

Political factors influencing the routeing, station location  
and funding of the proposed high speed rail link between  
London and the Channel Tunnel.

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1. The planning processes for the proposed new railway between London and the Channel Tunnel have been particularly protracted, and this is given emphasis by comparison with the speedy implementation of the rail link between Paris and the Channel Tunnel. This paper examines the reasons why planning decisions on the routeing, station location and funding of the proposed link have proved so difficult, and considers whether there are any lessons to be learned concerning the planning and ownership of very large projects.
2. The decision in principle to build the Channel Tunnel was taken by President Mitterand and Prime Minister Thatcher in November 1984. When the Channel Tunnel was opened in 1994, the high speed link from the Channel Tunnel to Paris was ready to operate, but at that time, the U.K. government's 'final' decision on the route of a new link to London had only just been taken, and there had been, and remains, no decision as to funding.

**WHY DID PLANNING FOR THE NEW LINK NOT BEGIN AFTER THE  
DECISION IN PRINCIPLE WAS MADE TO GO AHEAD WITH THE  
TUNNEL?**

3. It appears relevant that the U.K. government had not regarded the fixed link between England and France primarily as a railway. Rival schemes for a bridge and a road tunnel were rejected in the technical evaluation. Thus, despite Mrs Thatcher's well known distaste for railways, as representing collective transport rather than individual mobility, and what was more, operated by a unionised workforce, the fixed link was to be a railway. Problems and costs of ventilating a road tunnel, and the safety of bridge piers in a busy and quite deep 20 mile wide waterway, forced this conclusion. The more substantial objection to government involvement with railway planning was the political imperative to cut down on public sector borrowing. This resulted in the inclusion into the Channel Tunnel legislation of a clause, Section 42, preventing any subsidy for infrastructure related to the channel tunnel. This has not prevented Kent, the county area in which the tunnel mouth is located, from becoming the county receiving the highest level of central government support for major road construction in 1995/96. The clause has subsequently caused great difficulties, and has resulted in such stratagems as the proposed route being re-designated the New Kent Main Line, for which subsidy would not be specifically prohibited, in as far as the investment benefitted commuters. Central government could and did take strategic decisions about new

motorways, but for much of the Thatcher era the official word was that a new high speed rail link to London was an operational matter for British Rail.

- 4 In 1984, the privatisation of British Rail had not risen to the top of the political agenda, so it might have been expected that the initiative for a new link would emerge from B.R. However, possibly dating back to a disastrous modernisation plan in the 1950s, the government's Department of Transport kept a very tight grip on railway capital expenditure, so B.R.'s freedom of action was severely limited. Oddly, British Rail may have deliberately sought to avoid immediate planning of a rail link. This is because a previous attempt to promote a Channel tunnel in 1972 had failed, not because of the forecast cost of the tunnel itself, but because of the predicted cost and environmental problems anticipated from a new rail link across Kent, a well populated county with attractive villages and countryside. If this were the case, then it was in the interests of the railway planners that consideration of any high speed route across Kent be deferred until the tunnel project itself was committed beyond the possibility of cancellation.
5. The position in France in 1984 was somewhat different. The decision to embark upon a second TGV route south westwards from Paris had been made in 1983, to Tours and Le Mans, with construction starting in 1985. The civil engineering was more demanding than on TGV sud est, with tunnels and viaducts across the Loire and Cher rivers. This time noise barriers were incorporated into the plan, and one of the tunnels was for environmental purposes. At the Paris end of the line, costs were kept down by the continued availability of a line disused for 50 years: but not sold off. Investment in rolling stock was substantial, with over 100 10 coach train sets ordered.
- 6 Thus the French public were familiar with the idea of new railways, which were widely regarded as beneficial. There was a culture much more favourable to public works. Services on TGV nord, from Paris to Lille and the channel tunnel began in 1994. Included within this development was a major new station and commercial centre in the middle of Lille, which seems likely to become the Crewe of the developing international high speed network. What is significant is that the city of Lille paid for the TGV to be routed through the city, and reserved land for a commercial centre adjacent to the station. The TGV is seen as the key to the regeneration of Northern France, which has economic problems akin to those of North East England. This contrasts with the fear of over-concentration of development pressures in South East England, at the expense of the rest of the country. The town of Amiens campaigned, unsuccessfully for the TGV nord route to serve their centre. Added to the cultural and economic differences, or perhaps linked to these differences, must be the availability of finance for long term public investments in France at lower interest rates than those available on the open market. In the light of subsequent funding problems experienced by the wholly private Eurotunnel, this factor seems of critical importance.

## ROUTES INTO LONDON

- 7 In the summer of 1987, Transport minister David Mitchell asked British Rail to study the long term capacity of railway facilities to the Channel Tunnel. The study examined traffic forecasts for both international traffic, using two different sets prepared by B.R. and Eurotunnel, and for local traffic on Network southeast, which at that time was growing. The study assessed the number of trains that could run on existing tracks, taking into account upgrading already authorised; and examined possible corridors for new routes where the first studies showed this to be necessary. The following July, the British Rail board received a report on three possible high speed (300kmph) routes through Kent, and three possible

terminals at Kings Cross, White City or Stratford, in addition to Waterloo. Clearly it was sensible to begin with a range of alternatives, although the routes were criticised as 'blighting half of Kent'. The Board went on to announce its preferred route in March 1989. Major projects of this kind, however funded, require the preparation of a private or hybrid Bill, to gain parliamentary sanction. However, from the announcement of the preferred route, B.R. offered to buy the 900 houses which lay in the corridor of the proposed route. In the summer of 1989 a Bill was prepared showing a route in tunnel from the outer fringes of London, from the orbital motorway M25 at Swanley, to a large and costly new terminal beneath the existing station at Kings Cross, with an underground junction in Peckham to serve Waterloo. Two major factors conditioned the choice. There was the need to facilitate direct movement from the tunnel to provincial centres north of London; and there was a wish to exploit B.R. land holdings around Kings Cross. The Bill was abandoned as cost prohibitive, and B.R. had therefore to seek ways of making the route more attractive financially. One way to do this was to make use of the new route for London commuters, in a part of the network notorious for overcrowding and poor service.

- 8 Following the abandonment of the 1989 Bill, British Rail set up a joint venture with Eurorail, a company formed by Trafalgar House and BICC. To spread the benefits of the new line, Eurorail proposed that provision be made for commuter services from rural Kent and the Medway. Meanwhile, two private groups, Ove Arup and a third group called Rail Europe (composed of Bechtel et al) were promoting alternative routes, that both also crossed the Thames, one crossing being further downstream, near Tilbury.
- 9 The idea of a route crossing the Thames represents a creative leap, for it is certainly not the obvious route to the Kent coast from London, as was used by the Romans, the pilgrims to Canterbury, and the coaches that took Charles Darnay on his way to Paris in a Tale of Two Cities. This century, the earlier proposals for a high speed link to London entailed considerable lengths of tunnelling, to avoid the huge costs of property acquisition in London, and to assuage environmental objectors in the Kent countryside. If much tunnelling was going to be needed anyway, why not route the line via a tunnel under the Thames? The distance would be marginally shorter, 68 miles compared with 71 to the Waterloo terminal.
- 10 Moreover, such a route, could be seen as politically astute. In south east London there were a number of conservative-held constituencies, where the Members of Parliament held small majorities, such as Lewisham East, Chiselhurst and Orpington. M.P.s here were understandably nervous at the effect the proposals might have on their constituents in terms of planning blight (a consequence of the uncertain planning and funding) and environmental impact. There might be fewer environmental objectors in East London than in the prosperous south eastern suburbs of the conurbation.
- 11 For many decades, east London was the part of the city with the lowest incomes, the highest unemployment, and the whole range of urban problems. The creation of the London Docklands Development Corporation, using public investment to draw in private investment, was a government response to these problems. The then Secretary of State for the Environment, Michael Heseltine was at that time promoting the idea of the regeneration of the whole of east London, and were there to be a rail station for international traffic at a location such as Stratford in east London, then this should aid regeneration.
- 12 The political context in which three schemes were being worked up at the same time was this. The government was seeking to gain private sector contributions both to road construction and public transport, and wholly privately funded

transport infrastructure. The Channel Tunnel was a prime example. Another was the agreement of the Canary Wharf property developers to contribute towards the cost of the Jubilee line extension across London Docklands. That the developers would later go into receivership was not of course envisaged. This in the event merely delayed construction, but it did indicate a fundamental problem in giving the private sector responsibility for major transport projects. Also not envisaged were the substantial costs being incurred by developers working up schemes that could well prove abortive. In the following years government had to agree to paying at least some of the costs of unsuccessful bidders for major transport schemes, particularly those that remained subject to Public Inquiry and other administrative hurdles. Thus in 1995, after several aborted attempts to get the Channel Tunnel Rail Link launched, the government agreed to pay the first £1.5 million of all the tenderers' bidding costs.

- 13 It was in response to this political context, that in 1989 British Rail set up its joint venture with Eurorail. However, they fairly quickly came to the conclusion that the route they preferred would cost £3.5 billion, and that a subsidy of £400 million would be necessary. It was still through south east London, but aligned closer to motorways in rural Kent. This was not what the government wanted to hear. The plan was rejected by the Secretary of State for Transport, Cecil Parkinson on the grounds of an excessive requirement of public money. He did agree to the safeguarding of the route from the tunnel portal to the Medway. British Rail were pressed into meeting the proponents of the private venture responsible for the Ove Arup route. This scheme had substantial lengths of four track route, to accommodate freight, and had a large proportion - 44% - in tunnel. It would cost somewhat more than the British Rail proposal, but government was assured that no subsidy would be required, by taking advantage of development opportunities around stations proposed for Rainham, Barking and Stratford in east London. The property boom was still in full swing.
- 14 In October 1991, The Secretary of State for Transport, Malcolm Rifkind, announced that the government had rejected any approach route through south east London, and asked British Rail to develop plans for an eastern approach to London, with the terminal at Kings Cross, and a station at Stratford, largely following the Ove Arup route. The decision was arrived at in cabinet, with the Secretary of State for Transport Malcolm Rifkind favouring the B.R. route, and the Secretary of State for the Environment Michael Heseltine favouring the Ove Arup private sector route. The decision-making process was described by the Chairman of British Rail as a pantomime, by the chief executive of Eurotunnel Sir Alastair Morton as a disaster, and by a conservative M.P. Robert Adley as nothing to do with transport. Even so, it can be said that the chosen route followed the line of least political and environmental resistance. It would not maximise benefits to existing commuters, even though there was the potential for new travel patterns to follow from presumed development within east London.
- 15 By 1992, a Railway Privatisation Bill was in preparation, and in July, the rail link project became Union Railways. This was with the intention of creating a saleable company from a British Rail agency company with both public and private sector staff, working with six consultancies, Sir Alexander Gibb, Scott Wilson, Kirkpatrick, Sir William Halcrow, Mott McDonald, Ove Arup and Eurolink; and eleven environmental consultancies. The team produced a series of options for overcoming environmental problems and reported to government in January 1993, with the objective of securing political acceptance through consultation prior to submission. In March 1993, John MacGregor announced the preferred route, but leaving two options from the Barking tunnel portal to St Pancras or Kings Cross. There followed a period of intensive local consultations, with 650 meetings held, and public comments received at over 40 information centres set up at frequent

intervals along the route. The following October, Union Railways reported to government on these, and on the Kings Cross/St Pancras station options. However, by that time, the idea of a line constructed with no subsidy had quietly evaporated, and the collapse of the property boom had made the funding of an expensive new terminal at Kings Cross through property development or 'Value Capture' now seemed unattainable.

- 16 In April 1994, the government invited expressions of interest to design, construct, finance and maintain the Channel Tunnel Rail Link. Thus, Union Railway would become a private company, taking on the Eurostar rolling stock, to function as a vertically integrated company, in contrast to the privatisation of British Rail into separate infrastructure and operating companies. The new company would be given the assets of European Passenger Services: i.e. the Eurostar fleet, The North Pole depot, and Waterloo International station, together with the intellectual property rights of the Union Railway. The assets are thought to be worth £720 million. It was suggested that there would also be "substantial public sector support", with up to £1.5 billion coming from the Treasury. Unsuccessful bidders would be reimbursed one third of their costs.
- 17 In November 1994, it was announced that a hybrid bill for the 68 mile high speed link would be introduced. The anticipated cost was £2.7 billion, saving 25 minutes on current journey times, with the earliest completion date of 2002. The Bill has since received its second reading but may take two years to pass through Parliament, while objections are heard. There is still no decision on public sector funding.
- 18 Four consortia, Eurorail, Union Link, Green Arrow and London and Continental, submitted bids to build, finance and operate the link. The tenders were submitted on 14th March 1995 and were first considered by the 'Tender Adjudication Steering Group', a committee made up of senior civil servants and government advisers. All the consortia wish to make some alterations to the published plan, and these may entail alterations to the parliamentary Bill. The longest established consortium, Eurorail, headed by Lord Parkinson, who as a former Secretary of State for Transport figured earlier in this account (paragraph 13), wants to build the line in two phases. It would first construct the line through Kent and use existing lines to Waterloo station, and then build the rest of the line under the Thames and through to St Pancras. Another consortium, Green Arrow, formed largely by Hochtief, with Costain and Siemens, has invited trade unions to invest in it, and four unions have a stake: G.M.B., the National Union of Rail, Maritime and Transport workers, the Transport Salaried Staffs Association and the Associated Society of Locomotive Engineers & Firemen. The chairman is a former governor of the Bank of England, and John Prideaux, formerly chairman of Union Railways and an ex-Inter City managing director, is a director.

## STATION LOCATION

### CHOICE OF TERMINAL

- 19 Ideas as to the best location for stations on the new high speed link have evolved as ideas for routes have progressed, but central to the development of ideas has been the question of cost, and the political imperative to seek private sector backing for any proposal. However, the very decision that there should be a high speed link raises uncertainty as to the future role of the new international station at Waterloo, opened in 1994 and linked only to the long established and congested lines of what before railway privatisation was network south east. Inevitably, the building of any new London terminal will result in the loss of simplicity and

service frequency through having services split between two terminals. This can at best be only partly resolved by timetabling, say, all Brussels trains from one and all Paris trains from the other.

- 20 The route preferred by government as announced by Secretary of State for Transport John MacGregor in 1993 had left open two options from the Barking portal to Kings Cross or St Pancras. The Union Railways route to Kings Cross was wholly underground, but the route to St Pancras was partly on the surface, through Islington, a wealthy part of inner London. British Rail had consistently backed Kings Cross in preference to St Pancras; for a combination of land development reasons and operational reasons; some complex, some simple, such as a need for trains from the north to reverse at St Pancras but not at Kings Cross. However, when the government announced its 'final' route in 1994, a new underground station was rejected as too expensive and a surface station at St Pancras chosen, and the Bill promoted by B.R. for the development of Kings Cross was withdrawn. There was some logic in preferring St Pancras, because the terminal had become underused. Formerly services from Luton and Bedford to the north of London had terminated here, but these trains now continued to the south of London through the re-opened Snow Hill tunnels, as part of the Thameslink scheme. The remaining services could be diverted to Kings Cross, and St Pancras redeveloped with six international platforms and three for express commuter trains using the new line. The plan to upgrade the north-south Thameslink 2000 line remains, although with funding unresolved. The apparent relative cheapness of the St Pancras alternative was partly dependent upon it having a surface approach through Islington. However, the same government announcement declaring that the terminal should be at St Pancras also stated that the route through Islington would be in tunnel. The exact destination within London of the Kent commuters using the new route would influence the use, and the overcrowding, of underground trains serving St Pancras. This did not appear to enter the decision-making process.

#### CRITERIA FOR INTERMEDIATE STATION LOCATION

21. The criteria used for the choice of location of an intermediate station or stations will have a big influence on the decision made. The transport planning criteria can be set out quite simply, for what is required should have most of the characteristics of a parkway station. The concept was developed by British Rail when it realised that many of its business travellers might well have a destination at the centre of a city, but the point of origin of a large proportion of the journeys would be the place of residence, which was more likely to be in outer suburbia, and close to an orbital motorway, than close to a city centre. To cater for this travel need, parkway stations were opened, with successful examples at locations near Bristol and at Birmingham International. Ideally, parkway stations should have extensive secure parking areas, a direct link to an orbital motorway, and good local rail distributor services. If the line is to diverge, to serve two terminals at Waterloo and north of the Thames, then preferably the parkway station should be common to both branches. For travellers to be happy to park and ride, the frequency of the return service is of great importance. One location may not be able to combine both car and local rail accessibility qualities, but if two intermediate stations are planned, then one should be at a public transport focal point, and the other should have excellent motorway access. Stratford in East London meets the first requirement, being already a focus for British Rail, underground, and Docklands Light Railway lines. Its location as a transport node will be enhanced by the opening of the Jubilee Line Extension in 1998, and could be further enhanced by the Crossrail proposals. A station here would also have the effect of reducing congestion on the underground lines in the immediate vicinity of St Pancras station, where it is now being realised, the terminal proposal will put an extra load on to already

overloaded tube routes. To meet the second criterion, good motorway access, would be difficult at Stratford, even though the controversial M11 extension is not far away at Hackney. However, a location with good motorway access should be easier to find further out, for much of the route follows the travel and environmental impact corridors established by the M2 and the M20.

## THE ROLE OF LOBBYING IN STATION LOCATION

- 22 The proposal for a new station at Stratford, once a major plank of the plan for an easterly approach to London, was not included in the final route, although it remains a possibility. In October 1994, Secretary of State for Transport Brian Mawhinney announced that the intermediate international station would be at Ebbsfleet south of the Thames rather than Stratford in East London. The site will be on land owned by Blue Circle cement, once the site of Europe's largest cement works, and more recently used as a land-fill site that hence seeps methane gas. The site, traversed by the proposed route, has no obvious transport advantages, save that it would be unlikely to generate any powerful preservation society in opposition. Blue Circle were willing to give the land free, and employed the lobbying firm Decision Makers to back their case. Decision Makers had previously acted for Ove Arup, when their scheme successfully rivalled the governments's earlier preferred route through south London. Angela Rumbold M.P. was a director of this lobbying company, and resigned over allegations of conflict of interest. Decision Makers now represent Union Link, which includes John Mowlem, W.S. Atkins and initially Taylor Woodrow, one of the consortia bidding to build the line. Both Ove Arup and Blue Circle, previous clients, are members of the rival London and Continental consortium. The original Ove Arup route of 1990 first showed the Ebbsfleet proposal, as Blue Water Park station; but it also showed a station at Dartford interchange, which fits more the criteria for a parkway station. It appears that the choice of intermediate station has had little to do with the arguments concerning the criteria for public and private transport access links to the high speed line, and much more to do with the capital costs of construction. The location of the intermediate station may well depend upon which consortium wins
- 23 It was the role of lobbying, this time by the public sector, that appears to have been decisive in the decision on a station at Ashford. The 1989 route went through the town; the March 1993 route bypassed Ashford to the north; and in 1994 the alignment returned to a route through the town, close to the existing line and the international station now under construction in 1995 to be used by Eurostar trains on their present route through Kent. The purpose of the lobbying by the Borough council was to reduce delays for trains serving Ashford.
- 24 The role of lobbying is of course nothing new, and echoes much of the history of the promotion of new lines in the nineteenth century, when the influence of individual landowners and groups of tradesmen were often crucial in determining route and station location. The choice of route of many rural branch lines may have been based upon some anticipated economic benefit, say in capturing some particular rural hinterland for a market. However, the lesson from history that giving free reign to the private sector does not necessarily have an economically beneficial outcome appears to have been overlooked. Many such lines were loss making from their inception.

## CONCLUSIONS

### DELAY, POLITICAL ACCOUNTABILITY AND SHORT-TERMISM

- 25 If one looks for an explanation for the rejection of earlier schemes for a high speed rail link to the tunnel, political and popular concern at the possible environmental impacts was the major driving force in 1974 and in 1989. However, the anti-European stance of the 1974 labour government, and the anti-public expenditure stance, and anti-railway stance of the 1989 conservative government made acceptance of environmental objections easier, and made rejection sound more rational. Yet there is little doubt that the current proposals are less damaging environmentally. The proportion of the route planned to be in tunnel has varied, as the balance between cost and environmental priorities has fluctuated, but now much of the route follows established motorway corridors.
- 26 Whilst the lengthy gestation period has led to an environmentally better route being chosen, it is very clear from the sequence of events that the government's original position - that the route was an operational matter for British Rail - could not be sustained. On at least three occasions, the fundamentals of the scheme proposed by the management of the state railways were rejected by government. After rejection of the 1989 BR route, the rural part of the route was realigned to more closely follow existing transport corridors, but it still entered London from the south east. The 1991 route proposed by BR would have greatly benefitted Kent commuters on their New Kent Main Line, but the decision to approach London from the east was the outcome of a meeting of cabinet ministers, and based upon the development benefits and lesser political impact on marginal Tory seats. The decision between Kings Cross and St Pancras was based on cost rather than operational factors. much of the cost savings of using St Pancras depend upon the approach being on the surface rather than in tunnel.
- 27 At each of the major decision-points there has been a different minister responsible for transport. Difficulty in obtaining any consistent policy is in part a product of a political system in which the average time in office of a Secretary of State for Transport was 16 months during the 1980's. The names of five appear in this account.

### DELAY, FRAGMENTATION AND LOBBYING.

- 28 There remains a woeful lack of integration with virtually all other local transport problems and proposals. It partly results from a government attributing great value to market processes, which are subject to quite short term changes (as in the property development cycle), but it is in part ideological. Thus, one of the cast of decision-makers, Cecil Parkinson, regarded attempts at an integrated transport policy as socialist (The Swiss have had no such inhibitions), and any attempt was merely "A way of keeping well-paid bureaucrats occupied". Another member of the cast, John MacGregor, has since joined Hill Samuel, the merchant bank advising the government over the proposals. When the introduction of a hybrid Bill for the route was announced in November 1994, there was no reference to any joint planning on east west Crossrail proposal across central London. Only in 1995 are the implications being assessed for overcrowding on the underground lines serving the St Pancras terminal.
- 29 What does seem lacking in the decision-making process has been analysis of the revenue implications of the intermediate station choice. The quality and location of park and ride facilities at a location near the London orbital motorway could be quite influential upon the usage of Eurostar trains to Paris and Brussels. The decision-making process has followed an incremental progression, with the



intermediate station location being regarded as a matter of detail to be settled after the choice of route. This sequence, once designated by town planners as "Disjointed incrementalism" is a characteristic of the British approach to decisions on major projects. The planning history of terminals at Heathrow Airport gives a further demonstration of the approach, with the public inquiry into the proposed fifth terminal following as one more self-contained step in a lengthy history of unsuccessful attempts to have a strategy for the development of airports serving London. The contrast with the French experience is striking, as evidenced by the planned urban development based upon the new Lille T.G.V. station.

- 30 There have been some gains from the search for additional benefits and additional funding. There has been a gain in symbiosis in that the new route will benefit commuters as well as international travellers. However, the application of more rigorous financial tests means that there is still in 1995 no decision on a possible new station at Stratford, the cost of which must be justified financially. The location of the other intermediate station at Ebbsfleet appears to have rested with political lobbying and accidents of land ownership, rather than any locational advantage.

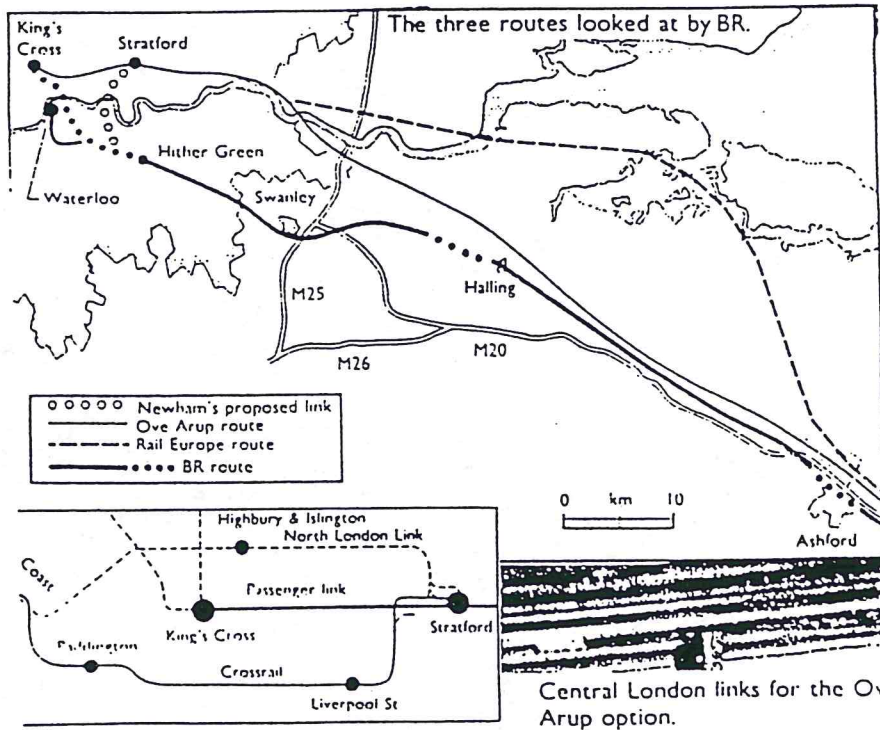
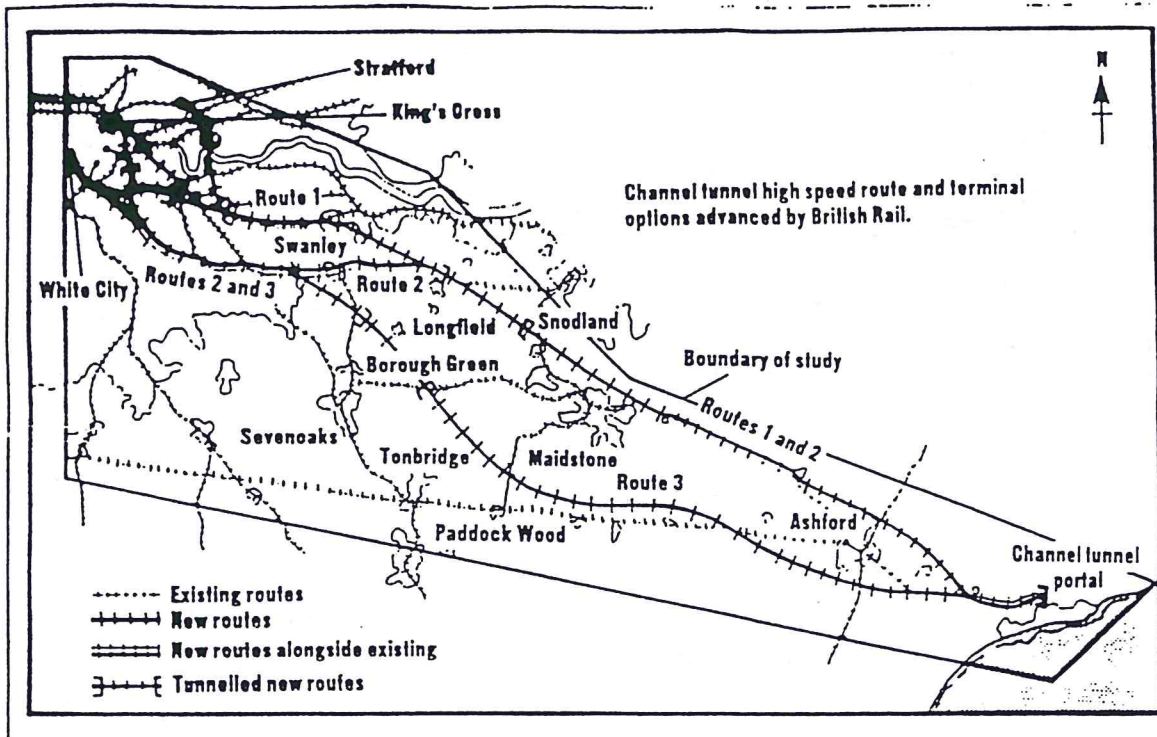
#### DELAY, RISK, AND THE PRIVATE SECTOR.

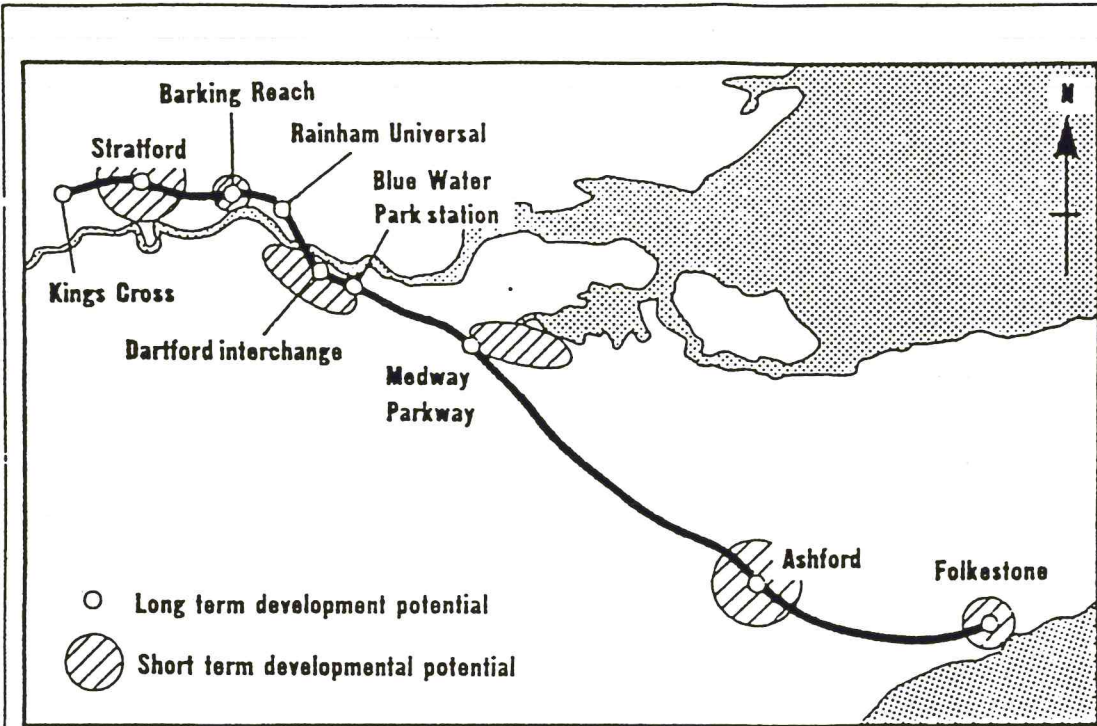
- 31 Indecision on the project has been costly, and not simply in terms of wasted design effort. By 1991 £140 million had been spent on buying blighted property and on route studies. In 1995 the Parliamentary Ombudsman ruled that the government should have compensated people in Kent whose homes were blighted by prevarication over the route. There has been a learning process for the U.K. government in getting private sector input into transport infrastructure. Government has learned that private sector partners can go bankrupt, and that private sector companies are averse to the risks of becoming financially associated with major projects before these have passed the public consultation stages and the planning hurdles. The purity of the government's objection to rail infrastructure investment has changed with the passage of time. The 1989 proposal was rejected as requiring too much subsidy (£400 million), yet the 1995 proposal suggests (but no more) government support of £1.5 billion, with free train sets for the successful bidder.
- 32 The government's attempt to involve private finance in new transport projects has - against expectations - tended to delay the decision to go ahead with new schemes, as the government has difficulty in finalising the details of agreements with private companies. Under the Private Finance Initiative, launched in 1993, all spending departments of government must explore private finance options, whenever they request Treasury money for capital investment. The PFI is concerned solely with risk transfer to the private sector, and with value for money deals between government and the private sector. About half the schemes so far identified by the PFI executive are within the transport sector. One of the first to be implemented is the agreement of GEC Alsthom to provide a defined number of new, cleaned and overhauled trains for the Northern Line each day for 20 years, in exchange for usage payments. Whether this amounts to much more than a hire purchase agreement is open to debate.
- 33 The essential problem is that any private sector partner will look for favourable terms, such as being responsible for relatively little of the risk. Likewise the Treasury is also concerned to hold as little of the risk as possible. This itself gives a bias towards small and short term or low risk projects. The head of the Treasury transport division, Philip Owen, recently told a conference that "Mega schemes often compare poorly with minor schemes." Some projects cannot be implemented as minor schemes. Until that impasse can be resolved, no decision is

easy. It is a basic characteristic of major infrastructure projects that they take a long time to implement, and an even longer time to be paid for, making them intrinsically riskier. It is only the government, via the Treasury, that can - and ought to - look beyond the foreseeable fluctuations of interest rates, and the timescale of the boom and recession of the property cycle, that must inevitably colour the judgment of the private sector partners.

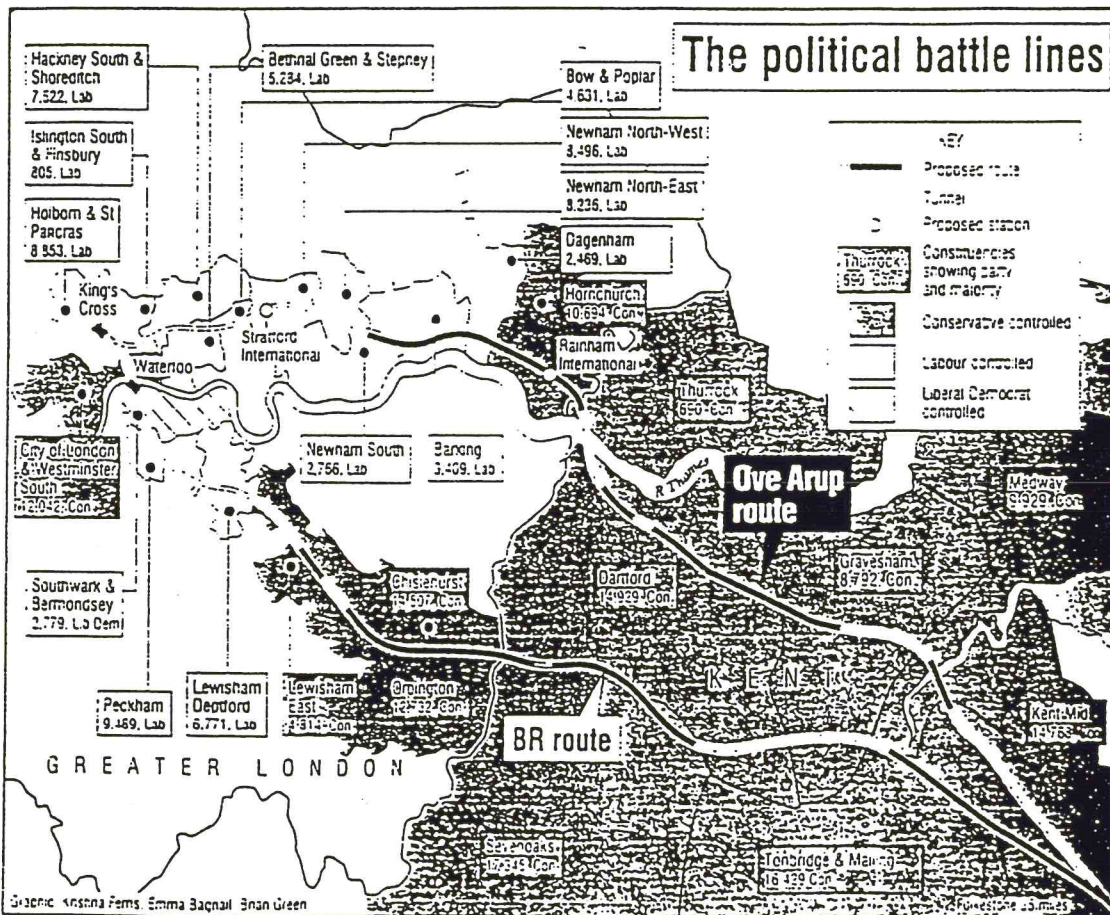
#### DELAY AND VALUE FOR MONEY.

- 34 Perhaps the only consistent theme in government attitudes throughout this history has been the search for value for money, extending from the 1989 rejection of the B.R. proposals to the objectives of the Private Finance Initiative current in 1995. There comes a point when any additional value for money from a policy or route change ought to be set against the losses through expenditure made abortive by that change: the preparation of parliamentary bills, consultancy fees for routes then abandoned, blight and wasted property acquisition. In a context of disjointed incremental decision-making, obsession with value for money can be a waste of money, and when there is an agreed requirement for a very large transport project, it is no guarantee of its speedy and successful implementation.





Development potential by Ove Arup Partnership along its latest route.



# Tories may pay high price for blight

ROGER FREEMAN faced the an- transport minister now Tory can- cal decision which the Tories had