Search GOV.UK Q × 2. Transport 4. <u>HS2</u> Oral statement to Parliament Resetting the High Speed Two (HS2) programme A statement outlining the future of High Speed Two (HS2), including new management and a bold reset plan. Department for Transport and Heidi Alexander MP Published 18 June 2025

Location:

House of Commons Delivered on: 18 June 2025 Heidi Alexander MP

Mr Speaker, with permission, I'd like to make a statement on HS2. As a London Councillor over 15 years ago, I remember hearing the then Labour government's bold plans for high-speed rail.

Phase 1 could end up becoming one of the most expensive railway lines in the world.

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To link our major cities, to address the capacity needs of the future and in the words of then Prime Minister, Gordon Brown: 'to join the high-speed revolution sweeping the world'. It was a vision of a confident nation, a clear signal our great towns and cities in the Midlands and the North.

With potential that had been untapped at best and ignored at worst, could be places of opportunity and aspiration again. That was the promise of HS2.

**Inheritance** But after [political redaction].

Routes drawn up then cancelled, budgets calculated then blown, promises made then broken, we inherited a project that had lost the trust of the public. That created an image of a Britain woefully unable to deliver big infrastructure projects. And that axed swathes of the country it was originally meant to serve.

With projected costs soaring by £37 billion [political redaction]. And £2 billion of taxpayers' money sunk into phase 2 work before it was cancelled by the previous government. There was also clear evidence of poor management [political redaction]. **Gripping the project** 

It has been no less than a litary of failure. And today (18 June 2025), I'm drawing a line in the sand – calling time on years of mismanagement, flawed reporting and ineffective oversight It means this government will get the job done between Birmingham and London.

But we will do the hard, but necessary, work to rebuild public trust – and we've not wasted any time. Since July, we have: • appointed new leadership of <u>HS2 Ltd</u> to turn this project around • we've made clear to the new Chief Executive, Mark Wild, that the priority is building the rest of the railway safely, at the lowest reasonable cost – even if this takes longer

We won't reinstate cancelled sections we can't afford.

But today we're going further. **James Stewart review** 

• as part of the reset, we have reduced financial delegations to HS2 Ltd – placing a lid on spiralling costs until the reset is complete and we regain confidence

• we've started the year long task of fundamentally resetting the project, including commissioning infrastructure expert James Stewart to lead a review into governance and oversight

Mr Speaker, I can confirm we've published the <u>landmark James Stewart review</u> and the <u>department's response</u> The review, commissioned in October of last year by my predecessor, was a tough independent look at how Department for Transport and government delivers major projects. The government not only welcomes the review, but we have accepted all its recommendations.

My department is already delivering on these, specifically across 5 key areas.

• and we've supported Mark Wild's review of the size and cost of <u>HS2</u> as an organisation

First, the lack of oversight and scrutiny. Quite simply, there have been too many dark corners for failure to hide in. [Political redaction].

This government has re-established the taskforce, with full senior attendance, as per the review's recommendation. And new performance, programme and shareholder boards will offer much needed oversight and accountability. Secondly, the report highlights HS2 could cost the taxpayer billions more than planned.

We'll stop this spiralling any further by delivering all the recommendations on cost control. That starts with HS2 fundamentally changing their approach to estimating costs. It includes certainty over funding – which the Spending Review has given. And it also means HS2 working with suppliers so their contracts incentivise saving costs for taxpayers.

As far as I'm concerned, suppliers should make a better return the more taxpayer money they save. Thirdly, the review identified a deficit in capability and skills, with a fundamental lack of trust between my department and HS2 Ltd. I am clear, both capability and cultural issues within HS2 must be addressed.

The new chief executive is already strengthening the organisation, including filling critical gaps in areas such as commercial expertise. And he will be backed by Mike Brown, announced today as the new chair. This is a new era of leadership the project desperately needs, with Mike bringing significant experience as a former TfL Commissioner. Mark and Mike were part of the team, with me, that turned Crossrail into the Elizabeth Line.

We have done it before, we will do it again. Fourthly, Euston Station. Between 2019 and 2023, HS2 Ltd provided initial designs for Euston Station, coming in almost £2 billion over budget.

The word 'affordable' was clearly not part of the HS2 lexicon. The combined costs for these 2 failed designs, which has now been written off, was more than a quarter of a billion pounds. What's more, the previous government announced a Euston ministerial taskforce.

This government is committed to implementing these recommendations and adopting a new approach to delivering infrastructure, as will be set out in our upcoming 10-Year Infrastructure Strategy.

And we've already committed funding to start the tunnelling from Old Oak Common to Euston and we'll set out more details in our 10-year Infrastructure Strategy. And finally, we will use James Stewart's findings to transform infrastructure delivery across government. Implementing real change in how we deliver infrastructure is not just for the Department for Transport.

Unbelievably, the taskforce never met.

Mr Speaker, this government recognises Euston's huge potential.

I will place a copy of his interim findings in the library.

If fraud is proven, the consequences will be felt by all involved.

Mr Speaker, I have to be honest: it's an appalling mess. But it's one we will sort out.

When asked for a more affordable option, they offered one costing £400 million more than the first attempt.

In that spirit, the Prime Minister has also asked the Cabinet Secretary to consider the implications for the Civil Service and wider public sector of the issues raised in the report, including whether further action or investigation is warranted. Mr Speaker, we're wasting no time in delivering on this review.

That believes in the power of transport infrastructure to improve lives and deliver on our <u>Plan for Change</u>. This level of failure cannot stand. We will learn the lessons of the past 15 years and restore our reputation of delivering world-class infrastructure projects.

Because for a government that, last week, pledged billions in capital investment for new major projects.

And I will update Parliament on our progress through my 6-monthly reports, even if the information is uncomfortable.

Mark Wild assessment Mr Speaker, I've spoken about our inheritance; I've spoken about James Stewart's review. Let me finally turn to <u>Mark Wild's initial assessment</u>, [political redaction].

He stated, in no uncertain terms, the overall project with respect to cost, schedule and scope is unsustainable. Based on this advice, I see no route by which trains can be running by 2033 as planned. He reveals costs will continue to increase if not taken in hand, further outstripping the budget set by the previous government. And he cannot be certain that all cost pressures have yet been identified.

Mr Speaker, it gives me no pleasure to deliver news like this. Billions of pounds of taxpayers' money has been wasted by constant scope changes, ineffective contracts and bad management. There are also allegations that parts of the supply chain have been defrauding taxpayers, and I have been clear these need to be investigated rapidly and rigorously.

We need to set targets which we can confidently deliver – that the public can trust – and that will take time. But rest assured, where there are inefficiencies – we will root them out. Where further ministerial interventions are needed – I'll make them without fear or favour. HS2 will finally start delivering on our watch.

**Conclusion** Mr Speaker, years of mismanagement and neglect have turned HS2 into a shadow of the vision put forward 15 years ago. But this government was elected on a mandate to restore trust to our politics.

That's why we won't shirk away from this challenge and why today, we turn the page on infrastructure failures. I can think of no better mission than delivering new economic opportunities, new homes and commercial regeneration, of an upskilled supply chain, all of which HS2 can still unlock. But no one should underestimate the scale of the reset required.

Passengers and taxpayers deserve new railways the country can be proud of. The work to get HS2 back on track is firmly underway under this government. And I commend this statement to the House.

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