

# Docklands Light Railway Rolling Stock Replacement Programme: factsheet

Deal information	
Deal signed	December 2023
Sector	Transport
Location	London
Counterparty	Transport for London (TfL) <sup>i</sup>
Total cost	£904m
UKIB finance	£300m
Product	Debt

London Boroughs with DLR Station



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## Summary

UKIB will support TfL in upgrading their Docklands Light Railway (DLR) service through the acquisition of 54 trains alongside improvements in DLR rail infrastructure. The new DLR trains will both replace existing trains that have reached the end of their useful life and also add new capacity to the DLR network's services.

The programme aims to improve local transport connectivity in south and east London through increasing capacity as transport demand increases out to 2040. Areas in close proximity to the DLR expect to see better access to employment and education, boosting productivity. This is relevant for areas of relative deprivation within the London boroughs through which the DLR passes, such as Newham, Tower Hamlets, Greenwich, and Lewisham.

## Sector context

Headline productivity statistics mask significant disparities across London<sup>ii</sup>. A lack of capacity on public transport limits connectivity for people working and living in London. Increasing capacity generates productivity effects<sup>iii</sup> which we expect to benefit both London and its regions.

As a large part of the UK's Net Zero pathway, transport is the largest contributor to UK domestic greenhouse gas (GHG) emissions, responsible for 27% in 201<sup>iv9</sup>. The majority of transport emissions (55%) come from private cars. The Climate Change Commission's (CCC) 6th carbon budget scenarios assume that between 2-4% of car-kilometres by 2030 can be switched onto appropriate public transport<sup>v</sup>. Modal shift in transportation away from private vehicles is therefore important for Net Zero targets over the long term.

## Impact and additionality

The programme is expected to reduce journey times, increase reliability, and improve passenger experience across DLR routes. Improved connectivity will see better access to employment and education in areas where DLR is an important mode of transport. The scheme may deliver local economic opportunities to areas in London which are amongst the most deprived communities in England, such as Custom House and Beckton, which are both in the most deprived 10th percentile of areas under the Index of Multiple Deprivation (2019)<sup>vi</sup>. Increased capacity on the DLR is expected to shift transportation away from more carbon intensive modes of travel including private vehicles, supporting London's aim to be zero carbon by 2030.

## ESRG considerations<sup>vii</sup>

UKIB have screened TfL and relevant contractors for material ESRG risks. TfL have started to publish an annual Sustainability Report highlighting objectives and key performance metrics with a view to improving the social, environmental, and economic impact of their activities. Their corporate plan intends to support London's aim to be net zero carbon by 2030. TfL are continually improving their understanding of climate risk through the Adaptation Reporting Power, Task Force on Climate-related Financial Disclosures (TCFD) reporting and their research programme. They made their first TCFD disclosure in their 2021/22 Annual Report.

## Impact metrics

5	# deals in the transport sector
£438m	Total investment in sector
70 <sup>viii</sup>	Jobs created and supported

307,000 tCO <sub>2</sub> e <sup>ix</sup>	Emissions <sup>x</sup>
N/A	Private finance mobilised

Address of sponsor: 5 Endeavour Square, London, E20 1JN

<sup>ii</sup> <https://www.london.gov.uk/sites/default/files/productivity-trends-in-london-final.pdf>

<sup>iii</sup> <https://nic.org.uk/app/uploads/NIC-Getting-Cities-Moving-June-2022.pdf>

<sup>iv</sup> The latest stats at the time of drafting, access here: <https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2019>

<sup>v</sup> <https://www.theccc.org.uk/wp-content/uploads/2020/12/Sector-summary-Surface-transport.pdf>

<sup>vi</sup> The latest stats at the time of drafting, access here: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

<sup>vii</sup> By partnering with us, companies agree to reference ESG best practice guidance and report on their: Environmental, social, resilience and governance (ESRG) approach: we will assess how projects manage their direct and indirect environmental and social impact, the resilience of their projects and the robustness of their ESRG governance structures. Material climate and environmental-related financial risk: we will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

<sup>viii</sup> 23 jobs attributable to UKIB based on proportion of finance.

<sup>ix</sup> 102,000 tCO<sub>2</sub>e attributable to UKIB based on proportion of finance.

<sup>x</sup> This estimate is based on CO<sub>2</sub> life-cycle emissions, it ignores the potential emissions avoided due to modal shifts in transportation away from private vehicles to DLR, which have been estimated to reduce emissions by 11,700 tCO<sub>2</sub>e between 2023 and 2050.