

## **Light Rail and City Regions: a 21<sup>st</sup> Century Mode of Transport (Light Rail Inquiry by the All-Party Parliamentary Light Rail and pteg) ~ Response from Campaign for Better Transport**

### **Light rail achieves local and national objectives**

In *Delivering A Sustainable Transport System*, the Department for Transport explains that it aims to be modally neutral and to encourage policy which focuses on achieving the Government's objectives: supporting economic growth; tackling climate change; contributing to better safety, security and health, promoting equality of opportunity and improving quality of life. It is clear that light rail could play a vital role in achieving these objectives, for the following reasons:

- Trams improve the image of a city and contribute to economic regeneration.<sup>1</sup> A new tram is a visible, permanent way of showing that an area is being invested in for the future. It attracts businesses and tourists, and helps people access jobs and services. When KPMG was advising GMPT on the Greater Manchester funding package, they ranked schemes against regeneration and jobs, and on this basis high density public transport such as Metrolink extensions came out best
- Trams can create and protect skilled green manufacturing jobs. For example Merseytram line 1, which has all necessary powers and contractors in place, would create 1000 construction jobs on Merseyside and also safeguard skilled engineering jobs at the Bombardier works in Derby where the trams would be made. These jobs would be in green technology, which the Government has said it is keen to promote
- Trams reduce congestion in city centres by providing people with a quick, reliable, high-quality alternative to the car. They can reduce road traffic by up to 14%<sup>2</sup>
- Trams help tackle climate change. Travelling by tram produces only a third of the CO2 produced from travelling by car
- Trams improve local air quality because they run on electricity so don't produce any pollution at the point of use. They are very safe and quiet, and they make cities nicer places to be
- Trams are very popular and encourage people to leave their cars behind. The number of people using trams has increased by 52% since 1999. On average, one in five peak hour passengers on UK trams previously travelled by car. At the weekends, half of the tram passengers used to travel by car. At least 22 million car journeys a year no longer occur in the UK because of trams.<sup>3</sup> This means that trams are an effective way of cutting carbon emissions and congestion

### **The UK is falling behind other European countries in light rail provision**

Despite these advantages, the Government has discouraged new trams since 2004, when it withdrew funding for tram schemes planned in Leeds, South Hampshire and Liverpool, and promoted bus based alternatives because of the reduced cost. In some areas buses may be appropriate but in many others, the Government must recognise that a tram is needed. Trams can achieve a step change in public transport provision; the high quality image and permanent infrastructure tends to mean greater modal shift than that achieved with bus-based schemes.

The UK has fallen behind other European countries in terms of tram provision. Leeds, with its population of 700,000, is the biggest city in Europe without a tram. Meanwhile, in Germany trams are running in towns of 50,000 people.

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<sup>1</sup> What light rail can do for cities, Steer Davies Gleave, February 2005

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

## **Barriers to light rail / recommendations for action**

A recent study looked at the lessons we can learn from the French approach to planning new trams.<sup>4</sup> It concluded that there are three main reasons why France has more light rail systems than the UK: legislative processes are different and trams can be funded using local (municipal) taxation; there is a more holistic approach to quantifying the benefits of trams; and existing markets and urban density levels are more conducive to trams and bus routes are restructured around trams. The study concluded that bringing these factors about in the UK 'would require a complete change in the UK political and transport culture' but we think this is too pessimistic.

We believe these factors can be tackled now:

- If the Government is serious about devolution and localism, it must give local authorities more freedom to develop funding packages and new sources of local revenue, so that local authorities can promote trams in the way that they do in other European countries. The Government can encourage local authorities to introduce workplace parking levies, as Nottingham plans to. The Crossrail package includes a supplementary business rate and we support plans to allow local authorities outside London to raise money in this way from 2010. The Greater Manchester package included a council tax supplement, and it has delivered more light rail. Milton Keynes has also ringfenced council tax for local public transport. The Government should be encouraging of these and other revenue raising possibilities for local authorities. It should allow local authorities to issue bonds so that they can invest in transport infrastructure
- Equally, devolution means that the Government must take local views seriously when making decisions about Government funding for trams. Where local authorities and local people believe that a tram is the best solution for their area, the Government's role is to help build the tram, not to try to persuade them that the bus is always best. The Government must be willing to spend money on high quality public transport solutions outside London. In 2007/8, spending on public transport was £245 per person in Yorkshire & the Humber, compared to £667 per person in London
- The Government must revise transport appraisal to ensure it takes a more holistic approach. In particular, the carbon benefits of light rail need to be given much more weight in transport appraisal (the New Approach To Appraisal)
- Transport authorities aiming to introduce trams should take into account the findings of the study mentioned above when planning bus policy, bus routes and new development

We would also suggest that there are other things that can be done to reduce barriers to trams:

### **Government guidance must be revised to encourage trams**

Government guidance makes it hard for transport authorities to introduce a tram scheme, and encourages them to build road or bus schemes instead. Authorities that do attempt to introduce trams can face high project development costs, and delays.

The Government should revise major scheme guidance in the following ways:

- In looking at urban transport problems, encouragement should be given to trams being considered alongside other options, like bus rapid transit, at the early stages of option generation
- Authorities should be required to produce an option identification report which includes public involvement/consultation, as the Government has suggested. Light rail should be included as an option where this has public support
- All new schemes should require a minimum local contribution of 10% (currently the minimum contribution for light rail is 25% but for all other non-light rail schemes it is 10%)
- Utility discounts for diversions required by tram schemes should be the same as for highway schemes (18% rather than 7.5%)
- Cost overruns on local authority major schemes should be treated equally, whether the scheme in question is a tram or a road - in the past, tram schemes have been dropped on the basis of cost overruns but road schemes have not

As part of the supporting framework for LTP3 guidance, the Government should encourage local authorities to consider trams alongside other options such as buses and rail, when deciding on a new urban public transport system for their area and should expect to see firm evidence that they have done so.

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<sup>4</sup> Comparative Performance Data From French Tramways Systems, Faber Maunsell, December 2003

The Government should be prepared to provide funding for the cost of running trams not just building them. Currently, Government provides revenue funding for buses (through BSOG) and trains (through the franchise process), but not for trams. Given the benefits that trams bring, this does not make sense.

### **Government trials should be introduced to reduce the cost of trams**

Although the Government's attitude towards funding trams needs to change, this will be easier if the cost of building a tram is reduced. There are many tram options, and some cost less than others. Ultra light rail, Parry People Movers and Carpet Track provide examples of where lightweight trams could provide very good value for money. The Government should fund trials into these alternatives to bring down the cost of building trams. It should also recognise that the same level of regulation is not required for trams as for conventional trains.

The way in which tram schemes are funded (under a form of Private Finance Initiative) means that the private sector must take on all the risk of building and operating a tram, for a 30-year period. This means bids for tram schemes are high, to deal with the high level of risk. Government should consider alternative ways of funding trams and take on more of the risk of these projects.

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Campaign for Better Transport is the leading transport NGO. Our compelling arguments and ideas have won us the support of national decision-makers and local activists, enabling us to secure transport policies and programmes that improve people's lives and reduce environmental impact.

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