

## All Party Parliamentary Light Rail Group

Meeting on 8 November 2011 at the House of Commons at 16:00

*"Low cost, affordable and sustainable trams"*

The meeting was chaired (until 17:00) by Greg Mulholland MP who introduced the speakers: Lilian Greenwood MP, Shadow Minister for Transport, Geoff Inskip, Chairman UKTram, and Gareth Gerner, Partner, DLG Architects LLP.

Greg Mulholland MP (Chairman's opening remarks)

I have been MP for Leeds Northwest since 2005 and for the two year before that a Leeds City Councillor and directly involved in the Leeds Supertram proposals.

Leeds is the largest city in Europe without either a light rail or underground railway system. The Supertram proposal was for a three-line system and £40 million had been spent on preparatory work before the Secretary of State for Transport, Alistair Darling, withdrew government financial backing in 2005. The cancellation was attributed to increase in costs, despite all-party local efforts to contain costs and the cost-benefit ratio still being within the DfT guidelines for a viable project. DfT directed Leeds towards a bus-based transport system, which resulted in the current two-route trolleybus proposal. Funding approval was given for this by the previous government in 2010 but this was then suspended as part of the present government's spending review. A final decision on the project is expected within the next few weeks. If the project is scrapped, the money will not be available for alternative schemes and there is unlikely to be funding for any alternatives in the near future.

There is also currently discussion in Leeds about tramtrain on the Leeds to Harrogate railway line but a decision is held up pending the outcome of the tramtrain pilot scheme in Sheffield. The Harrogate Chamber of Commerce has recently suggested using retired London Underground stock on the line as a cheaper and quicker alternative. The Leeds-Harrogate proposals include a connection to the Leeds-Bradford Airport.

It takes far too long to get transport developments through, far longer than in other countries. It needs decision making to be moved away from central government to the regions. There is also a notable funding gap between transport provision in London and in the regions. Currently Kings Cross station in London is being rebuilt at a cost of £500 million, the same cost as the cancelled Leeds Supertram.

1st Speaker: Lilian Greenwood MP

I was elected as Labour MP for Nottingham South in 2010 and have been a Shadow Transport Minister for only one month. I am extremely enthusiastic about the development of lines 2 and 3 of the Nottingham tram, which will bring considerable benefits to my constituents. My responsibilities as shadow

Minister are regional and local transport. Labour has taken an integrated approach to transport, rather than the traditional modal approach.

The policy review which the Labour Party is currently carrying out will stress transport integration. We believe that a world class public transport system is essential to economic well-being and to environmental improvement. Decision making on local transport should be devolved to a local or regional level. Light rail has the potential to contribute to transport integration, economic growth and carbon reduction. It is invaluable in providing local transport which is accessible, quick, safe, and affordable and has minimal environmental impact. The modal shift from cars is greater for light rail than for buses. The National Audit Office study showed an 18-20% modal shift and this is now higher in Nottingham due to facilities such as park and ride. Light rail is particularly good at providing access to the disabled.

Why then is there not more light rail in the UK? It is partly due to the stop-go policies by successive governments of both colours and the fact that major decisions are made at a national rather than local level. There is greater political consensus on public transport in other European countries. The high cost of utility diversion is another factor. There is a lack of use of existing infrastructure such as tramtrain on existing railways.

Labour supports the present government's decisions on the expansion Manchester Metrolink, Midland Metro and Nottingham Tram and welcomes the DfT report "Green light for light rail". We look forward to concrete proposals arising from this report. There is still, however, a government agenda of public spending cuts which may militate against progress. There have already been cuts in the heavy rail investment programme. We should be spending more on transport infrastructure to promote growth.

Integration of transport modes is also essential to maximise public transport effectiveness and the Labour policy review will address this. Labour is committed to investment in light rail as a vital part of integrated local transport systems.

2nd Speaker: Geoff Inskip

[Address accompanied by a PowerPoint presentation]

How can UKTram support government policy and promote development of light rail? Trams are popular and the current government is supportive but how can we make it happen this time?

Light rail and tramtrain investment will benefit business, stimulate regeneration and improve the quality of life. There is now more evidence of these effects from Manchester, the West Midlands and Nottingham which should help to convince the Treasury. Light rail is green, with low noise and emissions; it attracts car users, thus lessening congestion, and increases social inclusion.

The DfT Business Plan sees transport as an economic driver for growth. One objective is to secure the rail network and increase its capacity. Local connections are essential to support the proposed high speed rail network with light rail providing a key component. Tramtrain can help bridge the gap between national and local transport systems. The cost of local railways could be reduced through conversion to tram or tramtrain. It is proven technology. PTEG had produced a list of potential tram train schemes.

These schemes could be funded by redirecting the existing rail subsidy to ITAs, together with other funding generators, such as borrowing against future income. It should be left to the ITAs to carry out these developments without interference from central government.

There is also a place for ultra-light rail as on the Stourbridge Town branch. We need to identify other potential sites.

[Greg Mulholland left at this point and Jim Harkins took the chair]

3rd Speaker: Gareth Gerner

[Address accompanied by a PowerPoint presentation]

“A new conversation with developers”

Government traditionally sees developers as merely a source of tax revenue for funding infrastructure. [Examples of development costs for rural and urban sites]

Developing is profit driven but is high risk due to uncertainty over planning permission and economic fluctuation. Developers have to be good at balancing risk and opportunity.

Development puts extra demands on infrastructure which is currently addressed through Section 106 contributions.

[Example of effect of transport provision on land values]

An alternative approach would be for developers to pay directly for transport provision, say a tram route. This would be paid for by the subsequent increase in land value. The density of allowed development is dependent on the PTAL (Public Transport Accessibility) rating. The better the transport provision the higher the density and the higher the value of the land. Putting in a permanent transport link therefore increases land value. It will also reduce the need for car parking spaces and stimulate demand for the finished property. If the transport link is paid for by the developer, his Section 106 liability is also reduced.

The transport link needs to be seen as a permanent feature of the development and a tram with its fixed route is ideal, whereas a bus service could easily be discontinued.

Developers are largely unaware of the potential of trams. We must be able to give accurate capital and running costs. There must be a way to manage the risk involved, possibly through insurance. Moving utilities, a major cost in putting trams into already developed environments, would not be necessary in new developments.

Question session

Clive Betts MP took over as Chairman and Dave Haskins from Leeds joined the panel.

John Parry: Why are we not paying more attention to Network Rail in the light of the McNulty report? Railways are no longer one-size-fits-all and three layers of railway have been identified. Lighter, simpler and cheaper local lines are required – virtually light rail. These do not necessarily have to be electrified.

Ian Ambrose, Network Rail: Watch this space. It is not necessary to await the final outcome of the Sheffield-Rotherham pilot. If there are ideas, such as the Leeds-Bradford airport link, put them forward now.

Steve Barber: It has been ten years hard slog to get Nottingham lines 2 & 3 started. Ten years of blight for Beeston town centre and other areas. Dithering by politicians has caused projected commercial developments to be put on hold. Now work is going ahead one or possibly two billion pounds-worth of inward investment has been released. Can we get a quick yes or no answer for transport projects in future?

Geoff Inskip: It is not about technology but about putting up a strong business case. This was done at Stourbridge where deployment of the Parry vehicles improved the service, reduced the subsidy and increased passenger numbers.

Oldham and Rochdale have waited 21 years for their trams. The process would be much speeded up by a local ability to raise funding – either the locality could afford it or it could not.

Gareth Gerner: Developers will commit if they know they are going to get a rapid planning decision.

Lilian Greenwood: Decisions must be made at a more local level. Does Gareth think developers would be put off by the need for a public enquiry?

Gareth Gerner: It depends on the developer. The more transparent the planning and consultation process the better.

James Skinner: We are taking for granted that the required technology is always available. The main reason for lack of progress to date is that trams are too expensive. We are reliant on what is available on the world marketplace. The UK has no input to the transport construction industry. We should give more opportunity to UK manufacturers. There needs to be coordination between DfT and the Department for Business.

Scott McIntosh: The lesson from Stourbridge is that there are ways of doing it. For the Abbey line, however, after two and a half years, DfT still cannot decide how it should be organised. This is not a problem of the technology.

In North America there have been a lot of small schemes linking new developments to existing transport systems. They are successful because they are focussed on a specific objective. We need to do that here.

I have tried to get money out of developers on many occasions, usually unsuccessfully, but they may support transport schemes in other ways.

Chris Dale??: Why do we need the tramtrain trial. It is proven technology.

Geoff Inskip: Some barriers to progress are institutional. We are not good at building to a cost. We need sustained investment programmes, which would stimulate local manufacturers. Give decisions to local decision-makers.

On the tramtrain trial – yes, let us get on with it, although useful information has come out of it. Give it to south Yorkshire to take forward.

Dave Haskins: Stop-go is a big drag on development. With such long drawn out processes, we cannot ensure that Section 106 payments always go to the most appropriate place.

Lilian Greenwood: There is agreement on the need for local decision-making.

Clive Betts (Chairman's closing remarks)

The tramtrain pilot scheme could have been worse in that it now at least includes city centre running. The Sheffield-Rotherham rapid bus project was another example of DfT's lack of joined-up thinking. Decision-making on these projects must be made locally.

[The meeting closed at 18:00]