

London's £4bn super sewer faces probe over funding

- ◆ Taxpayers to bear brunt of overruns
- ◆ Higher water bills will help pay costs

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London's new £4.2bn super sewer, one of the UK's biggest infrastructure projects due to begin construction in the next few months, is being investigated by the National Audit Office over its "unusual" financial structure.

The government spending watchdog said it would examine how the complex funding model was chosen and the risks faced by taxpayers and consumers. Taxpayers will bear the brunt of financial factors such as any cost overruns or another global collapse in credit markets, while consumers will have to pay for a third of construction costs through higher water bills.

The probe comes as the government is under pressure to invest in big new infrastructure schemes to boost the economy following Britain's vote to leave the EU. The tunnel, which will run under the river Thames, is the second-largest project in the capital after Crossrail.

The NAO will also investigate why the tunnel, the biggest investment in London's sewers since Sir Joseph Bazalgette built the network in 1858, was chosen over smaller, greener alternatives to reduce the tens of millions of tonnes of sewage flowing into the Thames each year.

The report is due to be published in the autumn, just as the seven-year construction of the 25km tunnel is formally launched. It will "set out the risks faced by customers and taxpayers as the

project moves towards completion, and how these risks are being mitigated", an NAO briefing note on the probe said.

Construction risks involved in digging the super sewer beneath the Thames range from the potential undermining of Big Ben's foundations to the flooding of the London Underground transport network — though contractors say this is unlikely.

Andy Mitchell, chief executive of Tideway — the company set up by the government and Thames Water, the capital's privately owned water supplier, to own and deliver the project — said he was confident the project was being managed "in the most timely and cost-efficient way".

While about one-third of the cost for construction will be funded by Thames Water through an increase in customers' bills, the remaining £2.8bn is being raised by Tideway.

The Department for Environment, Food and Rural Affairs said the project was needed to "modernise the capital's ageing sewage system". It said a separate private sector infrastructure provider to finance and deliver the project was "in the best interests of customers and taxpayers".

It is the second investigation into the infrastructure project by the watchdog, which in 2014 warned that the method used to finance the project could prove expensive for taxpayers.

Critics, including Sir Ian Byatt, a former head of water regulator Ofwat, say the tunnel is unnecessary.

Zika zone Singapore suffers outbreak as virus spreads



A housing estate at Singapore's Aljunied Crescent is sprayed with

CLIVE COOKSON
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Singapore has confirmed 41 cases of locally transmitted Zika virus in one area of the city-state — the largest cluster to be identified as the disease spreads in Asia.

More cases of Zika were likely to be diagnosed, the Singapore health ministry said, after revealing that the first case of the mosquito-borne disease was in a 47-year-old Malaysian woman. Most of those affected were foreign building workers,

with seven still in hospital.

The National Environment Agency sent 200 officers to clean drains and spray insecticide in the affected area yesterday as volunteers handed out leaflets and insect repellent.

The agency said it had stopped work at a large building site close to the outbreak, where they had found "potential breeding habitats favourable to mosquito breeding".

In Brazil, Zika has been linked to more than 1,600 cases of microcephaly, where babies are born with small heads.