

Response to further DfT questions 3/9/08  
Prepared by 3/9/08

**---- Please explain why the amenity value for lift / walk appears to have been doubled?**

The value provided in the business case spreadsheet is per lift ride. The relevant section from the spreadsheet input section is provided below.

Walk lift ambience value, pence per lift ride	14.55
Walk journey ambience value, pence per km	32.09
Cycle lift ambience value, pence per lift ride	16.70

Each journey through the tunnel requires two lifts, so the benefit of the lift ride is doubled to provide the total benefit per person per trip. The value of the walk journey ambience is per kilometer so it is applied to the distance through the tunnel.

The section in the business case documentation which refers to the value of the lifts states 'for the appraisal a value of 29.1 pence has been used to cover the availability of lifts at both ends of the tunnel for pedestrians'.

For input into the spreadsheet this value was divided by two (to 14.55 pence to give a value per lift ride). The slightly higher value for cyclists takes into the account the extra benefit of having a lift to use rather than carrying a bicycle down or up stairs. The spreadsheet then multiplies this value by 2 ( back to the original 29.1 pence per journey as in the documentation). The spreadsheet was prepared in this way as it provided the flexibility of testing the benefits of a scenario when the lift was only working at one end of the tunnel.

**---- Have the health benefits been applied to all tunnel users, not just those shifting from non-walk / cycle options? (These benefits should only apply to people who are encouraged to make new trips.)**

It was assumed that all the people using the tunnels would otherwise have to use either car or public transport to cross the river so the health benefit was applied to all users of the tunnel.

However the health benefits are only achieved if the walk/cycle is carried out every day. Irregular exercise does not provide the health benefits calculated in WebTAG. Therefore the health benefit is only applied to people traveling in the morning three hour peak period. The survey showed that many of these people were going through the tunnels as part of their journey to work and many did this most days of the week so they would achieve health benefits from this regular exercise.

The benefit was not applied to the off peak trips as not so many of these will be regular trips. It was also not applied to the evening trips as this would have double counted the benefits as many of the people traveling in the evening peak are the same people as traveled through in the morning peak. The health benefits are per person taking regular exercise, not per trip through the tunnel.

**--- The benefits seem to assume the tunnels are open in all years in the do minimum, but in practice they eventually close? So benefits calculation would be different after that point?**

I do not quite understand this question. The business case presents the benefits of the tunnels being refurbished now and so remaining open. The benefits accrue for each year the tunnel is open.

Is the suggestion that some of the benefits shouldn't be there in the early years because the tunnels would stay open anyway for a number of years. However the lifts are already in need of repair so some expenditure would be needed just to maintain the status quo ie to have the tunnels open for a few more years. None of the journey ambience benefits would occur.

Is the Department requesting an additional business case of the costs of an interim repair to keep the tunnels open for a few years and the benefits gained for those years?

**Would it also have been possible to assume an option where the lifts close but the tunnel stays open?**

It is possible to test a scenario whereby the tunnels remain open but the lifts are closed. However to plan for this situation by providing the funds to refurbish the tunnels but not to refurbish the tunnels has social implications as it means that the Council would be creating a situation whereby the tunnels can only be used by able-bodied people. Legal advice would be needed as to whether this scenario would be lawful under the Disability Discrimination Act. It would certainly not be a desirable situation from a social inclusion and equalities perspective and would be contrary to Greenwich Council policies.

**--- The costs still appear to be in today's prices? It is important that the promoter considers whether the funding, as requested, would be adequate to meet outturn costs.**

The Council's estimates have been prepared in today's prices, with an allowance for inflation to reflect that the actual work will not be paid for until 2011.

The Council is content that the funding will be sufficient to meet outturn costs.

**--- Please note that in the bcr calculation the tax gains should come off the costs not add to the benefits. (This would boost the bcr.)**

The tax gains were not included in the benefits. The total benefits (in '000s) of £72,291 come from journey ambience (£32,497), health benefits (£5,821), absenteeism benefits (£31,736) and journey time benefits (£31,736).

The costs to central and local government are £16,171 giving a bcr of 4.47.  
If the tax gains (£ 4,880) are taken off the costs these reduce to £11,290 giving a benefit cost ratio of 6.4.