

APPLRG / pteg: Light Rail and the City Regions

Day 1 - 27 October 2009

Session 4 – Confederation of Passenger Transport

Questions 55 - 67

PLEASE NOTE THIS IS NOT A FULL TRANSCRIPT
BUT A NOTE OF THE SESSION.
DUE TO A TECHNICAL FAULT NO TRANSCRIPT IS AVAILABLE.

Q55 Paul Rowen: Welcomed panel back after lunch. Asked witnesses to identify themselves and offer any opening statement.

David Walmsley: Introduced work of Confederation of Passenger Transport and the role of the Fixed Track Executive. Gave a brief overview of his experience. Drew attention to the fact that CPT represents all of the operators for tram systems in the UK, as well as DLR, Tyne & Wear Metro and Glasgow Subway.

Geoffrey Claydon: Introduced himself – ex-government lawyer with experience of working in Department for Transport (and previous incarnations).

David Walmsley: CPT has represented LRT interests to government at many levels and worked formally and informally with DfT to improve regulations and so forth. Set out main advantages of light rail – speed, capacity, segregation, smoother ride and modal shift. Indicated that trams do cost a lot of money and therefore it is proper to have good value for money assessments. However trams in UK do cost more and take longer to develop than elsewhere. This was a consequence of the use of heavy rail standards for light rail, lack of continuity and having to go back to square 1 for each scheme, and a contractual process which is seen to add cost.

Q56 Paul Rowen: What is the practical contribution that the private sector can bring?

David Walmsley: Operators are mostly bus companies as well as LRT operators. Construction companies are separate. Private sector needs public sector to direct (as promoters of schemes). Better to use separate contracts rather than single Design Build and Operate contracts – as not sure that works well in UK.

Q57 Paul Rowen: What should be the distribution of risk?

David Walmsley: Giving separate contracts would mean that firms were taking risks only in the areas they understood. In a consortium, risks tend to get mixed up and are not always properly understood by right partners. The public sector should provide the integrated planning and should accept some of the risk or help minimise risk.

Q58 Paul Rowen: What are the lessons learned from the joint working with UKTram?

David Walmsley: National Audit Office report highlighted lack of standards in light rail. UK Tram is a consortium of CPT, LRTE, pteg and DfT. Has had quite a bit of influence and the ear of government. But lacks the resources to further develop standards and

probably needs a full-time team.

Geoffrey Claydon: Purpose of UKTram is to look at infrastructure and vehicle requirements. Individual projects have been partly funded by government. Setting up separate body to monitor implementation not happened and money not forthcoming. A working party under the Railway Inspectorate looked to a take-over of this function by UKTram but funding was lacking. Likely that this function will continue under ORR rather than DfT auspices.

David Walmsley: There was a proposal to establish a British Tramways Board, but this was seen to be expensive – in the region of £12M set up and £1.5M per annum costs. DfT agreed to fund project work of UKTram for specific things but not cost of administration.

Q59 Clive Betts: Following on from the point about joint work with heavy rail bodies, should tramways be looked at separately from heavy rail as far as possible?

David Walmsley: Prefer tramways to be separate – take the view that it's more of a 'funny kind of bus running on rails rather than a funny kind of train running on the streets', and there should be separate regulations, although there will be some overlap with heavy rail.

Geoffrey Claydon: There are two elements which are distinct – street running, which involves the Highways Authority, and operation among motor vehicles. Cannot just lift regulations from heavy to light rail – e.g. problems with ROGS in not taking into account role of highways authority,

David Walmsley: Railway inspectors no longer approve light rail – this is done by operators and constructors, thereby adding to the risk element.

Q60 Clive Betts: Should there be a separate tramway inspectorate?

Geoffrey Claydon: There is a separate section within the Railway Inspectorate (ORR), and this provides a coordinating system and way of joining up.

Q61 Clive Betts: Are staff thinking in terms of heavy or light rail?

Geoffrey Claydon: Many staff come from the heavy rail industry so will bring that experience with them, some have light rail experience, but this is not universal.

Q62 Clive Betts: How can more funding be attracted?

Geoffrey Claydon: Present regime far too centralised – focused on DfT and Treasury. There was a suggestion that T&W orders could be granted by local authorities rather than the Secretary of State though this was not pursued – might be helpful to move to this arrangement. The financial side is also too centralised. Local authorities should be able to raise their own finance – e.g. through bonds or local taxation. HMT feel that this is all related to overall public expenditure control.

David Walmsley: This would be the situation in France for example. Manchester example perhaps not enough emphasis given to the benefits.

Q63 Paul Rowen: What framework is required to make the system more effective, efficient and fairer?

David Walmsley: Greater local control. More strategic programmes, such as the 10 year plan - an ongoing rolling programme of construction to allow expertise to be retained, as has been achieved by DLR. Stop-start nature has meant experience lost.

Geoffrey Claydon: Local government has a better understanding of local aims and problems, and able to integrate development with transport. More consideration of land values and job creation needed – impact of Cross Rail on GDP for example.

David Walmsley: Wider economic benefits and regeneration uplift need to be captured. Quite a bit of evidence of impact of trams on regeneration. Should be more scope for capturing benefits and getting local businesses to contribute financially. For example, Salford Media City – extension funded by developers.

Q64 Clive Betts: Can operators put money into extending tram schemes?

David Walmsley: Difficult with current contractual arrangements where often extensions require the refranchising of the operation (e.g. Manchester).

Geoffrey Claydon: More vertical integration required for this to happen – for example, London Metropolitan Line where land was purchased by company to assist with extensions and property development.

Q65 Paul Rowen: Is there scope for integration?

David Walmsley: Scope is there, but varies with local circumstances.

Q66 Paul Rowen: Do you wish to add further information?

Geoffrey Claydon: Relocation of utilities often hindered as utility companies do not know the location of their utilities or have proper records. ORR has made it a requirement for relocation but is a product of UK H&S requirements, and is a considerable financial burden on tramways. The concessionary travel scheme for the over 60s has also caused financial problems for tramway operators – particularly Blackpool Transport – estimated that Blackpool has lost £1.3M as buses competing.

David Walmsley: Government reduced the proportion of cost attributed to the utility companies from 18% to 7.5%. Moving the utilities probably represents 15-20% of construction costs. Felt there was a sum to be done in terms of the costs of having to suspend the tram service occasionally versus the costs of moving the utilities.

Q67 Clive Betts: To which should be added to cost to local businesses of the additional disruption.

David Walmsley: Nottingham scheme appeared to overcome some of this and is an example of how it can work.

END.