SOPHIE RAWORTH:
Now a huge sigh of relief that the Treasury last week, after better than expected figures, stopped the UK economy from falling into a triple dip recession. But as the Chancellor points out, the path to recovery is proving long and difficult, and building our way to growth is one solution being urged on the Government. Infrastructure projects such as new roads, railways, and perhaps more airport runways could create jobs and boost the economy, but they often run into planning problems and where would the money come from when the Treasury is trying to cut borrowing and the private sector is nervous of taking financial risks? Transport is one area crying out for investment. I’m joined now by the Transport Secretary, Patrick McLoughlin. Good morning.

PATRICK McLOUGHLIN:
Good morning.

SOPHIE RAWORTH:
You talked to your cabinet colleagues just last week about how transport could be
used to promote growth. What do you plan? What are you going to do?

PATRICK McLOUGHLIN:
Well we are doing, and the Chancellor’s been very good in ensuring that he’s protected the capital budget so that we can do infrastructure investment. At the moment we’ve got the largest construction anywhere in Europe with Crossrail going actually under London. Today Birmingham New Street Station, the western part of it, is opening. That’s £600 million investment. Next month Newcastle Station starts its redevelopment. So there’s a huge amount going on, along with …

SOPHIE RAWORTH:
(over) What about the roads though? I mean those are the backbone of this country, aren’t they, the roads, and they need urgent attention.

PATRICK McLOUGHLIN:
Well there’s a lot of investment going into the roads. You’re quite right, we’ve got to look at how we get more investment as far as the roads are concerned. But one of the things we’re doing at the moment is making proper use of the infrastructure that’s already there, so something called “managed motorways”, which sounds very boring but is actually very important because it allows us to use the hard shoulder, but it has to be prepared properly, and a lot of work is going on extending that by 70 miles. So instead of having - over 70 miles throughout England - so instead of having work going on on three carriageways, we’ve got four carriageways operating.

SOPHIE RAWORTH:
That’s a bit short-term though, isn’t it? I mean is that really the best that you can come up with?

PATRICK McLOUGHLIN:
(over) Well you asked … No, you asked me what we were doing now. I’m telling you what we’re doing now. Longer term, there are some schemes that we’re looking at. The A14 - how do we get a better system around the A14, which is continually clogged up? Some of those projects …

SOPHIE RAWORTH:
The A14, that was announced as a shovel-ready project in 2011 in the Autumn Statement.

PATRICK McLoughlin:
(over) I don’t think …

SOPHIE RAWORTH:
It’s not even underway yet.

PATRICK McLoughlin:
It’s not a shovel-ready project. It’s a project that has got to be looked at. We’ve got to try and get some private finance in that because we don’t want to keep always necessarily relying on the taxpayer if we can get other finance in. So the A14 …

SOPHIE RAWORTH:
(over) And that is the crux of your problem - private finance, isn’t it - and actually encouraging private investment into the roads is proving very tricky?

PATRICK McLoughlin:
Well it’s a difficult subject, we are achieving some private finance. We’ve done that as far as some of the tunnelling is concerned and also some of the bridges are concerned. So that is an area we’ve got to look at. But actually infrastructure projects do take a long time. It is right that we get them right because of the benefit for everyone. That is one of the reasons why this government is spending and committing to spend a huge amount on our railways. We’ve seen passenger numbers on the railways double.

SOPHIE RAWORTH:
Okay, but I just want to talk about roads because I mean you talk about private investment and I suppose you can understand why people are put off putting private money into roads when you look at things like the M6 toll where lorries, just last week it’s been announced that they’re going to be allowed to go free for a month because it’s struggling to make money.
PATRICK McLOUGHLIN:
Well we’ve got to look at what happened on the M6 toll. I think certain lessons should be learned as far as the M6 toll is concerned. I want to meet with the management of the M6 toll and …

SOPHIE RAWORTH:
(over) But it’s not a good advert, is it, for …

PATRICK McLOUGHLIN:
(over) Well it’s …

SOPHIE RAWORTH:
You’re trying to encourage all this private investment into our country. Our roads are in desperate need of improvement, aren’t they, and it is not a good advert?

PATRICK McLOUGHLIN:
And we will be coming forward and we’ll be addressing the whole question of how you get private finance into the roads later this year when I will be publishing a document along those particular lines.

SOPHIE RAWORTH:
I mean, as you know, Edmund King of the AA, he called our roads “a national embarrassment” - the state of the roads, the fact that we are repairing potholes in a very temporary fashion. It costs twenty times more to do that rather than resurfacing and a lot of people are calling on the Government to go and actually put the money, invest the money in resurfacing, in long-term solutions.

PATRICK McLOUGHLIN:
And George Osborne in last year’s Autumn Statement found an extra £300 million. Look, yes we can spare more money. It is difficult at the moment, although there isn’t … we’re borrowing a huge amount of money. We’ve got to get the deficit down. We’ve got the deficit down by over a third and we’ve got to keep working on that, so that we can do more investment. But the whole thing that I’m doing at the Department of Transport at the moment is looking at the way in which we get that infrastructure
investment, that capital expenditure on our roads. As I say, 300 million last year, 200 million for the Highways Agency, for some of their schemes, and 170 million for local authority schemes.

SOPHIE RAWORTH:
What about …

PATRICK McLoughlin:
That is at a time when it is very tough with the finances, but the Chancellor and the Prime Minister are committed to giving investment in infrastructure.

SOPHIE RAWORTH:
Talking about major infrastructure projects, we still don’t know what we are going to do about Heathrow - whether it will be Heathrow, whether there’ll be a new airport in the Thames Estuary. We had Boris Johnson at a big rally yesterday saying you know the Government’s got to rule this out - the third runway option - before the next election. It’s nuts, he said, to go into it with the third runway hanging over you.

PATRICK McLoughlin:
Well can we just … You’ve just been pressing me about infrastructure spending. Gatwick Airport, over a billion pounds being spent; Heathrow Airport, £2.4 billion being spent on a new terminal which will open next year. That is investment …

SOPHIE RAWORTH:
(over) But we’re talking about long-term and the future.

PATRICK McLoughlin:
Yes, but you’ve just asked me a bit about the present. I’ll deal with the future in a moment. That is investment that is going on today and it is making a huge difference. Since the splitting up of the London airports, now being owned by separate people, we have seen huge investments. Now as far as the long-term future is concerned, it is right that we look at exactly what we’re going to be doing as far as aviation capacity is concerned, and one of the first things that happened when I got to the department - although the work was done by my predecessor - was to set up an Airports
Commission. That commission …

SOPHIE RAWORTH:
(over) But this has been knocked into the long grass, hasn’t it? I mean Howard Davies, who’s doing the commission, even he admitted that actually this could have come up before the next election. It’s political reasons - David Cameron does not want to go back on a manifesto promise - it’s political reasons that we’re waiting until 2015.

PATRICK McLOUGHLIN:
No it’s right that we do the work. The commission has I think been broadly welcomed, the makeup. It is not a stitch-up job. They’re looking at all the options because there are many different opinions as to what should happen as far as London and aviation capacity is concerned. It will do a proper job. It will give me an interim report by the end of this year and we will see where we go, but it is right that that report is done.

SOPHIE RAWORTH:
Let’s talk about something far more immediate - the local elections which are coming up on Thursday. How worried are you about UKIP?

PATRICK McLOUGHLIN:
I’m not worried about UKIP at all. The truth is UKIP can say different things to different people. I read in certain areas that UKIP are against high-speed rail, yet they fought the last election in their manifesto actually committed to building free high-speed railway lines.

SOPHIE RAWORTH:
UKIP say that actually the Conservatives are running scared and that they are behind a smear campaign. You look at the papers this morning - full of anti, negative stories about UKIP, and they say that the Tories are behind some of these; that they’ve been going back through social media, finding stories about things that UKIP candidates have done in the past.
PATRICK McLOUGHLIN:
Well I think candidates are always put under scrutiny and I think it’s right. Why should UKIP candidates get away without any scrutiny that other parties have scrutiny as far as their candidates are concerned? I don’t know anything about a smear campaign. What I do know is that if you want low council tax, if you want councils that are committed to not increase council tax at this very difficult time, the best thing to do on Thursday is to vote Conservative and see those Conservative councils. Now it is …

SOPHIE RAWORTH:
(over) So it is okay to go through social media and find stories against your political rivals then?

PATRICK McLOUGHLIN:
Well I don’t know whether that’s happened. I’m just saying it happens to all parties and candidates are put under scrutiny. What I’m concerned about is these elections on Thursday are very important elections indeed. They’ll decide the council tax levels of pay. And I ask people just to look at the record of their councils and they will see in the main that Conservative councils have kept a 0 per cent council tax rise, so from them that is very important indeed.

SOPHIE RAWORTH:
I mean look at obviously the impact that austerity drives are having abroad - we’ve got a new government in Iceland, there’s again a new government in Italy that’s been announced. A lot of concern (there must be) that the Government potentially is facing an anti-austerity drive, in the next election could go the same way as other parties - voted out on austerity?

PATRICK McLOUGHLIN:
Well look, the easiest thing for us to do would be to close our eyes to the economic situation this country faces. That would be the wrong thing for us to do. We’ve got to hold our nerve. We’ve brought the deficit down by a third. That is very important. It’s very important for the long-term future of this country and I think people appreciate that. They know that we were borrowing far too much. We’re still borrowing a huge
amount of money, so we’ve got to bring that deficit down.

SOPHIE RAWORTH:
Patrick McLoughlin, thank you very much for joining me.

INTERVIEW ENDS