a gut of the full report, with the support of our transport correspondent Graeme Paton, which included details of further recommendations on contracting, the route map, development opportunities and how the project would impact on connectivity.

The review, which confirmed the spiralling costs of the project, was vindication for whistleblowers at HS2 Ltd who had long warned of cost underestimates.

Follow-up stories included an exclusive interview with Doug Thornton, the former head of property at HS2, who called on the government to offer compensation to whistleblowers who lost their jobs after warning about inaccurate cost estimates. I also reported on reaction from politicians and construction companies.

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Robert Crampton
Spare me the shy person excuse

Tories urge Farage: pull your candidates out of every marginal

Kate Devlin, Steven Swinford

Nigel Farage will be personally to blame if Britain does not leave the EU, cabinet ministers said after the Brexit Party leader vowed to fight Tories in marginal Labour constituencies.

Mr Farage said that his party would not contest the 317 seats won by the Conservatives at the last election, amid

concerns that he would split the Leave vote. However, the Brexit Party will still contest about 300 seats, including Labour marginals in the Midlands and the north of England that Mr Johnson will need in order to win a majority.

One cabinet minister told *The Times* that the Brexit Party should pull out of Labour marginals entirely. "Farage accepts that a vote for the Brexit Party

is a vote for Corbyn and a second referendum," they said. "But he hasn't pulled out of the seats we need to win to defeat Corbyn and deliver Brexit."

Another said: "If we end up with a hung parliament again because of the Brexit Party all eyes will be on him. People will say, 'You did this.'"

Iain Duncan Smith, the former Conservative leader, urged Mr Farage to

withdraw from more seats to avoid splitting the Leave vote, saying that Labour would "sneak through" if the Brexit Party stood in marginal seats.

Mr Farage indicated that he would not back down further, saying that he wanted his candidates "putting out their positive message".

"We are the party that absolutely believes in this," he said. "If you want

Brexit you can't vote Labour anyway. Put us in there and we will hold the government to account. We're trying to get a decent voice in parliament."

In an email to supporters yesterday Mr Farage said he would contest "every seat" held by Labour and pro-Brexit parties. He also promised to woo pro-Brexit Labour voters with "sensible"

Continued on page 2, col 3



Going under The village of Fishlake in South Yorkshire has been evacuated after severe flooding. Residents said that they were not warned about the risk. Page 17

HS2 will boost north despite soaring costs

Independent review recommends ministers go ahead with £88bn high-speed rail link

EXCLUSIVE

Louisa Clarence-Smith, Graeme Paton

The HS2 rail project should go ahead despite costs ballooning to £88 billion and a dramatic drop in the benefit to taxpayers, according to a review of the scheme seen by *The Times*.

The leaked document recommends that the government commit to the full high-speed rail network — the biggest infrastructure project in Europe — but admits that it is "not affordable" within

the £56 billion budget set in the 2015 government spending review. The new estimate of £88 billion is likely to be revised upwards again, the report notes.

It will increase pressure on Boris Johnson to confirm whether a Conservative government would go ahead with the network. The prime minister has sought to delay a decision until after the general election.

The report, written by Douglas Oak-ersee, the former HS2 chairman, has found that the procurement strategy for the first phase of HS2 has been a fail-

ure, with prices being significantly inflated. It also says that escalating costs mean that the benefit to taxpayers has fallen from £2.30 for every £1 spent in 2017 to between £1.30 and £1.50 for every £1 spent this year.

However, in a boost for the project, the report says that without HS2 "large ticket price rises" would be needed to discourage travel at peak times.

The review has found that HS2 could benefit cities in the north and Midlands more than London because of improved connections on intercity lines.

Mr Oakersee says the journey from Leeds to Birmingham will be more than halved, from about 2 hours to 45 minutes, and that an hour will be cut from the journey time from Newcastle to Birmingham, to 1 hour 57 minutes.

It also says that there are no "shovel-ready" alternative investments that could be made in the existing network to provide for much-needed additional rail capacity.

HS2 will be a 250mph railway line that links London, Birmingham, Continued on page 7, col 4

Hong Kong bloodshed in dangerous new phase

Didi Tang Beijing
Richard Lloyd Parry Asia Editor

Hong Kong entered a dangerous new phase of violence last night as a protester was shot by police and pro-democracy demonstrators set fire to an apparent government supporter.

A police officer was shown live on Facebook firing a round into the torso of a protester, who was left with a bullet wound to his liver. He was described as being in a stable condition last night. The officer then fired two more shots but it is not thought to have wounded anyone else.

Protesters were later filmed pouring flammable liquid over a man they had been arguing with then setting him on fire, leaving him in a critical condition with severe burns.

Another man, who was suspected of taking photographs of protesters, was attacked with a hammer. His head, face and hands were covered in blood.

The attacks came as demonstrators rioted on the streets, setting fire to a commuter train carriage. Separately, a policeman drove his motorcycle at the dispersing crowds.

Carrie Lam, the leader of Hong Kong, said that the protesters were "enemies of the people" and warned: "I just want to make it very clear that we will spare no effort in finding ways and means that could end the violence in Hong Kong as soon as possible."

Pro-democracy demonstrators have taken to the streets since June demanding free elections, Mr Lam's resignation and the release of protesters from jail.

The heightened violence raised concerns that Hong Kong had reached a tipping point that may force mainland China to use military force to stop the protests. Most of the demonstrations had taken place at the end of the working day but yesterday activists started building barricades early in the morning, bringing parts of the territory to a standstill. The authorities responded with tear gas and water cannon.

More than 260 people were arrested yesterday, bringing the total to 3,300. Man set on fire, pages 30-31

HS2 will boost north despite soaring costs

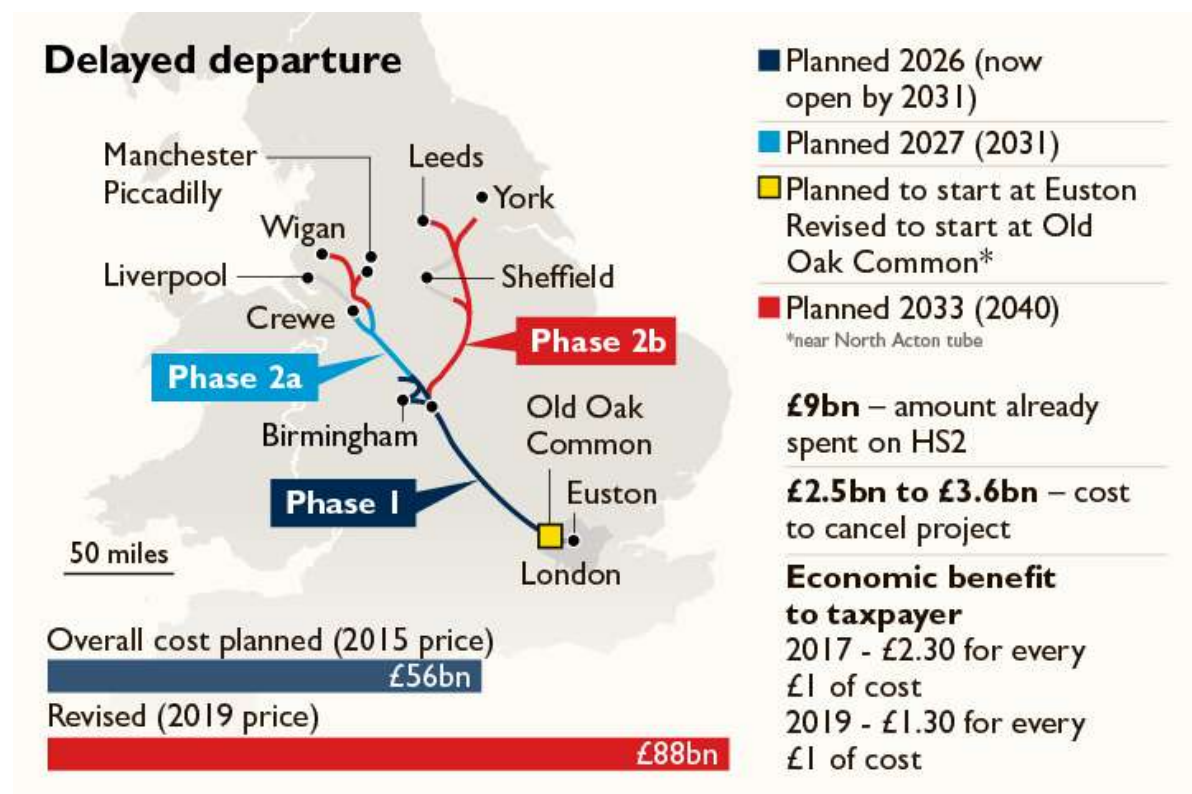
[Louisa Clarence-Smith](#), [Graeme Paton](#)

Tuesday November 12 2019, 12.01am, The Times

The HS2 rail project should go ahead despite costs ballooning to £88 billion and a dramatic drop in the benefit to taxpayers, according to a review of the scheme seen by *The Times*.

The leaked document recommends that the government commit to the full high-speed rail network — the biggest infrastructure project in Europe — but admits that it is “not affordable” within the £56 billion budget set in the 2015 government spending review. The new estimate of £88 billion is likely to be [revised upwards again](#), the report notes.

It will increase pressure on Boris Johnson to confirm whether a Conservative government would go ahead with the network. The prime minister has sought to delay a decision until [after the general election](#).



The report, written by Douglas Oakervee, the former HS2 chairman, has found that the procurement strategy for the first phase of HS2 has been a failure, with prices being significantly inflated. It also says that escalating costs mean that the benefit to taxpayers has fallen from £2.30 for every £1 spent in 2017 to between £1.30 and £1.50 for every £1 spent this year.

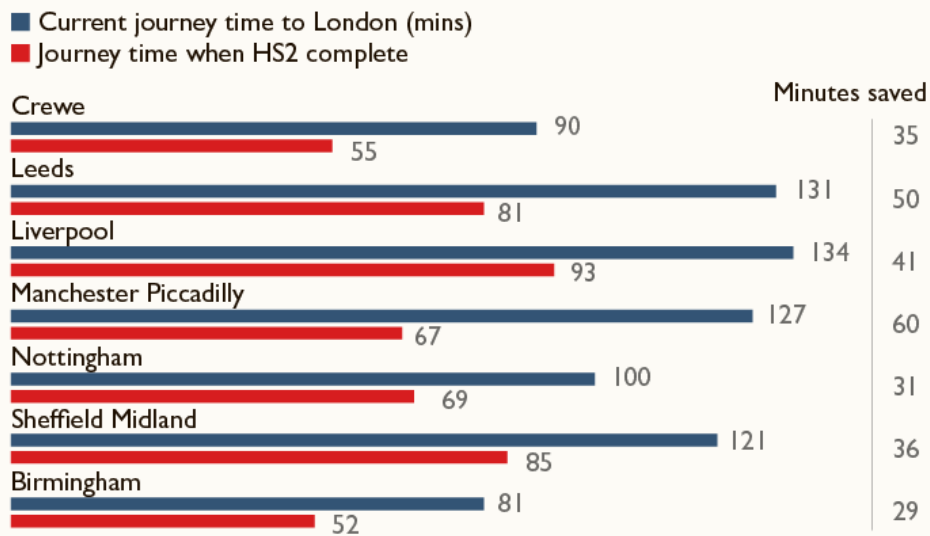
However, in a boost for the project, the report says that without HS2 “large ticket price rises” would be needed to discourage travel at peak times.

The review has found that HS2 could benefit cities in the north and midlands more than London because of improved connections on intercity lines. Mr Oakervee says the journey from Leeds to Birmingham would be more than halved, from about 2 hours to 45 minutes, and that an hour would be cut from the journey time from Newcastle to Birmingham, to 1 hour 57 minutes.

It also says that there are no [“shovel-ready” alternative investments](#) that could be made in the existing network to provide for much-needed additional rail capacity. HS2 will be a 250mph railway line that links London, Birmingham and Leeds. An independent review into the scheme was announced in August to consider the direct cost of scaling back or abolishing the project in response to delays and rising costs.

The review had been due to publish a report on its findings in the autumn. It is understood Mr Johnson and his team have sought to delay publishing the report until early next year amid fears it could hinder their election prospects.

How much time will passengers save?



The report was shown to members of the review panel on Thursday, the day after Whitehall began a six-week period of purdah that prevents the government from publishing report findings that could be politically sensitive.

Mr Johnson told the *Nottingham Post* on Friday that he had not seen the report and that a decision on HS2 would not be taken until after the election.

HS2 is due to run through Uxbridge & South Ruislip, the seat Mr Johnson held, where the StopHS2 campaign has 5,000 supporters. The scheme is strongly criticised by many prominent Conservatives, including Andrea Leadsom, the business secretary, and Sir William Cash, parliamentary candidate for Stone in Staffordshire.

[Opponents to HS2](#) have called the report a “whitewash” and Lord Berkeley, a Labour peer who was deputy chairman of the review panel, is preparing a dissenting report to civil servants for the attention of the prime minister, *The Times* has learnt. The Department for Transport refused to comment.



HS2 | ANALYSIS

HS2 is a subject Boris Johnson can no longer tiptoe around

Louisa Clarence-Smith | Tuesday November 12 2019, 12:01am, The Times

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It is Europe's biggest infrastructure project and was conceived to increase capacity on Britain's rail network and help bridge the North-South divide.

However, HS2 has become mired in controversy amid escalating costs, evidence that ministers covered up the true cost of the scheme and allegations that the government-funded company behind the delivery of the scheme is trying to frustrate compensation claims by hundreds of homeowners and businesses affected by the project.

[Dominic Cummings](#), the most senior aide to Boris Johnson, has described it as a "disaster zone". Mr Johnson announced a review of the project after his appointment as prime minister. However, it is understood the government has sought to delay the publication of the report amid fears it could become a toxic election issue.



The project was described as a "disaster zone" by a senior aide
SIMON DAWSON/REUTERS

In the first week of the campaign, Mr Johnson used the delay as an excuse to avoid taking a firm stance on HS2.

In an interview with the *Nottingham Post* on Friday he said he had not read the review and a decision would not be taken until after the election. He said: "The problem with HS2 is that it's incredibly expensive. So we're looking at whether the cost is rightly profiled, whether the spend is rightly timetabled, whether it's geographically rightly profiled and targeted."

The prime minister will find it more difficult to tiptoe around the issue now that the initial report has come to light. All parties will be expected to set out their position on HS2 in their manifestos. Both Labour and the Conservatives have committed to more billions of pounds of additional infrastructure spending. However, HS2 faces competition from other rail schemes that would bolster links across the Pennines, linking cities such as Manchester, Liverpool, Leeds and Sheffield with faster and more reliable services.

Doug Oakervee's report will support the next government in avoiding the controversial decision to scrap HS2 altogether. As well as recommending the full Y-shaped rail network, serving both sides of the Pennines, it says the project should be integrated with new rail investment proposals from Midlands Connect, a partnership of local enterprise partnerships and councils from across the Midlands and Transport for the North, as well as Network Rail's enhancements programme.

The report provides an opportunity to address some of the problems with the scheme. It recommends changing the excessively expensive contracting model and calls on the Department for Transport to update and publish a revised

However, the review is unlikely to be enough to stamp out controversy surrounding the project.

Michael Gross, founder of Sydney & London Properties, who is in a £500 million legal dispute with HS2 over the compulsory purchase of his properties in Euston, London, said: "The debate on the concept of a fast train network is being used as a smokescreen to hide the real issues. The real issue is can UK plc via the civil servants in the Department for Transport and their wholly owned delivery vehicle HS2 Ltd produce one within a viable economic case on budget, on time and most of all with integrity?"

Full speed ahead for HS2 or passengers will face rising fares

Louisa Clarence-Smith, Property Correspondent | Graeme Paton, Transport Correspondent

Tuesday November 12 2019, 12:01am, The Times

Transport

HS2



The review recommended cutting the speed and frequency of train services
ALSTOM DESIGN & STYLING 2019/PA

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The early draft of the [HS2 review](#) seen by *The Times* recommends that ministers proceed with the full Y-shaped line as it stands, connecting London, Birmingham, Manchester and Leeds.

Despite concerns that [costs will spiral](#), the review, led by Doug Oakervee, the project's former chairman, suggests only relatively minor revisions including cutting the number of trains from a maximum of 18 an hour in each direction to 14. It says that the main London terminus at Euston should be retained and raises the prospect of adding more stations later, including one in Buckinghamshire. It says that if HS2 were cancelled it could take another decade for alternative rail schemes to be developed in its place. The main findings and conclusions include:

Capacity

The Oakervee review says that the main benefit of HS2 is to provide [additional rail capacity](#) and improve reliability. The “primary need is one of capacity” rather than speed.

It says that passenger growth on the west coast main line — the existing route connecting London, Birmingham, the northwest and Scotland — has already been significantly higher than anticipated ten years ago, with peak travel growing almost three times as fast as previous estimates. Without HS2 large price rises would be needed to discourage travel at peak times. Fare rises may still be needed over the next decade to manage demand while HS2 is built, it says.

HS2 would free up two tracks on the west coast for additional freight or passenger trains. It warns, however, that much more work is needed to connect HS2 with the existing network. It says that in some areas, such as that north of York, planned HS2 services coming into the existing network are proving challenging to fit with future planned services and could result in costly upgrades or interventions on Network Rail track and a worsening of conventional services.

Connectivity

The Department for Transport has calculated that HS2 will lead to large reductions in journey times between big cities. The journey from London to Birmingham will be cut from 1 hr 22 mins to 49 mins. The greatest changes, however, would be the non-London connections [further north](#). The time between Leeds and Birmingham would be cut from almost 2 hrs to 45 mins.

HS2 has failed, however, to properly realise the benefits to regional and commuter connections when space on existing lines is freed up by the project. The report urges the creation of an “overarching strategy and analysis to optimise the allocation of released capacity”.



Doug Oakervee, former chairman of the project, led the review
JOHN STILLWELL/WPA/PA

“Much more work needs to be done jointly between HS2 Ltd, Network Rail and the west coast [train operator] in an integrated GB rail plan to identify these benefits and articulate them clearly,” it says.

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Design

HS2 is being built with a top line speed of 250mph although most trains will run at up to 225mph, faster than lines almost anywhere in the world. The review avoids the question of whether speeds should be cut.

The report says that there is little evidence of whether the requirement for trains to have this maximum speed is “driving unacceptable costs” and whether a less ambitious scope could have kept costs within budget.

It states, however, that the number of trains could be reduced to cut costs. The existing target of up to 18 per hour in each direction — more than any other high-speed line worldwide — should be cut to a more “prudent” 14 an hour, and possibly 16 in the future.

It recommends scrapping an existing junction at Handsacre, Staffordshire, where HS2 is supposed to connect with the west coast main line as part of the first phase of the line. Instead it recommends pushing ahead with a plan to build the line from Birmingham to Crewe, phase 2a of the project, where it would connect with the west coast.

The report calls for existing trains to be allowed to use the HS2 track, adding that this could provide “much needed improvement in connectivity”.

The review recommends that, for most phase one projects, which have yet to be contracted, the government should ensure that they are on “acceptable commercial terms”. HS2 Ltd should “consider re-procuring” these contracts if needed to get best value.

Economic assessment

The economic benefit to the taxpayer has declined, the report says. In 2017 the line was expected to generate £2.30 for every £1 cost but that has dropped to £1.30 today. Phase one from London to Birmingham adds no value, bolstering the report’s central conclusion that the full line from London to Leeds and Manchester is needed.

The report concludes, however, that the economic case does not fully take account of the potential impact of HS2 on homes and jobs. An assessment should be made of its impact up to 100 years after opening, rather than 60 as now. It says: “The evidence is clear that the full network is needed to realise the highest value for money economic return on the investment of HS2. Phase one as a standalone scheme does not represent value for money.”

Cost and schedule

The review has found that HS2 is [not affordable](#) given its present budget of £56 billion. The latest estimates show that the scheme would cost £88 billion. The report says that the costs of phases one and two are expected to escalate further. The procurement strategy for the first phase has been “unsuccessful”.

Phase 2a, from Birmingham to Crewe, is expected to cost more than anticipated in the light of “emerging estimates for land and property, systems and indirect costs”. HS2 Ltd and the Department for Transport are using different models to estimate costs and it recommends that any benchmarking be deployed “more consistently and more uniformly”.

Cost of cancellation

HS2 has already spent about £9 billion. It is estimated that £2 billion to £3 billion of land and property costs could be recovered. HS2 Ltd and the Department for Transport have estimated that the direct costs of cancelling the project are about £2.5 billion to £3.6 billion, the report says.

Procurement & contracting

HS2 Ltd’s approach has “inflated prices” for the main civil engineering works on phase one. Initially all the risk was placed on contractors.

Given the fragile state of the construction industry after the collapse of Carillion last year, contractors have priced the risks significantly above the company’s expectations. HS2 Ltd introduced a risk transfer process to overcome this problem. The report says, however, that HS2 Ltd is “carrying most of the risk and all of the pain with little gain”. This has resulted in only “relatively modest reductions in price”.

Financial Times follow-up with credit

Jim Pickard and Gill Plimmer in London and Andy Bounds in Manchester NOVEMBER 12 2019



The UK government should proceed with the full High Speed 2 rail line from London to Leeds and Manchester despite the potential for further cost increases, according to an early draft of the official review into the controversial project.

Douglas Oakervee, who was commissioned by Prime Minister Boris Johnson to assess the project, known as HS2, has suggested that cost savings could be found by cutting the number of trains per hour from a maximum of 18 to 14.

But Mr Oakervee has rejected the idea of cutting back the eastern leg of the £88bn project's second phase, from Birmingham to Leeds, which was discussed by the 10-person panel advising the review.

The former chair of HS2 has also ruled out the idea of ending the line at Old Oak Common in west London instead of Euston in the heart of the capital, according to the leaked document in [The Times](#). Instead he has suggested further stations, for example at Calvert in Buckinghamshire to connect with a new east-west line from Oxford to Cambridge.

BBC follow-up with credit

By Tom Burridge
Transport correspondent, BBC News

🕒 12 November 2019 📄

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A draft copy of a review into the HS2 high-speed railway linking London and the North of England says it should be built, despite its rising cost.

The government-commissioned review, launched in August, will not be published until after the election.

It says the project might cost even more than its current price of £88bn.

Members of the panel which produced the review have told the BBC that the draft recommends that HS2 should be built with only relatively minor alterations.

These include reducing the number of trains per hour from 18 to 14, which is in line with other high-speed networks around the world.

The document says that even the most controversial stretch of the railway - linking west London to central London - should go ahead.

Business leaders and politicians in the North of England have welcomed the review's preliminary findings.

But the draft does not have the support of the review's deputy chair, Lord Berkeley.

In a letter seen by the BBC, he criticised the review's "lack of balance" and said the cost of the scheme had not been properly scrutinised.

In the letter, sent to Doug Oakervee, the chairman of the review panel, Lord Berkeley said about the review: "I cannot support its conclusions or recommendations.

"My concerns are about the process of the report's preparation and its outcome.

"We had to complete the work in a very short time. I also detected a trend in many of the discussions within the review to accept that HS2 will go ahead.... rather than look at the pros and cons of alternative options.

"I reserve the right to publish my own alternative report in due course."

Mr Oakervee said he regretted that Lord Berkeley "feels unable to give his support."

"He participated fully in panel discussions that have seen all other members converge their views, based on the extensive evidence considered," Mr Oakervee added.

A report in The Times says that the review found that without HS2, "large ticket price rises" would be needed to discourage people from travelling at peak times.

The Guardian follow-up with credit

Gwyn Topham

🐦 @GwynTopham

Tue 12 Nov 2019

12.54 GMT



Lord Berkeley at odds with chair of the Oakervee review over project costs and benefits



▲ HS2's initial budget was £34bn, but a review now costs it at £103bn, with the co-author of the review putting it even higher. Photograph: Steve Parsons/PA

The co-author of the Oakervee review into **HS2** has demanded his name is removed from the report which calls for the high-speed line to be built in full.

A leaked draft of the report shows that chairman Douglas Oakervee has endorsed the scheme, despite revising down the expected economic benefits. But his deputy and co-author Lord Berkeley, a prominent critic of **HS2**, said he would refuse to sign off the conclusions and was considering writing his own report.

Oakervee, a former HS2 chairman was commissioned by the government in August to review the line's costs, suggest savings and produce a "go or no-go" conclusion. His review now suggests running fewer trains an hour but says all sections of the line should be built, according to a draft seen by the **Times**.

Follow

By Oliver Gill

12 NOVEMBER 2019 • 8:00PM

The High-Speed 2 rail link has descended into chaos after the deputy chairman of a Government-commissioned review issued a withering attack on its own draft findings.

Lord Berkeley demanded his name is removed from the report after it endorsed the project, despite saying costs may spiral out of control and breach the current estimate of £88bn.

Review chairman Doug Oakervee has given the scheme his backing according to a leaked version of the study, despite warning the economic benefits of the rail network will be less than hoped.

Lord Berkeley, deputy chairman of the review, refused to support Mr Oakervee's findings or recommendations and threatened to publish an alternative report of his own.

In a letter to Mr Oakervee, who was previously chairman of HS2 itself, Lord Berkeley said: "My concerns are about the process of the report's preparation and its outcome."

The Labour peer, an outspoken HS2 critic, claimed the study's working assumption was wrongly that the project would go ahead "rather than looking at the pros and cons of alternative options".

Earlier this month he said he had no opportunity to influence the conclusions of the study

It was originally claimed that HS2 would deliver economic benefit of £2.30 for every pound spent. The draft report, leaked to the *Times*, has downgraded this to between £1.30 and £1.50.