

Transport and Works Act 1992

**Transport and Works
(Inquiries Procedure) Rules 2004**

**CROXLEY RAIL LINK
ORDER**

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Volume 1

Summary

Transport Case

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- 1 My name is Steve Hunter. I am an Associate with Steer Davies Gleave specialising in the appraisal of major transport schemes. My evidence (CRL/2/2) covers the transport case for the Croxley Rail Link scheme and the certainty of the required funding being available. It is accompanied by Appendices (CRL/2/3) which include relevant drawings and the Department for Transport's funding approval letter.

Transport Case

- 2 The Croxley Rail Link scheme connects the Metropolitan Line to Watford Junction increasing the number of residents and businesses conveniently served by London Underground. The scheme improves connections across the public transport system enabling more people to access a wider range of jobs and services more easily. At Watford Junction opportunities for interchange with National Rail services are created.
- 3 The current Metropolitan Line terminus station (known as Watford Met) is located some distance from Watford town centre. Services currently take around 44 minutes from Baker Street station to Watford Met station. With the Croxley Rail Link in place, Watford Met station would close and the Metropolitan Line would serve Watford at two newly built stations (Ascot Road and Watford Hospital) and at the existing Watford High Street and Watford Junction national rail stations. As a result of the scheme the Watford residential population within 800 m of a Metropolitan Line served station will be more than 14,000 higher in comparison to the current situation.
- 4 The new stations serve areas that have some of the highest population densities, lowest car ownership levels and lowest household incomes within Watford. Improved access to public transport will contribute to addressing some of the current disadvantages faced by residents of these areas.

- 5 The proposed alignment of the scheme serves a number of the major development projects within Watford, including the proposed Health Campus. It significantly improves the connectivity of existing businesses and potential development sites along the corridor. By increasing potential employee catchment areas and improving access to customers, clients and suppliers the scheme will generate economic benefits for businesses.
- 6 The Transport Assessment of the Croxley Rail Link submitted with the Transport and Works Act Order application (APP 7 10) considered the impact of the scheme on the local highway and cycle/walking networks and users. It identified two locations where the forecast peak hour traffic flows would increase by more than 5% because of the scheme. At eight locations the forecast traffic flow decreases by more than 5%. Overall, just under 300 peak hour car journeys are removed from the local road network. The overall net impact on the highway network is assessed as being a modest benefit.
- 7 The impact of the scheme on existing passengers using Watford Met station, both those resident in Watford and those making trips into Watford, has been assessed through analysis of passenger interviews and gateline data. This analysis has been updated for this inquiry, but continues to show that for both these groups the overall net impact is positive. The wider case for the scheme also takes into account the significant benefits for residents and employees who do not currently have good access to Metropolitan Line services.
- 8 The proposals include provision for existing and future pedestrian and cycle users of the Metropolitan Line and the scheme has been designed to promote access by sustainable modes. The new stations at Ascot Road and Watford Hospital include step-free access to platforms, improving travel opportunities for Persons of Restricted Mobility.

- 9 The promoted scheme makes a material contribution to addressing the transport problems affecting the Watford area and to achieving the three aims for the project described in Ms Glaud's proof (CRL/1/2).

Funding Case

- 10 The majority scheme funder is the Department for Transport, with the remaining funding being underwritten by Hertfordshire County Council. In December 2011 the Department for Transport announced its acceptance of the Best and Final Funding Bid submitted by the promoters for the Croxley Rail Link scheme. This acceptance signifies the Department for Transport's commitment to funding the scheme. In common with all previous Croxley Rail Link submissions to the Department for Transport the Best and Final Funding Bid included the closure of Watford Met station. A decision to keep Watford Met station open would amount to a material change to the scheme and would require a resubmission to be made to Department for Transport.
- 11 There is a high level of certainty that the required funding will be available for the Croxley Rail Link scheme. The Department for Transport approval demonstrates that there has already been a high level of scrutiny of the transport and business cases for the scheme. My evidence describes the scheme assessment set out in the Best and Final Funding Bid made to Department for Transport in September 2011, which satisfied its review and approval processes.
- 12 A key indicator used by the Department for Transport in considering whether they should fund transport projects is the benefit cost ratio, the summary result from an economic appraisal. Department for Transport appraisal guidance prescribes an approach that ensures that benefit cost ratios are comparable between different projects. The economic appraisal for the Croxley Rail Link scheme is in line with this guidance and shows that the proposals before this inquiry represent value for money to the public sector and are therefore a justified use of Government funds.

- 13 Overall the forecast passenger impact of the Croxley Rail Link scheme is a net increase of 730,000 Metropolitan Line annual trips by 2016, increasing to 780,000 by 2031 (both increases being around 50% on current usage at Watford Met). The data and transport models used to forecast the impacts of the Croxley Rail Link scheme were developed in line with Department for Transport published guidance and scheme specific advice provided before submission. The models are appropriate for use on the scheme and provide robust outputs.
- 14 Additional Metropolitan Line farebox revenue is calculated based on the passenger demand forecast and fare assumptions. The new stations at Ascot Road and Watford Hospital are proposed to be within TfL fare zone 7, the same zone as the existing Watford Met station. There would be no consequent change to ticket prices from Watford High Street, which is in TfL fare zone 8, or Watford Junction, which is in its own dedicated fare zone.
- 15 The financial agreement between Hertfordshire County Council and London Underground Limited includes the transfer of the forecast revenue surplus to Hertfordshire County Council for a period in return for its initial capital contribution to the project. The forecast revenue exceeds the operating costs by a sufficient margin that there can be a high probability that Hertfordshire's investment will be repaid.
- 16 The specification of the Croxley Rail Link scheme has not changed from the Best and Final Funding Bid and therefore the economic appraisal submitted to Department for Transport remains an appropriate assessment of the impact of the scheme. The BCR of 2.61 for the submitted scheme, places the scheme within the range specified within Department for Transport guidance to be 'High' value for money (BCR > 2). I believe that the performance of the project submitted to this inquiry is robust, justifies the powers requested, and represents a good use of public funds. The proposal before this inquiry meets the terms and conditions imposed in the Department for Transport's funding approval letter. On this basis,

there is no reason to doubt that the funding committed to the project will be available.

17 A wide range of alternatives has been considered during the evolution of the Croxley Rail Link scheme. At all stages of scheme development the option to divert all Metropolitan Line services to Watford Junction and close Watford Met station has been shown to represent the strongest option, based on value for money and deliverability criteria.

18 The economic appraisal is based on assumptions of what would be a reasonably likely service pattern over the assessment period based on discussions with London Underground Limited. The central case assumes a service of six trains per hour to Watford Met station at peak times and four trains per hour off peak. All of these services would terminate at Watford Junction following implementation of the Croxley Rail Link.

19 A range of alternative service frequencies has also been tested using the modelling framework. The tests undertaken demonstrate that the BCR is robust to the service frequency assumption. The BCR remains above two even for a sensitivity test that compares a higher frequency service to Watford Met (without the scheme), against the central case assumption of six trains per hour to Watford Junction with the Croxley Rail Link scheme in place.

Conclusion

20 My evidence to the inquiry covers the transport and funding case for the Croxley Rail Link scheme. It describes the derivation of the positive case for the scheme which successfully obtained Department for Transport funding and supports Hertfordshire County Council's commitment to provide the local funding required. In my evidence I set out why this case is robust and why implementation of the project is justified and beneficial.