



Funding an innovative transport project

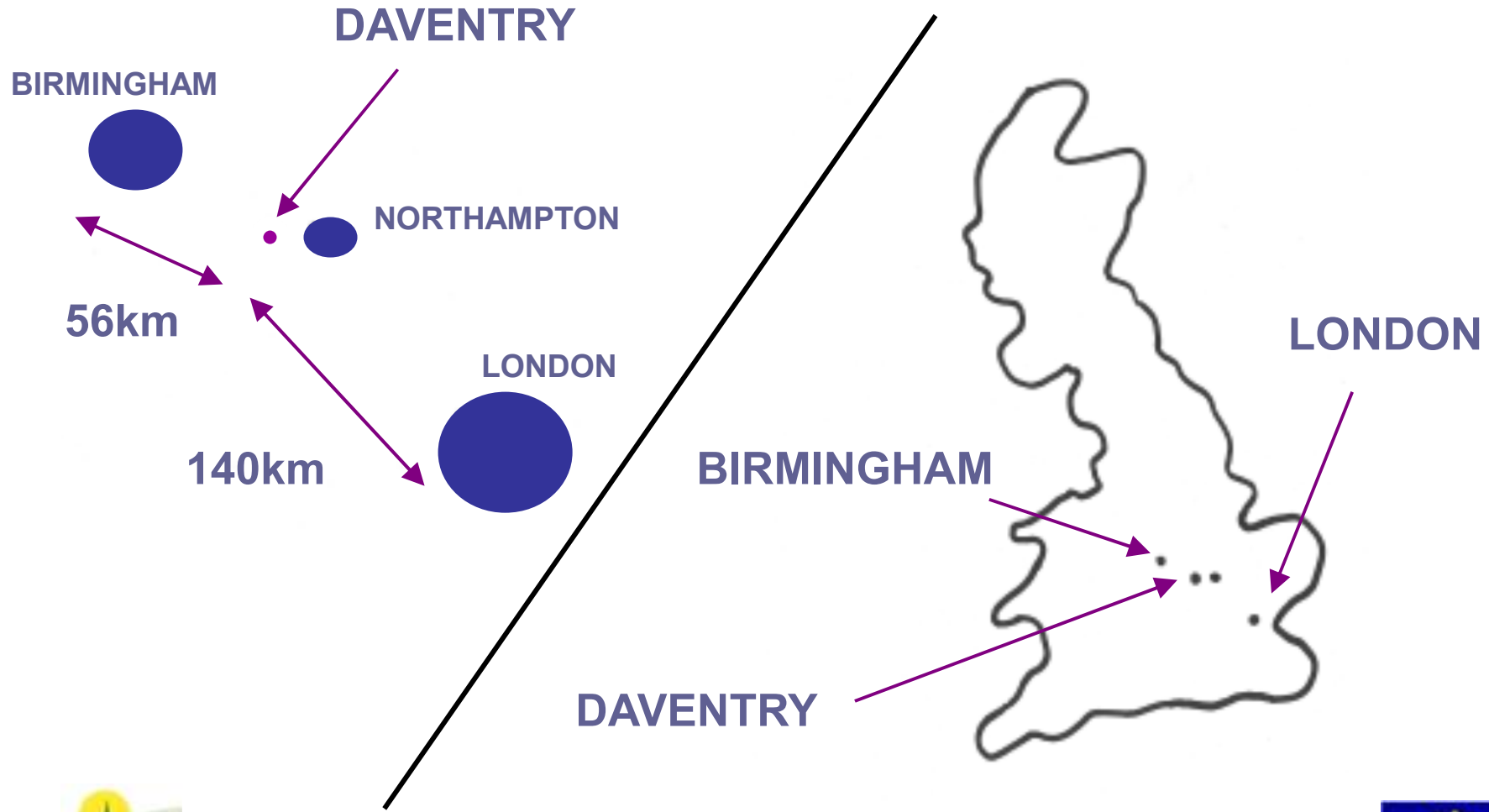
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and

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Where?!





Daventry context





'City' & Mobility Facts

Daventry Town (and District):

- **Expanded 'Market Town'**
- **Land area:** *Town 15km² (District 663 km²)*
- **No. of inhabitants:** *Town 21,000 (District 71,000)*
- **Population density:**
14/hect (rural town/green space)
- **Road network length:**
 - Motorway: Zero
 - Main roads: 20km
 - Secondary roads: 83km
- **Traffic volume:** *3700 vehicle trips at peak (town)*
- **Modal split (town %):**
 - Car: 59%
 - **Public transport (Bus): 2%**
 - Walking: 22%
 - Cycling: 4%
 - Other: 13% (taxi/motorcycle)





The challenge

- Proposed expansion to 40,000 (initial) pop by 2021.
 - Milton Keynes and South Midlands Study (2003)
 - Daventry Master Plan (2006)
 - Planning for first 1000 properties passed (May 2010)
- Growing restrictions on constructing roads and parking spaces, hence;
- Opportunity taken to look for a new Sustainable (public) transportation system
 - provide flexible transport. Residential, business, retail and leisure areas;
 - support the development of sustainable communities
 - reduce social exclusion and improve intermodality
 - to provide improved connections to the local main line train and motorway networks



Personal Rapid Transit (PRT)





Could look like....



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Why PRT ?

- PRT is an exciting new approach to travel which uses modern computer technology to combine many of the best aspects of private and public transport.
- Offers **personal, on-demand** trips between any 2 points on the network
- Provides **low waiting times** and **non-stop congestion free** travel
- Operates **automatically – 24 by 7**
- Is **accessible** to almost everyone, irrespective of age or disability
- Means no need to worry about a parking space
- **Zero pollution** at point of use
- Is almost **silent** and much **lighter** than buses or trams
- Can provide very high capacity when necessary – but **only runs when needed**
- is closest to the private car and so offers real potential for **mode shift** and **better land use.**

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Studies

- Two feasibility studies for PRT
 - DDTS (2007) confirms PRT offers a viable solution (BCR = 5.3 – 7.6 !)
 - PRT Scoping Study (2008) confirms PRT is the preferred solution (compared with a bus based alternative), and specifies and evaluates a proposed **pilot** scheme (BCR = 1.8 – 2.74).
- PRT Pilot scheme gave higher BCR than high quality bus option (same route).
- Further work on implementation aspects
 - submission (2008) to the East Midlands Development Association (*emda*) for funding to support PRT implementation. Interest but no commitment.
 - Involvement as a Champion City in **NICHES+**
 - Study by Deloitte to investigate funding potential and business models



Daventry in NICHEs+

- **participate in workshops** with Europe wide membership, to help clarify the types of PRT systems, and the particular forms, that are most relevant for them;
- **develop an Implementation Scenario** that will serve as an example Case Study aiming to identify and clarify:
 - the process and steps involved in implementing a PRT scheme, including
 - the benefits and justification
 - the users and user needs
 - transferability issues
 - barriers and success factors
- Using the results to **produce Guidelines for implementation** aimed at Chief Officers and politicians in other cities, and
- identifying any additional **requirements for policy actions and research** needed at EC and member state levels to facilitate deployment.

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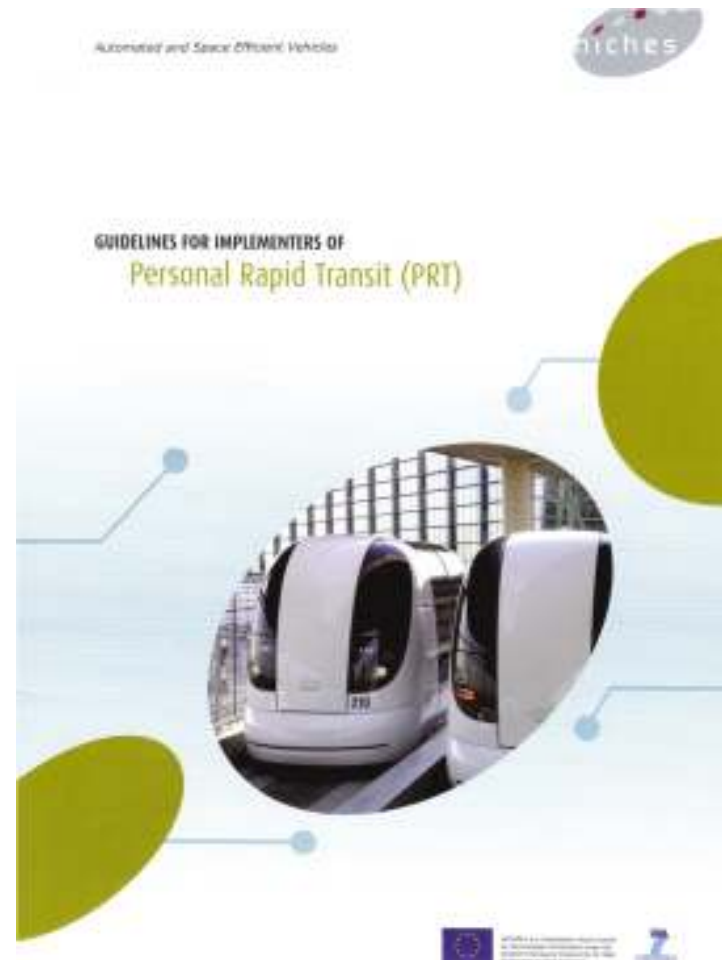
The Implementation Scenario

- Step 1: Assessment of the context and concepts
- Step 2: Needs of users and stakeholders
- Step 3: Transferability of existing solutions
- Step 4: Action plan
 - Timeline
 - Budget plan
 - Tasks and Responsibilities
 - Communication recommendations
 - Financing recommendations
 - Monitoring and evaluation approach
 - Other factors to ensure long term sustainability

Will be available early next year



The NICHEs+ Guidelines for Implementers of PRT





Contents

- What is it (PRT) about ?
- Is this something for us ?
- Benefits and costs
- Users and stakeholders
- From concept to reality
 - Preparation
 - Implementation
 - Operation
- Further information & contacts

The Guidelines are available NOW from POLIS !





Deloitte's study of financing options

Looked at:

- Sources of funding
- Project delivery models
- Implementation issues

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Sources of funding

Funding Options Potential Funding Sources





Recommendations for Funding

- Pilot scheme cannot be self financing (insufficient revenues to offset risks) so suggest:
- An application for a Grant (eg from EU or National Regeneration, or Development or Transport etc funding schemes)
- Supported by:
- For Capital:
 - Community infrastructure levy
 - Supplementary business rates
 - Prudential borrowing
 - Using LA property assets in a local asset backed vehicle
- For Revenue:
 - Supplementary business rates
 - LA business growth incentives

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- Car parking charges





Suggestions and Recommendations for Project delivery models

- PFI/SPV and de-risked PFI
- Traditional procurement
- **An integrator vehicle**
- **Government Owned, Contractor Operated Co (GOCO)**
- Government Owned Company (GovCo)
- **Joint Venture** using local asset backed funding
- **Incremental Partnership**





Conclusions for funding

- PRT is a new concept which is currently market/competition driven and largely restricted to private sites
- But offers potential for sustainable transport in urban areas and should be explored
- Pilot cannot be self funding
- So PFI/DBFO model won't work
- Need grant funding -> DBO model
- Daventry's preference is for a JV = Daventry + an IP Partner
 - System must be known for legislative approval (TWA in UK)
 - But Systems are proprietary, so choice of partner/system is **crucial** for long-term viability (ie avoid VHS/betamax issue)
 - IP partner should be in a consortium with the operator (protecting IP status through operator quality)





Next steps

- National Seminar in Daventry on 8/2/2011 under NICHES+ banner
- Will aim to bring key stakeholders together eg government, industry, developers, researchers, funding partners
- Present the state of the art and the opportunities
- Identify the way forward

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Thank You

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