



## How much could HS2 end up costing taxpayers?

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Despite the huge financial risks and recurring records of failure and late delivery, large infrastructure projects are much coveted by politicians seeking a legacy. There is too often scant regard for how much it will cost taxpayers.

Bent Flyvbjerg, the Chair of Major Programme Management at Oxford University's Saïd Business School has identified "four sublimines" that drive the development of megaprojects<sup>1</sup>:

**Political:** The rapture politicians get from building monuments to themselves and their causes, and from the visibility this generates with the public and media

**Technological:** The excitement engineers and technologists get in pushing the envelope for what is possible in "longest-tallest-fastest" type of projects

**Economic:** The delight business people and trade unions get from making lots of money and jobs off megaprojects, including for contractors, workers in construction and transportation, consultants, bankers, investors, landowners, lawyers, and developers

**Aesthetic:** The pleasure designers and people who love good design get from building and using something very large that is also iconic and beautiful, like the Golden Gate Bridge

It's all too easy to see how HS2 checks every one of the "four sublime" boxes.

Despite the government's insistence that HS2 will be delivered on budget, taxpayers should take no comfort given the appalling track record of the public sector on major project delivery, nor indeed from the standards set.

Ministers have cited the London 2012 Olympics as evidence that they can deliver big projects to budget despite the fact that the final cost was £9.3 billion<sup>2</sup> and the original budget was £2.4 billion.<sup>3</sup>

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<sup>1</sup> [What You Should Know About Megaprojects and Why: An Overview](#)

<sup>2</sup> [DCMS website](#)

<sup>3</sup> [BBC website](#)

Professor Flyvbjerg points out that “such deliberate misinformation of the public about cost and cost overrun treads a fine line between spin and outright lying.”<sup>4</sup>

While there is no indication that politicians are being deliberately dishonest on HS2, the reality is that the costs are likely to escalate.

The table below shows what HS2 would cost if it goes as over budget as a variety of other transport infrastructure projects have done.

The London Olympics are also included as a benchmark of what the government considers to be “under budget”.<sup>5</sup>

The cost used for HS2 is £55.7 billion (2015 prices).<sup>6</sup>

Project	Overrun	Projected cost (£bn, 2016 prices)
Minneapolis Hiawatha light rail line <sup>7</sup>	190%	164,599,070,000
Humber Bridge <sup>8</sup>	180%	158,923,240,000
Copenhagen Metro <sup>9</sup>	150%	141,895,750,000
Boston–New York–Washington Railway <sup>10</sup>	130%	130,544,090,000
London Limehouse Road Tunnel <sup>11</sup>	110%	119,192,430,000
London Jubilee Line extension <sup>12</sup>	80%	102,164,940,000
Channel Tunnel <sup>13</sup>	80%	102,164,940,000
London Olympics <sup>14</sup>	76%	99,894,608,000
High-speed Rail Line South, The Netherlands <sup>15</sup>	60%	90,813,280,000
Average rail project <sup>16</sup>	45%	82,129,260,100

## Sources and methodology

Prices were increased in line with the CPI All Items Index. The values used were for 2015 (100) and December 2016 (101.9).

<sup>4</sup> [The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games](#)

<sup>5</sup> [DCMS website](#)

<sup>6</sup> [HS2 Phase 2a Strategic Outline Business Case Financial Case](#)

<sup>7</sup> [What You Should Know About Megaprojects and Why: An Overview](#)

<sup>8</sup> *Ibid*

<sup>9</sup> *Ibid*

<sup>10</sup> *Ibid*

<sup>11</sup> *Ibid*

<sup>12</sup> *Ibid*

<sup>13</sup> *Ibid*

<sup>14</sup> [The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games](#)

<sup>15</sup> [What You Should Know About Megaprojects and Why: An Overview](#)

<sup>16</sup> [How common and how large are cost overruns in transport infrastructure projects?](#)