

XXXXXXXXXXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

High Speed Rail Strategy
Department for Transport
Great Minster House
76 Marsham Street
London
SW1P 4DR

Website: www.dft.gov.uk
Email: highspeedrail@dft.gsi.gov.uk

Our Ref: XXXXXXXXXXXXXXXX

08 April 2011

Dear XXXXXXXXXXXXXXXXXXXX

I am writing to confirm that the Department has now completed its search for the information which you requested on 11 March 2011, which has been dealt with under the terms of the FoI Act 2000.

You made a number of requests on 11 March 2011. Two are dealt with below. The others will be dealt with separately.

Request: Would you please provide the economic forecasts used in the demand forecast for the “do minimum” and HS2 forecasts, together with the forecasts previously used in the work issued in March 2010?

Response: The source of the economic forecasts used in the work published in February 2011 for the current consultation are clearly cited in the documentation. These forecasts are publically accessible. Therefore, under Section 21 (“information accessible to the applicant by other means”) of the FOI Act this information is exempt from disclosure.

The source of the economic forecasts used in the work published in March 2010 were the most recent HM Treasury forecasts of GDP growth. These forecasts are publically accessible. Therefore, under Section 21 (“information accessible to the applicant by other means”) of the FOI Act this information is exempt from disclosure.

Request: Could you confirm whether the incomes elasticities on demand used in forecasting demand in the assessment of HS2 continue to be those as clarified in the QA from the HS2 Technical Seminars? Would you explain why the DfT persists with the distance term and such a high cap, when this is inconsistent with DfT’s own draft guidance, the approach taken in PDFH 5.0 (that was issued in August 2009), and the most recent research by Wingate, Meaney and Cartmell (sponsored by DfT)? Can you confirm that should PDFH 5.0 values for income elasticities be adopted, this would reduce projected passenger demand, and hence the benefits attributed to HS2. Are DfT able to say how much this would reduce rail demand for the long distance services for the WCML, Midland Mainline and ECML services?

Response: The income elasticities employed in the appraisal of HS2 are drawn from WebTAG Unit 3.15.4 (www.dft.gov.uk/webtag) which is the current approach that the Department requires all scheme appraisal to use. These elasticities are based on recommendations from PDFH 4.1.

The Department is in the process of assessing the evidence base that underpins the revised parameters set out in PDFH 5.0. Any changes to the parameters currently

employed would only be made if, as a result of the current testing, the Department can fully satisfy itself that any amendments as set out in PDFH 5.0 are robust and appropriate. If and until that point is reached the approach set out in WebTAG will continue to be the approach against which all schemes are appraised. Any amendments to WebTAG advice will be provided according to the standard orderly release timetable.

The *Revisiting the Elasticity Based Framework* study was carried out by Arup and Oxera on behalf of the Department for Transport, Transport Scotland and the Passenger Demand Forecasting Council. Jake Cartmell was the client project manager for the study. Any recommendations in either the documentation or subsequent presentations are solely those of the authors, and should not be attributed to the Department or its staff.

As with PDFH 5.0 recommendations, the Department is carrying out a rigorous programme of analysis and testing of the *Revisiting* research findings, including an intention to undertake academic peer review and model validation. Therefore it is not considered as in anyway superseding the existing approach to forecasting.

It would be inappropriate to speculate about the impacts of employing PDFH 5.0 for HS2 when this is not the approach required for scheme appraisal. However, in order to avoid a considerable quantity of unnecessary work, only once we are satisfied that the evidence base supports the recommendations in PDFH 5.0 would we then test its impact on individual projects, policies and other interventions.

In keeping with the spirit and effect of the Freedom of Information Act, all information is assumed to be releasable to the public unless exempt. A copy of this response and the information provided may now be published on our website together with any related information that will provide a key to its wider context.

If you are unhappy with the way the Department has handled your request or with the decisions made in relation to your request you may complain within two calendar months of the date of this letter by writing to the Department's Information Rights Unit at:

Zone D/04
Ashdown House
Sedlescombe Road North
Hastings
East Sussex TN37 7GA
E-mail: FOI-Advice-Team-DFT@dft.gsi.gov.uk

Please see attached details of DfT's complaints procedure and your right to complain to the Information Commissioner.

Yours sincerely,

XXXXXXXXXXXXXXXXXXXX

Your right to complain to DfT and the Information Commissioner

You have the right to complain within 40 working days of the date of this letter about the way in which your request for information was handled and/or about the decision not to disclose all or part of the information requested. In addition a complaint can be made that DfT has not complied with its publication scheme.

Your complaint will be acknowledged and you will be advised of a target date by which to expect a response. Initially your complaint will be re-considered by the official who dealt with your request for information. If, after careful consideration, that official decides that his/her decision was correct, your complaint will automatically be referred to a senior independent official who will conduct a further review. You will be advised of the outcome of your complaint and if a decision is taken to disclose information originally withheld this will be done as soon as possible.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF