

July 27, 2012 9:32 pm

HS2 chiefs hit out at opponents

By Mark Odell, Transport Correspondent

The head of the proposed £32.7bn high-speed rail project linking London to the north of England has hit out at opponents questioning its economic case, accusing them of skewing the debate by relying on data designed to assess “a little roundabout scheme”.

Critics have had plenty of ammunition to attack the controversial plan, known as High Speed 2, citing the government’s own value-for-money assessment of the first phase between London and Birmingham as proof that the project should be dropped.

The scheme enjoys widespread cross-party support but has plenty of heavyweight opponents, including prominent Tory MPs and traditionally Conservative county councils.

The opposition and apparent weak economic case has led to speculation that even its strongest proponents in the government, such as George Osborne, had changed their minds. Supporters however ridicule suggestions that the chancellor has turned.

The government’s case for HS2 has had five legal challenges calling for a judicial review. Earlier this week a High Court judge said an initial hearing had been scheduled for early December to decide on their merits.

As recently as April, the government was forced to admit that the traditional measure of value for money of transport schemes – the benefit-cost ratio – for the first 140 miles of the route had dropped to a gain of £1.20 for every £1 invested, which puts it close to the “poor” value for money category.

“I think it is very misleading for people just to focus on London to West Midlands because that’s not the proposition. The proposition is to go to Manchester and Leeds,” said Alison Munro, chief executive of HS2 Ltd, the government agency tasked with delivering the project.

She describes the BCR of just under two-to-one for the whole project as “perfectly respectable” for a project of this scale. “If you’re talking about a little roundabout scheme you can get very high benefit/cost ratio ... The methodology isn’t really designed for the big, transformative projects.”

The first phase, she adds, is as much about solving capacity on the congested west coast main line, which is projected to be full by the mid-2020s, as it is about the bigger transformative effects of high-speed rail.

“First of all, you’ve got to address the capacity problem but also high-speed rail provides the opportunity for much greater benefits through bringing our cities closer together, broadening the opportunities business will face in terms of expanding their markets and their access to suppliers.”

The plan is to build the line, capable of running trains at up to 250mph, in two stages, with the London to Birmingham section opening in 2026 at a cost of £16.3bn and a Y-shaped second phase to Manchester and Leeds by 2033.

Ms Munro, a 58-year-old economist and career civil servant, has been head of the project since 2009. Since the government gave the green light for the first stage in January, the role of HS2 Ltd has expanded from an advisory capacity to an agency, with 500 permanent staff and 1,000 consultants.

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