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(1) CC NO

Prime Minister

Ian Gow (flag A) recorded a decision in favour of diesel. Now D/Tp have gone back to electrification. Reply as at X at flag B? MCS 23/9

Prime Minister

This must be discussed again with me. Please look out the relevant papers. MT

TONBRIDGE - HASTINGS RAILWAY LINE AND RAILWAY ELECTRIFICATION

Pt 6

David Howell minuted you on 10 March about the Railways Board's proposals to electrify the Tonbridge-Hastings line, and you discussed the issues with him on 27 April. See MCS to DOT 28.4.83 (Pt 6)

David Howell's conclusion was that, in purely financial terms, electrification seemed marginally less attractive than some possibilities for diesel operation which my Department had worked out. But the figures for diesel were less certain because the vehicles did not yet exist, and problems in development might change the position. He believed that it was right to go for electrification partly because it would be the most popular solution with users of the line, and rather more because there was no option which he could point to as being so certainly better as to justify preferring his judgement to the Board's.

At the meeting on 27 April, I understand you agreed that the economics of the diesel and electric options were not markedly different. However, you thought that the local supporters of electrification might be much less enthusiastic if they realised that it would mean withdrawal of all services for a number of months while new track was laid. David Howell and Ian Gow undertook to consult our supporters to test the strength of their preference for electrification in the light of that prospect. They did have a private word; but then the Election intervened, and I inherited the problem still unresolved.

Previous papers please MT

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I asked David Mitchell to take another very close look at the economics of the diesel and electric options. He has done that, and has evaluated at least one significant diesel option not already looked at which is, narrowly, the best of the diesel options. But the result of this extra work has been to confirm the same broad picture which we had before. There are a number of diesel options which are close in value to the electrification option, and which could turn out to be marginally better in financial terms. But there is no diesel option which is outstandingly better than electrification favoured by BR and the diesel options are still subject to the risks associated with developing prototypes. There is also an operational aspect which is important when assessing the balance between close alternatives. The diesel train of this power is considerably slower in acceleration and causes real problems in fitting it in to the very tight timetabling at the London terminals with the tremendous number of standard electric trains.

We have now got better information about the disruption to services from the civil engineering work which would be needed to enable standard-width trains (either diesel or electric) to go through the narrow tunnels. There is a difficulty with one tunnel, where singling is not possible and both lines would have to be laid in concrete to preserve safe clearances. On the Board's judgement, that work would take about three months, with single track working during the week but complete closure, with a substitute bus service, on about ten weekends.

David Mitchell raised the question of disruption at a further meeting with our supporters. It is clear that there is a lot of anxiety at the present situation, where the need for specially narrow stock means that the future of the line

comes into question each time the stock wears out. There is strong support for a move which would put their line onto the same footing as all the other commuter lines in the south east, and the short term disruption is seen as a price well worth paying for that. Indeed I have just received a very strong letter from Patrick Mayhew urging the need for an immediate announcement of this electrification.

The study of the history of this scheme confirms the need, as I said at E(NI), for the Board's investment appraisal methods to be improved. However, in respect of this case David Mitchell has now looked at it in further detail and has discussed it fully with me. In the light of his analysis, I think he is right to recommend that the Board's proposal should be approved. This is what I now propose, and in view of your interest, I therefore thought you should know that, subject to your agreement, I propose to write to the Chairman accordingly.

I am sending a copy of this minute to Peter Rees.

No.
Further discussion please. We had agreed the previous decision and I'm quite clear that you have been persuaded to reopen it. It is a bad decision in need of our stated criteria for electrification

TK.

TOM KING

20 September 1983

3F

TRANSPORT: BR fares

PA6

CONFIDENTIAL

file TMP

cc Fordie Mount

BR fares

10 DOWNING STREET

From the Private Secretary

27 September 1983

Dear Dinah,

TONBRIDGE-HASTINGS RAILWAY LINE AND RAILWAY ELECTRIFICATION

The Prime Minister has seen your Secretary of State's minute of 20 September about the proposal to electrify the Tonbridge to Hastings line.

The Prime Minister has commented that it was her impression that it had been decided in May to go for the diesel option, following a meeting between the previous Transport Ministers, together with Ian Gow and local Members concerned (Sir Geoffrey Johnson Smith, Messrs. Godman Irvine, Stanley and Warren). The Prime Minister is opposed to the proposal to electrify this line, particularly in view of the general criteria for electrification. She has asked us to arrange a discussion with your Secretary of State and officials and with the Chief Secretary; she will be grateful if, in advance of that discussion, you would let us have the updated investment appraisal of both diesel and electric options, and a note on the general criteria for electrification.

I am sending a copy of this letter to John Gieve (Chief Secretary's Office).

Yours sincerely,

Michael Scholar

Miss D.A. Nichols,
Department of Transport.

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23 September 1983

MR. SCHOLAR

cc Mr. Mount

THE HASTINGS-TONBRIDGE LINE

Mr. King has not quite understood the sense of the April meeting held to discuss this project. It was noted then that the diesel option was marginally superior in financial terms. Mr. Gow's subsequent meeting with the MPs concerned revealed no strong feelings either way. This should have been the end of the matter: we would go for diesel.

Mr. Mitchell's subsequent research confirms that the diesel option is likely to be marginally better. The enthusiasm which he has discovered among the users seems to be largely tactical: users fear that electrification will help to guarantee the future of their line whereas it is thought that, if narrow-bodied diesel rolling stock continues, the line is likely to be reviewed whenever this wears out.

The fact remains, however, that neither the Ministers nor their officials at Transport feel that their own, fairly detailed assessment of the options justify rejection of BR's preferred electrification option. The 'life-time' costs (over 30 years) of electrification are reckoned to be £4.5 million higher than the best diesel option, but it would generate £2 million more in revenue because it offers quicker journeys and it would standardise Southern Region's rolling stock and make life easier operationally. The diesel options would involve new equipment whose costs are uncertain. We agree that the advantage of replacing the diesels is not sufficiently decisive to justify rejecting BR's preferred choice.

However, we remain attracted to the idea of cheaper, light-bodied trains. These would involve bus bodies on existing underframes, pulled by existing locomotives. This option would imply no disruption of the line and no singling at tunnels. It would not be as comfortable as entirely new equipment. It wouldn't last as long either. The initial costs of this option are perhaps one-third of the electrification project but on the Department of Transport's 30 year costings it appears no cheaper than the diesel option, because capital expenditure would be needed in 15-20 years' time. However, by then, who knows what new options may exist, or how the future of the line itself may look?

We would not urge that the Prime Minister should object to the line Mr. King proposes unless she feels it's worthwhile asking for a reconsideration of the option involving bus bodies on existing under-frames, on the grounds that initial costs are lower and that other options may become apparent in 15 years or so, when this stock needs replacement. Mr. King will almost certainly reply that this is an interesting concept which he has in mind at the "cheaper" end of the market; it would not be acceptable on the main commuter routes.

The reply should emphasise, in any event, that the consideration of this case underlines the need to examine BR's investment appraisal very closely.

NICHOLAS OWEN