

# Sorry for any Inconvenience Caused: Why Britain Messed up High Speed Rail

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## Abstract

High Speed 2—the planned new railway from London to the north of England—is one of the largest and most controversial public sector investment projects Britain has attempted in decades. Much has been written about the huge cost overruns that the project has suffered, and why this led to the eventual cancellation of the line beyond its first phase now under construction. In this article, we explore two under-appreciated aspects of this story: first, the (unintended) consequences of those forms of professional expertise privileged by decision making machinery, and second how the politics of charisma are essential in understanding how the project both came to prominence and subsequently fell from grace.

**Keywords:** High speed rail, appraisal, benefit:cost ratio, charisma

## Introduction

IN THE MID 1990S, a dying Conservative government radically reshaped the railways in Britain. The privatisation process put in place by the 1993 Railways Act was ostensibly about injecting private capital and management practices into a sector reckoned to be otherwise in terminal decline. But it was also about a long running tradition of Tory scepticism about state involvement in public transport, the extent to which the railways are worthy of substantial state subsidy, and whether we'd simply be better off building more roads instead.

Fast forward to the 2020s, and another dying Conservative government takes the decision to radically reshape the railways in Britain. This time, the issue is not about ownership of the operations (the collapse in passenger numbers during Covid-19 having effectively killed off the franchise model overnight), but about infrastructure, and specifically whether Britain should design its future railway network around domestic high speed rail (HSR). During his speech at the 2023 Conservative Party Conference, then Prime Minister Rishi Sunak announced his heavily-trailed decision to cancel the remaining northern section of HS2 to Manchester—inexplicably the very city in which he was speaking at the time—and the tunnelled approach to central London from near

Heathrow Airport. (HS2 is so-called following the rebranding of Britain's original stretch of high speed line, the Channel Tunnel Rail Link, on opening as HS1 in 2007.)

It is not our purpose in this article to explore the record of HS2 Ltd., the arms-length company set up by the Department for Transport to deliver the route, as this has been more than adequately addressed elsewhere, including in the mainstream media.<sup>1</sup> Rather, our aim is to offer some broader commentary on the wider political context in which the project is situated, and of how the project first flourished and then foundered. We highlight two issues in particular that have attracted little attention in analyses thus far: the (unintended) consequences of the particular forms of technical appraisal and econometric analysis required to justify large scale transport projects in Britain, and the politics of charisma that helps explain what we build and what we don't.

## Is Britain exceptional when it comes to high speed rail?

Following some early postwar experiments, particularly in France, HSR as we know it

<sup>1</sup>See, for example, R. Bilton, 'HS2 blew billions—here's how and why', *BBC News*, 16 September 2024; <https://www.bbc.co.uk/news/articles/c98486dznzno>

today—high specification passenger trains operating at speeds above 250 km/h on purpose-built, dedicated tracks—entered operation in 1964 with the inaugural Japanese Shinkansen. The first European lines opened in Italy and France in 1978 and 1981 respectively. Since then, HSR has become increasingly commonplace in (non-Anglophone) developed economies around the world, with 10,000 km of route now operational or under construction in the EU alone.

At the outset, it is important to understand that HSR is about much more than speed *per se*. Certainly, in countries such as Japan and Spain, ‘classic’ railways were particularly slow and expensive to operate by international standards. But even in countries such as Germany that benefit from higher specification classic networks, building HSR is often as much about increasing the wider capacity of the rail network as it is about reducing journey times through higher speed operation: a full-length, high speed train can carry over 920 passengers, which is roughly 10 per cent more than the certified maximum for an A380 superjumbo. This is not to say that speed is unimportant; in countries such as France with settlement patterns characterised by large distances between key cities, HSR has reduced journey times by one half or even more.

The range of benefits offered by HSR means that the policy prescriptions underpinning it vary considerably too. In some cases, the classic railway network is of such a low standard that new build infrastructure is imperative to have any form of functioning modern railway, and if you’re going to build new then building fast usually maximises capacity as well. Elsewhere, the idea of ‘shrinking distance’ by speeding up rail services is often justified in terms of economic development, although the (extensive) academic literature on the economic impacts of HSR tells a cautionary tale given that transport investment is—literally—a two-way street, which means it is often better at moving existing economic activity around rather than growing it.<sup>2</sup>

For longer distance travel, HSR offers a realistic low-carbon alternative to flying. And for some states, HSR can be a nation building

enterprise within a wider constitutional politics designed to bind the country together. This is explicitly the case in Spain, for example, and in a different context in central and eastern Europe where the HSR narrative is about cementing the place of the 2004 accession countries in the heart of the EU. Even where territorial politics are less concerned with constitutional change and/or European integration, high speed rail is usually a key component of national spatial planning strategies.<sup>3</sup>

All these reasons to build HSR are present in Great Britain. The classic rail network is both extremely busy and under-invested in: the West Coast Main Line (WCML) linking London with Birmingham, Manchester, Liverpool and Glasgow is the busiest mixed traffic route in Europe, and it along with the East Coast Main Line from London to Leeds, Newcastle and Edinburgh is essentially full.<sup>4</sup> Long distance intercity trains compete for track capacity with local and regional commuter trains and freight services, such that delays and unreliability are an everyday occurrence. Elsewhere, comparatively little of the network is electrified, and journey times between even the largest regional cities can be extremely long by international standards: it takes around 2h 20 to travel the 92 miles between Birmingham and Leeds but just 35 minutes more on the TGV to go more than *three and a half times as far* between the English cities’ respective twins of Lyon and Lille.

Advocates for a new ‘Union Railway’ between Scotland and London point to its obvious political salience as well as the potential to replace the vast majority of the 120 or so daily flights between the central belt and London. Then there’s geography: Britain doesn’t look too unlike Italy, where a T-shaped network of one north-south and one east-west route has been developed to link most of the country’s major cities. The north of England’s urban core spanning Liverpool, Manchester, Leeds and Sheffield has the same population

<sup>2</sup>See, for example, J. Tomaney and P. Marques, ‘Evidence, policy, and the politics of regional development: the case of high-speed rail in the United Kingdom’, *Environment and Planning C: Government and Policy*, vol. 31, no. 3, 2013, pp. 414–427.

<sup>3</sup>R. Perl and A. Goetz, ‘Corridors, hybrids and networks: three global development strategies for high speed rail’, *Journal of Transport Geography*, vol. 42, 2015, pp. 134–1.

<sup>4</sup>Network Rail, ‘West coast south route’, undated; <https://www.networkrail.co.uk/running-the-railway/our-routes/west-coast-mainline-south/>

of the Randstad in the Netherlands, with similar potential for tight economic integration.<sup>5</sup> And so on.

If Britain looks similar to comparable European countries in terms of the benefits of HSR, what about the potential costs? Critics point to high land prices in the UK, but the land take for a new HSR line is usually lower than that of a new motorway, and it is hard to justify the price tags that have been placed on, for example, nondescript agricultural land in the Midlands. Many continental European routes have required complex and ambitious engineering to deal with challenging topography: consider the Bologna-Florence section of the Italian north-south line, of which fully 94 per cent of its 48.8 miles is in tunnel in order to negotiate the Apennines. Accessing London might be problematic because there is little spare station capacity (unlike, for example, in Paris where the construction of the RER regional metro relieved key terminal stations progressively from the 1960s), but the same is true of Madrid where the Spanish wide gauge classic network was incompatible with international HSR standards and required the construction of dedicated approach routes there.

In other words, there is nothing intrinsic about Great Britain in geographical, economic or engineering terms that marks it out as exceptional territory when it comes to HSR: the case for a British bullet train is just as strong as everywhere else that has built one in the last half century.

## The infrastructure that Harrods would sell you

Where Britain is possibly unique, but undoubtedly exceptional, is in its wider systemic problem of just how much it costs to build any sort of transport infrastructure at all. This boils down to two key factors. First is the long-term structural issue that British governments spend significantly less on transport infrastructure than those of competitor economies, whilst at the same time achieving extremely poor value for money from what they do spend. An early admission of this state of affairs can be found in

the first *National Infrastructure Plan* under the 2010 Liberal-Conservative coalition government, which made sober reading:

...the UK is one of the most expensive countries in which to build infrastructure. For example, civil engineering works cost some sixty percent more than in Germany... If we were only to reduce public sector construction costs by 15% that would result in annual savings, or additional investment, of £1 billion.

Sir Roy McNulty's 2011 report on the efficiency of the rail sector showed that standard railway infrastructure construction in Britain cost 30–40 per cent more than in mainland Europe. Although *some* of this was down to higher land costs, other key factors included too many organisations and contractual boundaries between them, and a planning pipeline that is too slow to approve projects in general, but also characterised by a 'stop-go' culture that fails to build a long-term portfolio of projects to give the supply chain certainty of demand.

Second is a predilection to 'gold plate' anything new that does manage to get built. Much has already been written about some of the engineering choices made in the design of HS2 that led to repeated cost overruns, not least the use of miles of preformed concrete tunnels to hide the route 3 metres or so underground in parts of the Midlands.<sup>6</sup> Partly this is a function of our procurement processes, which too often fail to purchase the off-the-shelf technology that projects in other countries use, and partly because projects seen as ordinary elsewhere are somehow claimed to be 'world class' in Britain.<sup>7</sup> But it is also because the sector knows in its collective professional heart that much of our transport infrastructure is essentially falling apart, which in turn means that when the rare

<sup>6</sup>See, for example: HS2. 'Greatworth green tunnel', undated; <https://www.hs2.org.uk/building-hs2/tunnels/green-tunnels/greatworth-green-tunnel/>

<sup>7</sup>See National Audit Office, *Department of Transport and Network Rail: Modernising the Great Western Railway*, HC781, Session 2016–17, 9 November 2016; G. Topham, "'We are a political project': how HS2's costs have spiralled out of control", *The Guardian*, 29 September 2023; <https://www.theguardian.com/uk-news/2023/sep/29/we-are-a-political-project-how-hs2s-costs-have-spiralled-out-of-control>

<sup>5</sup>T. Forth, 'Why can't the North go Dutch?', *Politics Home*, 2023; <https://www.politicshome.com/thehouse/article/cant-north-go-dutch>

opportunity to build something new and at scale does it present itself, it becomes a matter of honour that the project must be designed to be unimpeachably the best it can possibly be just to prove we can actually do it. Or, to channel Sir Humphrey from *Yes, Minister*, we insist on going to Harrods when Sainsbury's (or Carrefour, or Rewe) would do perfectly well for the job at hand.

## The benefit:cost monster

Throughout the 25 years that we have been involved in researching, interrogating and trying to make sense of the way we do transport planning in Britain, one issue above all has reared its (ugly) head: how we do transport economic appraisal, and the implications of this for investment decisions. To be blunt, and as we wrote in our book *The Transport Debate*, Britain's continued obsession with arcane econometric analysis in transport planning exemplifies the age-old problem of being precisely wrong rather than roughly right, enables and legitimises poor strategic decision making and, in too many cases, condemns genuinely valuable projects to failure when confronted by organised political opposition. This is both a manifestation of the wider 'world class' disease noted above, and an unintended long run consequence of 1960s technological innovation and government research into the application of computing and quantitative methods to public policy. Yet, what its proponents present as a most sophisticated approach to transport appraisal—indeed as a celebrated champion once memorably said to us, a 'science' that was being fatally undermined by qualitative 'add-ons'—is essentially an especially opaque and exclusionary econometrics.<sup>8</sup> Those who adopt it to opine on value for money too often use their 'science' as a shield of righteous intellectual indignation against legitimate critique, despite its being built on component variables that are a remarkably crude estimation of how the transport system actually works.

<sup>8</sup>See P. Mackie, R. Batley and T. Worsley, 'Valuing transport investments based on Travel Time Savings—a response to David Metz'. *Case Studies on Transport Policy*, vol. 6, no. 4, 2018, pp. 638–641; and S. Glaister, 'The fall of an icon', *Prospect*, 2023; <https://www.prospectmagazine.co.uk/politics/63287/hs2-train-birmingham-government>

The main output of this system is a benefit:cost ratio (BCR) that provides a single number to describe the hugely complex impacts of transport investment. BCRs have come to determine the fate of the vast majority of major transport investment decisions in the decades since. But the BCR number is a monster: behind its devious smile of outward simplicity lurks an inner hulk that terrifies project critics, beating them around the head with seemingly unimpeachable technical evidence, and relentlessly pursuing those who try to point out the nonsense of the situation in which allegedly world class appraisal has resulted in a transport system that is immediately and obviously not world class in the slightest. The 'economic case' for HS2 ultimately hinged on whether it could be demonstrated that the value of the time travellers would save using the new line was significant enough to offset its costs according to standard government thresholds.<sup>9</sup> In essence, the type of ultra-fast project that emerged did so because it was the only option that could generate a sufficiently juicy number to satisfy the benefit:cost monster.

To us, this is where the largely unexplored issue of what kind of advice, generated by which subject disciplines and professions—and focussed on which particular assumptions about the real world—is crucial, because it is this advice that determined the parameters of the project and, eventually, why it has run into such trouble. Had people other than those economists who assume Britain is a flat, featureless plain been in charge of developing the route, then instead of an almost dead straight 400 km/h railway fast enough to get from London to Birmingham in an elaborately calculated, highly precise but largely meaningless time, and requiring enormous lengths of tunnelling to do so in such a way as to be just about politically viable, we could have adopted the obvious solution the motorway planners (and before them the Romans) took and used a fork more closely following the M1/M6. We could even have called it the 'new high capacity north-south trunk line', explained its benefits in more rounded economic, environmental and social terms, and

<sup>9</sup>See National Audit Office, *Modernising the Great Western Railway*, especially paragraphs 2.9 to 2.12.



described the first stretch as the beginning of a national network. But this would have required the ability to read a map, a skill seemingly in short supply.

None of this is to deny the efforts of those few people valiantly trying to make these points behind the scenes. One very senior player said to us that:

In private I had some dealings with the Number Ten policy unit ... What was interesting about it from the start is it was clear that the way to think about this in cost benefit terms was not useful, partly because of the scale of the project, partly because so many of the components that will make this a success or failure could not really be quantified.

Indeed, this wider case in favour of HS2 is present in essentially all the main documents that government produced on the case for the project (see Table 1). Yet the default systemic position was to keep describing it in terms of the appraisal methodology these very documents collectively implied was out of date, excessively reductive and/or ill-suited to a macro-scale, system changing intervention. Thus, the question about whether it was the establishment 'science' or something altogether broader and more strategic that should underpin the decision to build HS2 was never properly aired in public debate. When costs began to rise, there was no overarching narrative to explain the project's strategic purpose, and no convincing answer to the simple but devastating question of 'why do I need to get to Birmingham in 49 minutes?'.<sup>10</sup>

## (Absence of) the rizz

The second under-appreciated part of the story about how HS2 ended up in its predicament is the importance of key charismatic individuals in government making and sustaining the case for it, and how in the absence of such people, the case for the project could be quite straightforwardly dismissed. Charismatic senior politicians who care about transport are rare beasts because the timescales involved in building infrastructure mean that he or she who cuts the ribbon is hardly ever the person who drove through the decision to proceed in the first place. Those key figures who do care about transport's importance to wider socioeconomic

development and environmental goals, and with sufficient patience to work in favour of projects that they themselves will not deliver, are rarer still.

HS2 was adopted as government policy following sustained work inside Whitehall by one such charismatic advocate, Andrew Adonis. Coming from the Lords, Adonis was far removed from the nitty gritty of local opposition to construction, and was able to use his time as a junior minister and then Secretary of State for Transport to develop a case for HSR that convinced then Prime Minister Gordon Brown of its potential role in delivering on his narratives of modernisation and a Britain of prosperous interdependent 'nations and regions'.<sup>10</sup> Adonis genuinely believes in the concept and lobbied for it consistently, actively and persuasively inside government in much the same way as he did for Teach First and other schools policy reforms during his time at Education.<sup>11</sup>

Then, despite the general austerity he oversaw as Chancellor, George Osborne—whose 'charisma had opened doors all his life'—rapidly earned the moniker 'George the Builder' for his commitment to transport: first for his refusal to cancel Crossrail ('in my first week in office I rejected the Treasury's proposal that we shouldn't go ahead with the Crossrail project ... no country thrives if it doesn't build for the future') and then subsequently in his enthusiasm for bringing HSR investment to the north of England under the wider Northern Powerhouse regional development umbrella.<sup>12</sup> Indeed, the two projects are linked because Osborne was able to allay fears that HS2 was somehow too big for Britain to deliver by the expedient of

<sup>10</sup>N. Watt, 'Gordon Brown signals commitment to high speed rail', *The Guardian*, 22 September 2009; <https://www.theguardian.com/politics/2009/sep/22/gordon-brown-high-speed-rail>

<sup>11</sup>A. Adonis, 'I have no regrets in planning HS2', *Prospect*, 25 October 2023; <https://www.prospectmagazine.co.uk/politics/63658/hs2-andrew-adonis-no-regrets>

<sup>12</sup>M. D'Ancona, 'George Osborne's incredible knack of getting into things', *GQ*, 17 March 2017; <https://www.gq-magazine.co.uk/article/george-osborne-new-job>; G. Osborne, 'Margaret Thatcher lecture 2016—the Rt Hon George Osborne', Centre for Policy Studies, 2016; <https://cps.org.uk/media/post/2016/margaret-thatcher-lecture-2016-rt-hon-george-osborne-mp/>

Table 1: HS2 headline objectives in key documents.

| Secretary of State   | Alistair Darling | Geoff Hoon | Andrew Adonis | Philip Hammond | Justine Greening  | Patrick McLoughlin                      | Chris Grayling                             | Grant Shapps                                  | Mark Harper                    |                                    |  |   |
|--|------------------|------------|---------------|----------------|---|---|--|---|--------------------------------|------------------------------------|--|---|
|  |                  |            |               |                | DfT: HS2<br>Inv in Britain's<br>Future<br>decisions<br>2012 | DfT 2013<br>HS2<br>Phase 2<br>2010-2015 | DfT: From<br>concept to<br>reality<br>2017 | DfT: HS2<br>Phase 2<br>Strategic<br>Case 2017 | DfT<br>Oakervee<br>Review 2019 | NAO<br>Review<br>2020 <sup>4</sup> | DfT Full<br>Business<br>Case Phase<br>1 2020 | Sunak Phase 2<br>cancellation<br>announcement |
| Capacity<br>Speed<br>Connectivity<br>Reliability<br>Sustainability<br>Economic<br>growth / pro-<br>ductivity<br>Economic reba-<br>lancing<br>Regeneration<br>Effective land<br>use<br>Safety | X                | X          | X             | X              | X   | X                                       | X  | X   | X                              | X                                  | X  |   |
|  | X                | X          | X             | X <sup>2</sup> | X   | X                                       | X  | X   | (X)                            | (X)                                | X  |   |
|  | X                | X          | X             | X              | X   | X                                       | X  | X   | X                              | X                                  | X  |   |
|  | (X)              | X          | (X)           | X              | X   | X                                       | X  | X   | X <sup>3</sup>                 | X                                  | X  |   |
|  | X                | X          | X             | X              | X   | X                                       | X  | X   |                                |                                    |  |   |
|  |                  |            |               | X              | X   | X                                       | X  | X   |                                |                                    |  |   |
|  |                  |            |               | X              |   |   |  |   |                                |                                    |  |   |
|  | X                | X          | X             | X              | X   | X                                       | X  | X   |                                |                                    |  |   |
|  | X                | X          | X             | X              |   |   |  |   |                                |                                    |  |   |
|  | X                |            |               |                |   |   | X  |   |                                |                                    |  | X   |

**Notes:** A bracket indicates the benefit is not played up especially strongly. In some of the documents there are additional benefits but not as part of the headline case. Broadly the same factors appear over the lifetime of the project, although sustainability fades and then makes a comeback, and capacity and economic growth start to become privileged over speed to the point where some later Department for Transport (DfT) documents don't even headline it as an objective. A fuller list of objectives from HSUK is available here: <http://highspeeduk.co.uk/page62.html>. Additionally:

- 1 = London to Birmingham 30 mins.
- 2 = London to Birmingham now 49 mins...
- 3 = But only if 'properly integrated with other transport strategies... and also with national, regional and local growth strategies'.
- 4 = NAO's summary of the government's objectives for HS2.

planning for the roughly £2 billion per year budget line spent on Crossrail to be simply transferred to HS2 on completion.

Following Osborne, of course, there was Boris Johnson, probably the biggest enthusiast for transport investment of all in recent years and who made focus on transport a signature part of his tenure as Mayor of London. Johnson's undoubted charisma and longstanding interest in rail managed to keep *most* of HS2 and a high speed Transpennine link alive in the *Integrated Rail Plan for the North and Midlands* of late 2021, despite increasingly vocal opposition in his own party to escalating costs. The casualty then was the so-called eastern leg from Birmingham to Leeds, which would be cut short to Nottingham, with Leeds being promised 'a new mass transit system' instead (a carrot already dangled and snatched away by Alistair Darling in 2005) and 'a study to look at the best way to take HS2 trains to Leeds, including capacity at Leeds Station' in the *Integrated Plan*.

The amputated eastern leg notwithstanding, HS2 was unusual precisely because it benefited from this succession of senior champions who were able to keep a lid on sustained and increasing opposition to the project both within and outside government. But without sufficient rizz evident in Downing Street, political enthusiasm for the project evaporated. Animated sceptics—most significantly Andrew Gilligan, who identifies 'foundational flaws' in the type of HSR Britain chose to build that overlap with our own criticisms set out above—seized the opportunity to curtail the project as quickly as possible.<sup>13</sup> Having worked for Johnson before Sunak, Gilligan was well positioned to exploit the change in prime minister, and understood immediately how to mobilise the headline BCR figure as the simplest but most effective means to counteract the arguments made by the project's charismatic supporters. The Tories' subsequent unexpected by-election success in Boris Johnson's former seat of Uxbridge and South Ruislip, coming after an aggressive campaign centred on the financial impact on affected suburban motorists of the Mayor of

London's Ultra Low Emissions Zone, helped convince Sunak that transport investment should be about a 'Plan for the Motorist'. Better, he judged, to focus on potholes rather than major projects like HS2, and so he travelled to Manchester to say 'look what you could have won' soon after.<sup>14</sup>

## Driving a train through good governance

That personality politics could be so important in determining the fate of the largest major infrastructure project in generations has multiple implications for good governance. It is no exaggeration to say that Sunak's decision to cancel HS2 upended fifteen years of carefully crafted cross-party consensus in a way that no other major area of government policy has seen in the modern era—and for no apparent political gain.<sup>15</sup> It also belies the fact that the creation of an ever more elaborate institutional architecture to support decision making on what to build and where to direct public money—most notably the creation of the National Infrastructure Commission and Infrastructure Projects Authority to provide strategic advice and drive down costs—has done relatively little to change things given these institutions were not consulted on the decision to cancel HS2 (and nor, indeed, was Network Rail).<sup>16</sup> Furthermore, given there remains no national spatial plan for England, HS2 was about as close to a coherent spatial planning framework as had been in place for decades: it signalled that government wanted to stimulate growth in the largest economic hubs outside London, which is where [the shortfall in productivity between the UK and its peers](#) is arguably most acute. But if HS2 ends up as what veteran transport

<sup>13</sup>N. Wilson, 'HS2 "doomed from the start" says former government transport advisor', *The Independent*, 28 October 2024; <https://www.independent.co.uk/travel/news-and-advice/hs2-doomed-andrew-gilligan-government-b2636742.htm>

<sup>14</sup>G. Wright and C. Geiger, 'Uxbridge by-election: Khan defends Ulez after Starmer blames it for poll setback', *BBC News*, 21 July 2023, <https://www.bbc.co.uk/news/uk-politics-66264893>

<sup>15</sup>B. Ansell, 'It would be disappointing indeed if a major public investment decision were made to create a conference polling bounce that never happened', X, 23 October 2023; <https://x.com/benwansell/status/1716508647885242597?s=20>

<sup>16</sup>House of Commons, 'Treasury Committee, oral evidence: infrastructure', HC250, 14 November 2023; <https://committees.parliament.uk/oralevidence/13808/html/>

commentator Christian Wolmar pithily named the ‘Acton to Aston shuttle’, what then is the plan for England’s economic geography?

Then there is the list of the potential unintended consequences of the decision, which reaches across many domains of government. Within the Civil Service, many contacts have offered us their views on just how far the DfT’s credibility with Number Ten and the Treasury—already under strain due to the impacts of the Covid pandemic and slow recovery of the revenue base—has fallen owing to the (mis)management of HS2, from which it will take considerable time and effort on the part of all sides to move on. This is to say nothing of the wider ramifications for capital investment across the government’s whole investment portfolio. Stop-go Britain rears its head again, only this time on a gargantuan scale: several key international engineering groups spent significant amounts of time and money building their staff base and supply chain in the UK on the promise that the whole HS2 scheme would come to fruition. These firms are now seeking alternative means to fill their order books, which demands costly management attention, upends their strategic business planning and in many cases could make a significant dent in their profitability as a result. Expertise in the railway sector from tunnelling to power supply systems to project management will inevitably be lost. Any so-called ‘moron premium’ payable on future projects could be far from trivial. At the very least, the market will never again approach a mega project in any key sector with a pre-HS2 mindset.<sup>17</sup>

One silver lining is that in their choice of date for the general election, the Conservatives were unable to push through what the Chair of the National Infrastructure Commission, Sir John Armitt, called their ‘kneejerk’ plan to sell off land already purchased for the stretch from Handsacre north of Birmingham to Crewe. With more than a little irony, the BCR of this stretch is reasonable, and improving with each revision, largely because its construction would disgorge high speed trains at one of

the West Coast Main Line’s key junctions and hence to several onward routes, rather than dump them all together on an already hopelessly congested common section of the line further south.<sup>18</sup> Labour has thus far been quiet on whether it will resurrect this section, but its first Budget in October 2024 did commit to building the tunnel from the line’s temporary terminus at Old Oak Common in west London to Euston. Here, even more irony abounds because there is no published BCR for this section, in large part because there is no definitive design for the extended station at Euston and therefore no confirmation of how many trains can run to it, how many passengers they can carry, or where they will go.

Most ironic of all is that if we are left for a decade or two with a truncated line from Euston to Birmingham Curzon Street then we will have managed to spend something in the order of £80 billion to build the most extreme version of the white elephant the sceptics have campaigned against all along: a ferociously over-engineered high speed shuttle between London and only one other city that actually makes running the rest of the conventional railway to the north west and Scotland harder because of its impacts on the capacity and operational requirements of the classic network. Such a ‘finished’ project would struggle even to present a BCR of zero.

In what was probably a throwaway comment made on breakfast TV during his tenure as Secretary of State for Transport, Grant Shapps said that starting to build HS2 in the north and heading south ‘would have been a good idea’.<sup>19</sup> In any serious country—that is,

<sup>18</sup>C. Smyth and G. Scott, ‘Infrastructure chiefs urge Rishi Sunak not to sell off HS2 land’, *Times*, 20 October 2023; <https://www.thetimes.com/article/infrastructure-chiefs-urge-rishi-sunak-to-not-sell-off-hs2-land-ljnnmb08f>; Department for Transport, ‘Highspeed 2 (HS2) Phase 2a: accounting officer assessment’, [June 2017] updated 2024; <https://www.gov.uk/government/publications/government-major-projects-portfolio-accounting-officer-assessments/high-speed-2-hs2-phase-2a-accounting-officer-assessment-june-2017>

<sup>19</sup>A. Allegretti, ‘HS2 northern sections should have been built first, Grant Shapps says’, *Sky News*, 12 February 2020; <https://news.sky.com/story/hs2-northern-sections-should-have-been-built-first-grant-shapps-says-11932055>

<sup>17</sup>*The Economist*, ‘Can Britain escape the “moron risk premium”’, 20 October 2022; <https://www.economist.com/finance-and-economics/2022/10/20/can-britain-escape-the-moron-risk-premium>



one with a national spatial plan, a transport infrastructure strategy derived from such a plan and a track record in consistent and effective project delivery—this would have been seen as frivolous in the extreme given its evident disregard for elementary transport planning considerations such as the scale of passenger demand, fares revenue and the return on public capital. In Britain, however, it might have been the only way to ensure a

sensible and complete high speed railway actually got built.

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