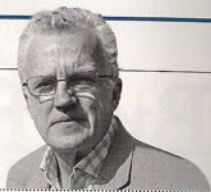


Christian Wolmar



Transport writer & broadcaster

Why the arguments against High Speed Two are stacking up

THE launch of the compensation scheme for people affected by the High Speed Line between London and Birmingham shows that the coalition government means business in pressing ahead with the proposal.

Real money is being spent, with an initial £50 million set to be paid to people on the route, although that is a guesstimate since legally the total amount cannot be capped and it could end up being much more. This shows that people's lives are being affected, and there is clearly an attempt by the Government to create a perception that HS2 will definitely happen, despite all the doom and gloom around.

However, just as momentum builds up, the case set out in the HS2 document published by the Government earlier this year is already unravelling, with the National Travel Survey for 2009 showing that demand for travel is falling.

The principal justification for the new line is the prediction of an increase in travel demand. And this will have to be on a massive scale. This is backed up by the HS2 document, which suggests that rail demand on the route will rise by 267% by 2033 - in other words roughly treble - while long-distance car journeys and domestic aviation will go up by 44% and 178% respectively.

Yet remarkably, in recent years, the trend has been the other way: people have been taking fewer trips annually and travelling less distance. Despite the economic boom between the mid-1990s and 2008, there was a marked decline in travel, not something that the supporters of big schemes such as HS2 tend to mention.

The newest figures from the National Travel Survey, issued in July and covering a period of downturn in economic growth, confirm the trend. So overall in 2009, there were 973 trips per person per year and an average of 6,775 miles travelled, compared with (in 1995/97) 1,086 trips per person per year and 6,981 miles. This represents falls of 10% and 3% respectively.

According to the accompanying press release, "most of the fall in overall trips rates between 1995/97 and 2009 can be accounted for by a fall in shopping, visiting friends at private homes and commuting". In other words, it is beginning to look as if transport demand is saturated.

Rail use, of course, increased for most of that period (by an average of 3.7% annually) until growth slowed almost to a standstill in the past year. This increase in rail usage is, therefore, a result of modal shift as people become more affluent and choose rail. Being able to work on the train, and having more comfortable and faster modern trains such as on the West Coast

The Government appears to be pressing on with plans for HS2, but that's a mistake, argues CHRISTIAN WOLMAR

Main Line, accounts for much of that increase, although continued growth will be undermined by above-inflation fares rises.

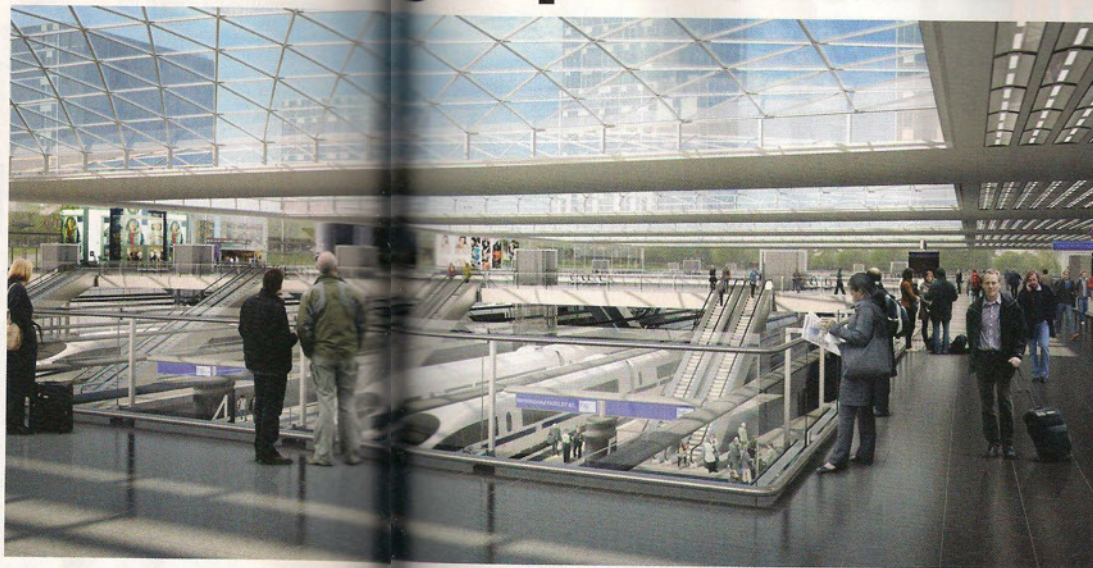
Moreover, there are bigger societal factors at play that ultimately make the predictions in the HS2 document untenable. The widespread availability of broadband, together with the development of internet shopping, may at last be having an effect on our desire to travel ever further. Therefore the link between economic growth and transport demand, which has been strong ever since the start of the industrial revolution, may be weakening.

This would fundamentally and fatally undermine the viability of the line. As a very thorough piece of research produced by two consultants (Hilary Wharf and Bruce Weston) for the HS2 Action Alliance shows, any reduction in this projected growth makes a significant difference to the so-called 'business case' for the line.

Currently, the benefit-cost ratio for the new line is about 2.4. Reducing that predicted growth to just 214% would knock that benefit-cost ratio down to 2.0, the crucial threshold that is needed to obtain DfT backing, and which would make it impossible for a rational government to support.

Certainly the figure for the Channel Tunnel Rail Link (High Speed One as it is now) passenger forecasts were out by much more - according to predictions when the scheme was given the go-ahead, there should be well over 20 million passengers annually compared with the nine million being carried by Eurostar. That is why the line that cost upwards of £5

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billion (and much more if everything is properly accounted) will be sold for about a quarter of the cost when it is privatised.

The accuracy of the predictions is, of course, irrespective of the fact that the whole methodology of 'business cases' is based on ludicrous assumptions about the value of time to people on the move.

Most of the benefits are made up of small time savings by millions of people, which makes the whole science of 'business cases' a mere fig leaf for guesswork. And while possibly valid as a way of comparing schemes, it has no intrinsic value in terms of expressing societal benefits. Saying a scheme is worth a net gain of, say, £30bn to the country as a whole simply does not stand up to any kind of scrutiny - and in their honest (private) moments transport economists and consultants will admit that.

Significantly, the other expressed benefits of the scheme are also undermined by the consultants' analysis.

Take the notion of capacity, which is the core of the case for the line. The consultants explain that the simple measure of changing the composition of the Pendolino trains on the West Coast, so that two of the four first class carriages were given over to standard class passengers and extra seats installed, would

Demand for travel is falling, argues Christian Wolmar, and this makes the case for HS2 weaker. This is an artist's impression of HS2's new look Euston station. DfT.

result in a 50% increase in standard class accommodation.

Of course, the franchise negotiations would be horrendous and there would be claims of loss of income, although now that government officials and other public servants are under great scrutiny to reduce their spending, demand for first class is bound to tail off anyway. Certainly, before £1.5bn-£2bn is spent on a high-speed line, such cheaper alternatives need to be worked through. Note, too, that even in the HS2 report, simply upgrading the West Coast Line, at a cost of a mere £3.1bn and which would also allow an increase of 50% in capacity, would have a cost benefit of 2.2 - hardly different from building HS2... and considerably cheaper.

Then there is the oft-quoted (by ministers) justification for the line that it would take planes out of the sky. Ignoring the fact that no one flies between London and Birmingham or Leeds, and that Virgin already has an 80% share of the market between London and Manchester, experience in Germany suggests that even connecting airports to high-speed line railway

stations does little to damp down demand.

Germany has a well-developed high-speed rail network, but despite a tenfold increase in its use over the past two decades, domestic passenger numbers have risen steadily from 18 million annually in 1993, to 24 million in 2008.

Finally, there is the issue of fares. The HS2 report published earlier this year does not say what assumptions are made about fares, but not only have the fares on HS1 gone up by RPI +3% for Kent domestic services (at the insistence of the Treasury), Transport Secretary Philip Hammond is clearly considering increasing fares by more than the RPI+1% which prevails on the remainder of the network. Any such increases are bound to limit future demand, making the assumptions appear even more ludicrously optimistic.

If this were a time of plenty, with no shortage of funds for basic investment in the railway, I would probably argue that it is not too important that the Government is pressing ahead with what is clearly a scheme with a very weak case.

However, that is not the case. The railway is bracing itself for cuts of an order that have not been seen since Beeching. The crucial electrification plan is in danger, other investment schemes are bound to be sidelined, and franchises may be relet on unworkable terms.

Nice to see BTP taking bike theft seriously

I managed to thwart a bike theft the other day, and was impressed with the reaction of the police, who did take the matter seriously and sent out a couple of squad cars to try to catch the thieves.

I followed the thief through the streets of King's Cross, while getting through to 999 on my mobile, for a good ten minutes, and eventually managed to get the bike back.

You can read the whole story on my blog, but pleasingly it prompted a response from a John G who had a very good experience with the British Transport Police. He said that he had components stolen from his bike a few months ago while it was locked up at the bike stands of a large station in North-West England.

The station CCTV images weren't good enough to identify the thief, but the BTP was able to see the trains he used and contacted the TOCs for on-train CCTV footage: "A good facial image of the thief was produced - which was then printed in my local press and also sent to local newspapers at his journey start and end points."

Unfortunately, no arrest was made, but he says: "Nevertheless, 10/10 to BTP - as far as they were concerned a crime had been committed and they wanted to catch the person they thought did it - and many thanks in particular to PC Shoan."

That's very different to the bad old days when the CCTV coverage was never clear enough or the police simply could not be bothered.

Yet blithely the industry is, for the most part, backing a scheme that will suck up any spare cash available for investment for a generation to come.

Make no mistake - this is a zero sum game. Money being spent on HS2 will not be available elsewhere in the industry. We cannot have it all. Let's work to protect what is essential, rather than trying to reach for the moon. ☐

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