


---

**From:** Ramsay J (John)  
**Sent:** 07 December 2006 10:14  
**To:** Spence M (Matthew); Davis L (Lorna)  
**Subject:** FW: Edinburgh trams FBC

Folks

The awaited opinion from Andy P  
Doesn't appear to be too far from the lines we set out before Bill this morning but we may be better to have a follow-up with Andy just to be sure

John Ramsay  
Project manager - Edinburgh Trams  
Rail Directorate  
Transport Scotland  
Buchanan House  
Glasgow G4 0HF

Tel 0141-  
mobile

-----Original Message-----

**From:** Park A (Andy)  
**Sent:** 07 December 2006 10:01  
**To:** Ramsay J (John); Sharp DP (Damian)  
**Cc:** McMahon S (Steven); Duffy, Frances  
**Subject:** Edinburgh trams FBC

John

Slightly later than promised my views and comments on the Trams FBC.

Firstly, I can confirm that the economic assessment resulting in the calculated Benefit Cost Ratios is in line with the letter, if not always the spirit, of guidance.

Secondly however, I would tentatively suggest that it, once looking, or being forced to look, at the detail, may be quite difficult to defend the project on economic grounds. I am certainly not particularly looking forward to doing so. My reasoning is laid out below.

1.

A large proportion of the benefits of the scheme arise from the use of a weight on tram in vehicle time. Whilst the way in which this has been applied is unusual, it is a reasonably standard practice. What this means however, is that a large proportion of the benefits are derived from the fact that "people prefer a tram to a bus". This degree of preference was calculated via a survey that discounted the views of those who expressed a preference against trams at the time. If the survey results are restored the case falls well below 1 for 1a and close to one for line 1a+1b. If the weighting is removed altogether then the case for both options falls below 1.

I remain to be convinced that this preference of individuals for a tram that does the same thing in the same time as a bus, particularly given the way it has been calculated, is a sufficiently robust justification.

Comparison of the reference case which at TIEs insistence contained bus priority measures not now in place or committed, with a formal do-minimum that represents the current situation shows that such a bus priority scheme generates levels of benefit (not due to mode environment) similar to the tram but at minimum cost. In fact there is a positive impact shown on TEL revenue of circa £80mill that could fund such a bus priority scheme.

3.

Although around 20% of the tram patronage is from car, this represents a 1 to 2% modal shift for edinburgh as a whole. A view has been taken that the form of transport model used (of which we have still not seen the formal audit) is likely to overstate modal shift compared with other modelling approaches and that the approach taken is difficult to justify.

4.

No account is taken nor is there discussion of the construction impacts of the scheme. Given my understanding of the need for separate utilities work these are likely to be significant and have a real phhysical impact.

Of course this discussion of the BCR just represents 1 of the five STAG criteria. Additionally the EALI discussion is an additional component of the economy objective.

I offer brief comments.

EALI

The EALI discussion is used as an input to the tram modelling and appraisal work in terms of moving forward of planning dates etc. rather than the more usual case where modelling etc. informs the EALI.

Environment

The STAG work does not show significant environmental benefits in terms of either local or global air quality. There are disbenefits in terms of cultural heritage, landscape and historical buildings.

Safety

The scheme has accident disbenefits due to the nature of road-light rail interfaces within the same space.

Integration

The scheme relies on integrated ticketing but this is in place in the reference case anyway.

Accessibility and social inclusion

There are some benefits particularly in the case of 1a+1b but these are not extensive.

In summary, it is likely, if pressed, to be difficult to justify the case (particularly for 1a alone) on economic grounds. The view may be taken that other non-economic factors may not show significant positive impacts either.

It should also be noted that any recommendation to the IDM board should be conditional, at best, until the Due Dilligence report (audit) which I believe we have still not received, has been examined.

Happy to discuss,

Andu

Dr. Andy Park  
Strategy and Investment  
Transport Scotland

-----  
Sent from my BlackBerry Wireless Handheld