

All Party Parliamentary Light Rail Group

House of Commons

London SWIA 0AA

Ref: LR Applrg Parliamentary Sponsors 2018



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THE ADVANTAGES OF TRAM/LIGHT RAIL SYSTEMS FOR PUBLIC TRANSPORT

A letter from the Ultra-Light Rail Group December 2019

Ultra-Light Rail, Very Light Rail and other abbreviations and terms cover the smaller type of tram operation which is lower cost, easier to install and a significant tool in the armoury to combat increasing poor air quality in our cities and towns as well as having the range of benefits enjoyed by steel on steel public transport building up to a Manchester Metrolink big city light rail systems

- I. As a group the ULR companies can offer options to deliver all these benefits; but not all tram vehicle manufacturers and system developers can offer all the benefits listed.
- 2. All LTAs have statutory Transport Development Plans which seek to achieve most of these transportation and public transport benefits. However, because their targets generally lack precision and ambition; and have no quantification or time scales the LTAs do not have to be proactive (and are often not proactive) in seeking these benefits from public transport providers. All too often short termism and offers of grants and low initial capital costs will educate their mode choices rather than these benefits.
- 3. DfT give advice on mode choice and offer grant funding based on the Benefit Cost Ratios of alternative technologies; based on their proscriptive lists of acceptable benefits and their detailed WebTag "advisory calculation procedures". The benefits of light rail systems listed above have been divided into three categories. Category A benefits are generally acknowledged by DfT; and it is also generally accepted that there are reliable procedures to calculate those benefits as monetised values for proposed new light rail systems. Therefore, they are normally included in the BCR calculations which are used by DfT (or agreed by DfT), for the purpose of estimating value for money, as defined in Planning Policy Guidance note 13 (and any footnotes and amendments thereto). At public inquiries into Draft TWA Orders both the Promoters and the Objectors; and their respective consultants and legal agents, know that in many cases the DfT has declined to include the claimed benefits in group B in their agreed BCR calculation.
- 4. Companies in the ULR group are concerned that it appears that DfT accountants are choosing to ignore some very large and valuable benefits of proposed new light rail systems simply because they claim that "those benefits are not reasonably capable of being quantified as monetary values". While it can be acknowledged that there may well be practical difficulties; it is also obvious that the monetary values of category B benefits are not

This meeting by invitation only, where MPs, Stakeholders etc., within the Light Rail industry and invited members of the Public will have a chance to discuss debate and raise questions concerning Light Rail & Trams.





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zero; nor are they ever insignificant. This issue has been taken up at public inquiries by many objectors to busways in recent years who were promoting alternative light rail schemes.

- 5. The DfT position on which benefits should be included or excluded from BCR calculations is at odds with most other experts working in similar situations: -
- For some transport infrastructure projects TfL has publically disagreed with DfT and calculated BCR differently
- Hybrid Bills for high speed railways, which are promoted by Government companies and Parliamentary Agents, have included an increasing number of the benefits in group B with each new scheme.
- The Centre for Economic and Business Research (CEBR) has produced reports to clients indicating their different opinions
- DfT highways division and DfT railways division have on occasion included calculated monetised benefits in BCR calculations, where similar benefits have elsewhere been excluded from light rail BCR calculations
- In some other countries such as Sweden BCR calculations for transport infrastructure projects acknowledge a wider range of benefits and require the use of test values (like required test discount rate in UK; e.g. a value for 1 ton of CO2 emissions)
- Generally, the academics involved in BCR econometrics research seem to believe that most of the benefits in group B can be quantified within a range of values; and therefore as a minimum the value at the lower end of the range should be included in every BCR calculation.
- 6. However, it must be acknowledged that not all light rail and busway promoters have been able to produce top quality evidence for their stated BCR values in a way that HS1 and HS2 and airport development promoters have done.
- 7. It is considered that the benefits in group C are more difficult to clarify because there is a less direct causal link between a new light rail system and the claimed benefit. In some circumstances there is no evidence of any benefit. For example, the claimed benefits of regeneration from Sheffield Tram failed to materialise. On the other hand, the regeneration benefits of DLR extension to Woolwich are now believed to be large, but they were discounted at the consents and approvals stage of project development.
- 8. The ULR Group consider that their main competition is with busways; and they are agreed that there is no level playing field of proper comparison of benefits between busways and tramways in UK because of the influence of DfT on the way in which BCR calculations are undertaken for grant purposes. As all LTAs are aware of which benefits DfT does not require to be quantified they ignore those benefits when comparing alternative tram and bus options; e.g. for Luton Dunstable and Bristol proposals. Also, at TWA public inquiries DfT appointed inquiry inspectors can take their guidance from DfT and have been reluctant to give any

weight to claimed benefits which are not in the DfT list of acceptable benefits for quantification and use in BCR

calculations.

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9. Should UKT so require ULR Group members can give evidence on specific benefits in detail

Notes:-

GROUP A

Maximising public transport use

Exceptionally low accident rates

for pedestrian priority areas

A preferred option for many

different urban integration

Can deliver above average

passenger comfort and

Safest available technology package

The only technology guaranteed to

Road Traffic Reductions

Low maintenance cost per

passenger km.

for users

convenience

reduce car use

situations

Zero carbon footprint operation is possible

GROUP B

Carbon negative (- 65%) fuel (CH4) options are available Significant and value for money contributions to air quality improvements are possible Low operating cost per passenger km.

All system assets can be used as co-lateral for loans
Attractive to commercial loans

investors
Minimal toxic pollution from who

Minimal toxic pollution from wheel /track interface

Good potential for performance upgrades over next 20 years Public transport mode of choice for 80% of city residents
Able to operate on under used peripheral railway assets
Symbiotic link to higher walking and cycling mode shares
Highways congestion reductions can defer or eliminate otherwise large highway costs

GROUP C

No net cost to the public purse in favourable circumstances
Often the lowest whole life (50 yrs.) cost per passenger km.
Typical new systems consistently show improving market penetration, increasing demand, and rising revenues over 50 years.
A preferred public transport option for many different urban integration situations

In some favourable circumstances a new tram system can be a catalyst to accelerate regeneration developments







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