

# Labour to revive North first

Regeneration will start in North-west, North-east and Yorkshire, says Prescott adviser

BY GILES BARRIE

YORKSHIRE, the North-west and the North-east would host a Labour government's first all-powerful Regional Development Agencies, Labour deputy leader John Prescott's senior policy adviser said this week.

Former English Partnerships chief executive David Taylor, now working with Prescott, told *Building* that plans for RDAs in northern areas "would move very quickly, following like wildfire" in the rest of England if Labour wins the election.

The agencies, which will at first act with emergency powers before being formalised through legislation, will control up to £1.5bn a year of government and European inner-city spending.

They will be run by a mixture of

local businesses, Training and Enterprise Councils and local authorities, and will try to spend existing funds in a more co-ordinated way.

Labour sees the North-west, North-east and Yorkshire and Humberside as trailblazers for the agencies because they have performed best in forming private-public partnerships.

Labour regional minister Richard Caborn said he has discussed his plans with Taylor Woodrow and Amec, among others, and that interim plans for agencies could be enacted immediately.

Another Labour source said: "There will be much less of a hang-up about direct intervention. A Labour government won't hold back."

Labour has been impressed by

Newcastle's public-private Northern Development Company, and the Yorkshire Assembly grouping of local councils' work. It is also encouraged by co-operation between Manchester and Liverpool councils.

There has been speculation that Prescott will lead a new super-ministry controlling RDAs, but Taylor would not comment on this.

He also declined to comment on rumours that the agencies will quickly take over regeneration responsibilities in the North.

He did say, however, that a Labour government would take a more "regional" approach to the private finance initiative to avoid clusters of PFI projects in the same area being bid at once.

Asked if Labour's social policies pose a threat to construction,

former Amec Regeneration chairman Taylor said: "Good employers have nothing to worry about. The reason I joined Amec was that it pursued good industrial relations."

"And not one of the bigger inward investors which came to Britain while I was at English Partnerships came here to exploit a low-wage economy," he said.

The Conservative manifesto, however, says the European social model is stifling job creation on the Continent. It says this is one reason why Britain is "the number one location for foreign investment in Europe".

It continues: "We should not risk this progress by adopting very policies that have made the Continent uncompetitive and increased unemployment in Europe by 4.5 million over the past five years."

## Industry to lobby Blair and Major

INDUSTRY LEADERS will turn up the political heat on prime minister John Major and Labour leader Tony Blair over the next few days.

Contractors, subcontractors, professionals, clients and materials producers' leaders are to write to Major and Blair to point out areas of concern over their party manifestos.

The details of the letters were confidential as *Building* went to press, but were due to be ratified by industry leaders at a London meeting on Thursday.

Major is expected to be told that the industry was disappointed to see nothing

about construction training in the Conservative manifesto, and just a line about the private finance initiative. This gave few clues as to how the Tories plan to speed up the PFI process.

Industry leaders are happier with the Labour manifesto, particularly its business manifesto's approach to the PFI, which sets out a 12-point plan to speed up the process.

However, industry leaders are concerned about Labour's adoption of European social policies, such as union recognition, a minimum wage and a maximum rate for the working week.



NOW, VOYAGER: Structural steelwork is well under way on British Airways' £150m World Cargo Centre at Heathrow Airport in west London. Work on the project, which is being project managed by British Airways Property, started

in June 1996 and is due to be complete by January 1999. Laing Morrison Knudsen is the construction manager, the integrated design consultant is WS Atkins and the cost consultant is Gardiner & Theobald.

HEALTH secretary Stephen Dorrell told *Building* editor John Barrick last week that he was frustrated as the construction industry with delays to the government's flagship finance hospitals.

Dorrell wrote to *Building* in response to the hundreds of letters sent by readers in support of the magazine's "PFI" campaign.

Readers are angry that construction companies have not been able to secure a deal has been signed.

The Conservative manifesto failed to meet the government's target to sign a number of schemes by April.

In this letter, Dorrell criticises early legislation to speed up PFI hospitals delayed because of bankers' fears.

He says that ministers may be acting "in their own interests" - outside their remit - in signing contracts.



Dorrell: "frustrated".

Jean du Barne

Thank you for your letter of 26 March following your campaign on the PFI. In highlighting the rate of progress on major schemes within the PFI you have, of course, highlighted something that is as frustrating to me as I recognise that it is to the construction industry.

Throughout the history of the NHS, its investment programme has been insufficient to allow it to realise all the opportunities that have existed to improve the quality and value for money of its services. The importance of the PFI is that it allows the NHS to attract sufficient private sector management and financial resources to allow the service to keep its facilities up to date.

The examples that you quote from Bishop Auckland, Hereford and Chepstow are very good illustrations of the principle. It is precisely in order to deal with examples of this nature that the government launched on the PFI path.

It is important not to create the impression that the PFI has made no progress within the NHS. In fact, a total of 34 small schemes have been completed, mobilising a total of £84m of private capital. These schemes have made an important contribution to the development of NHS healthcare.

It is, however, true that the big construction projects have proceeded more slowly than we would have liked. Several of these projects have now signed commercial contracts with the private sector; they are now in the final stages of completing their financing agreements.

As your readers will be aware, these negotiations with the financiers have raised some questions about trust powers. I have agreed the basis on which these issues can be resolved and I have undertaken to introduce the necessary legislation in the opening weeks of the new parliament.

I am confident that this legislation will allow the flagship projects to proceed. In doing so, they will be blazing a trail fundamental to the future of the NHS.

Stephen Dorrell  
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## Home's interior in race against time

Millennium Exhibition team exasperated by continuing indecision over show's content.

BY GILES BARRIE

MILLENNIUM Exhibition project members fear that client indecision on the content of the £80m Greenwich project is putting the opening date past its century deadline.

A senior project source this week said that quango Millennium Central's continuing indecision is causing a "real crisis" in the exhibition's theme and will cause its opening to be delayed.

The source said that in January and February, Millennium Central managed to secure the exhibition's overall cost by £100m to £580m, but the source said the cost is now estimated to be upwards of £650m.

The source is happy with progress on the exhibition, but says that Hapold/Richard Rogers Partnership-designed dome itself, but is concerned about the design for the exhibition to be built inside it.

"What worries us all is that, if you squeeze the programme too tight, the cost goes up," the source said. "The time involved in designing a show like this is as much as is needed on a major building."

"There is also the question of how people will travel to the exhibition, how the exhibition will be organised and other details such as catering."

"We are desperate to get the exhibition designs approved because the public won't love the dome until they know what's in it. They think it's a waste of money because no one will confirm what it will contain," he added.

Exhibition organiser Imagination has presented Millennium Central with a series of ideas for the dome's content, all based on the theme of time.

Led by managing director Gary Withers, the Imagination team has presented a range of interpretations of the time theme - some more lavish than others.

Withers also has ideas for the rate at which the funding for the exhibition itself can be spent, ranging from an even spread to isolated spectacular events throughout 2000.

There are no concrete ideas for how the dome will be used to celebrate new year's eve 1999.

Asked about the project team's concerns, a Millennium Central spokesman said: "I'm not certain

which project team you are talking about. The fit-out doesn't start until 1998.

"There are heaps of designs, and I'm not sure when the final design will be settled. The basics are there - but there's still a lot to be done on the little details."

The spokesman said Millennium Central is speaking to potential sponsors about the final exhibition design, and that a business case will be submitted soon for lottery funding.

British Airways, BAA and British Aerospace are among companies that have pledged cash to the exhibition. Early designs showed static and interactive exhibits, with multistorey structures designed to give a sense of "enormity".