

Funding the Future

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I'm one of those who says we are having the wrong type of recovery. When whatever recovery we are having is based on the use of public funding to create a private speculative boom I am not sure how many would disagree.

I am also now going to be one of those who say that the government's proposed infrastructure spending - concentrating as it does on the HS2 rail project - is the wrong type of investment programme.

I am amused to note that John Kay [has concluded in the FT this morning](#) that the justification for HS2 "is using bogus modelling and sham consultation". Much the same could be said for almost any cost benefit analysis, but that is not the real reason why this is the wrong project for the UK. There are many better ones than that.

The first is that what the UK needs now to help it get out of recession is an immediate investment programme in shovel ready projects that create a lot of new jobs quickly. Fundamentally this is house building, where 400,000 homes have planning permission, insulation, where the need is colossal, and repairs, where the back log is staggering. HS2 meets none of these criteria. It may have political glamour but it solves no economic problems and it does not provide the benefit that is needed right now.

Second HS2 is wrong because most of the benefit will be to London and any benefit to anywhere else, bar Birmingham, is so long delayed that it can be dismissed. But that's not what the UK needs. London is already the bubble. It's the regions that need aid flowing to them. HS2 flows traffic to London.

Third, HS2 is a premium project aimed at premium customers. candidly it is a 1% exercise because the fares will pretty much guarantee that. This section of society does not need a state subsidy. If they want to travel faster they should pay for it.

And lastly, if better transport infrastructure is needed - and it is - then it is right across the rail system, not just on one high density route. I am a big user of the rail network and I see its variability. I also appreciate just how important it is to so many people right across society. I believe that investment in rail - in a nationalised rail network - is vital but HS2 is not.

Just as we need the NHS so this country needs a National Rail Service. HS2 is not the way to deliver it. Much incremental improvement is.