

Report of Director of City Development and WYCA

Report to Scrutiny Board (City Development)

Date: 18th January 2017

Subject: Inquiry into the Development of NGT

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| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. The Leader of the Council has formally requested Scrutiny Board to “consider undertaking a Scrutiny Inquiry into the role of the Council, the West Yorkshire Combined Authority(WYCA)/Metro and the city’s public transport operators in relation to the decisions for both NGT and Supertram.”
2. The Inquiry will consider the development of both projects and what lessons can be learned to inform future decisions on major transport projects in the City
3. Detailed background information was provided at the July,September and November Scrutiny meetings. This report provides further background and additional information requested at these meetings as well as responding to comments made at the last Scrutiny meeting by interested parties/ objectors to the scheme
4. The Council has undertaken a city-wide “Conversation” on the future of transport in Leeds to develop a future transport strategy for the city.

Recommendations

1. Members are requested to note and comment on this report.

1. Purpose of this report

- 1.1 This report provides Members with background information on the development of the Supertram and NGT projects. It provides an update on the new Transport Strategy emerging from the Transport Summit held on 10th June 2016 and feedback from the city wide Conversation on Transport.
- 1.2 This report also addresses issues raised at the November Scrutiny meeting on NGT.

2. Background information

- 2.1 Leeds Supertram formed a key element of the 1991 Leeds Transport Strategy. The Department for Transport (DfT) granted full network approval in March 2001, following a TWAO public inquiry, but in November 2005 the project was cancelled by the DfT on the grounds of affordability.
- 2.4 A high quality bus alternative to Supertram was subsequently developed by the joint Promoters, Leeds and Metro in conjunction with the DfT. This was to become a Trolley Bus proposal known as New Generation Transport (NGT) which gained Programme Entry Approval from the DfT in 2010 and again in 2012.
- 2.5 Following a public inquiry into NGT held in 2014, the DfT announced on the 12th May 2016 that the Transport and Works Act Order (TWAO) application had not been granted. However in an unprecedented announcement the DfT did still award the £173.5m allocated to Leeds for public transport projects in the City.
- 2.6 The Executive Board in December approved the submission of an Outline Strategic Case to DfT for spending the £173.5m allocated to Leeds for public transport. This was submitted to DfT on 20th December.
- 2.7 More detailed background information was given in the July, September and November 2016 Scrutiny reports.

3 Main Issues

3.1 Leeds Transport Summit / Conversation on Leeds Transport Strategy

- 3.1.1 Leeds City Council, in partnership with WYCA, is developing a longer term strategic approach to transport in the city through a conversation initiated by the Transport Summit. The first phase of which focused on securing the promised £173.5m from the Government. Executive Board on the 14th December, agreed the Programme of schemes to be included in the Leeds Public Transport Investment Programme which will utilise the £173.5m DfT funding plus complementary private sector investment, worth circa £100m; and approved the submission of an Outline Strategic Case to DfT for spending the £173.5m allocated to Leeds for public transport.
- 3.1.2 Later this year (currently aiming for Autumn 2017), following further public engagement Executive Board will receive a further update on the Transport

Conversation and the draft 20 year Transport Strategy, including commentary on the progress of mass rapid transit options.

3.1.3 The key themes from feedback provided at the Transport Summit and subsequent events and through the conversation are;

- Reliability, poor service and lack of accessibility of public transport were highlighted as major problems. Accessing local services was also seen as very important leading to strong support for better bus services in the city.
- Many people felt rail could offer a better and more sustainable journey, hence strong support for rail investment to improve capacity and access to the rail network.
- There was strong support for making the city centre a better, more people focussed place, while also recognising the need to provide for pedestrians and cyclists across the city.
- Reducing congestion on busy junctions and reducing the environment impact of transport was considered important.
- People were open to change and wanted greater travel choices leading to considerable support for park & ride and a future mass transit system
- The timing of investment was also considered with the majority favouring a balance of short term and long term interventions.

3.2 NGT – Issues Raised

3.2.1 It is acknowledged that NGT divided opinion particularly along the A660 and this was evident at the November Scrutiny meeting. There were numerous issues raised at the November Scrutiny meeting which have been grouped under 5 themes to aid discussion, namely;

- Strategic Case,
- Independent Scrutiny,
- Business Case,
- Consultation and
- Lessons Learned.

These are addressed below; however it does not seek to respond to every individual point as many of these were dealt with during the public inquiry and it is not practical to re-examine all the issues raised at the Inquiry.

3.2.2 In his critique of NGT, Peter Bonsall suggests a number of measures that could be introduced to improve transport in Leeds. Members are asked to note that many of these, such as the introduction of fewer/lower polluting buses, additional bus lanes, improved facilities at train stations and bus interchanges are being proposed across the city in the first phase of the Leeds Transport Strategy, which was approved by Executive Board in December.

3.3 Strategic Case

- 3.3.1 In assessing a Project of this size and duration it is worthwhile looking at the point at which key decisions are taken to understand the timespan over which the scheme was developed.
- 3.3.2 In 2001, following a public inquiry, TWAO powers were granted for the Supertram route which included the A660 corridor.
- 3.3.3 In November 2005, the Secretary of State cancelled Supertram and the DfT encouraged LCC and Metro to develop a “top of the range rapid bus system” as a “showcase” for the rest of the country. All of the main radial routes into the City were examined which identified a range of interventions for each corridor which included bus and rail enhancement, tram train, park and ride and concluded that the former Supertram routes were the most appropriate for this rapid bus system (NGT). This was fully signed off by the DfT in 2007 and was summarised in the 2009 document: *Investing in Public Transport; A Framework for Leeds*. This report was further reviewed by the Promoters prior to the Public Inquiry and concluded that there were no material changes to traffic and the use of public transport in the city that suggested a need to revisit the corridor consideration that underpinned the report. It is important to note that whilst NGT was a key component of the city-wide transport strategy, it was only one part of this review and in itself would not resolve all of the transport issues of the city.
- 3.3.4 During this early phase of NGT, the DfT indicated that they could not support the route to the East of the city or city centre loop. It is understood that, at the time, the DfT’s focus was based on transport benefits and therefore the proposal, based on a regeneration case, was not supported.
- 3.3.5 In the development of NGT from 2007 – 2009, five technology options were identified from a comprehensive long- list as being suitable for implementation on the NGT corridors;
- Light Rail Transit (Tram or LRT)
 - Ultra Light Rail Transit (ULRT)
 - Trolley Bus
 - Catenary –free Electric Bus
 - Conventional Bus
- 3.3.6 A qualitative assessment was carried out against identified delivery constraints which concluded that the trolley bus option offered the overall best performance of all the alternatives and in the summer of 2009 concluded that the trolley bus was the preferred option. Again this work was reviewed prior to the Public Inquiry as detailed in the Public Inquiry document; *Review of Technologies and Business Case Review*.
- 3.3.7 In March 2009, Executive Board approved the submission of a Major Scheme Business Case based on a Trolley Bus proposal that included the A660.

The project was paused during 2010/11 as part of a complete review of Government Major Scheme Funding expenditure., In 2012 the Coalition Government approved the revised Business Case, granted Programme Entry Approval and indicated £173.5m would be made available. The Transport Secretary at the time, Justine Greening said *Leeds will have new state-of-the-art trolleybuses that will be faster, more reliable and greener than their predecessors. They will make public transport in Leeds more accessible and attractive than ever before and I know trolleybuses will be transformational for growth and jobs in West Yorkshire. Investment on this scale in precisely this kind of infrastructure is a recognition of how crucial Leeds and Yorkshire are to the long-term success of the British economy. It is also a great example of what this coalition government and West Yorkshire partners can achieve when we knuckle down together and stick at finding a real solution to today's challenges.*

In the context of the scheme's endorsement from Government and against a background of limited public funding being made available at that time, the promoters progressed with the further development of the scheme up to the Public Inquiry being held in 2014.

- 3.3.9 The timeline above is helpful for two reasons. Firstly, it serves to demonstrate that key decisions about the form and shape of the project were taken at a relatively early stage in its development. NGT has been criticised by some as the wrong technology on the wrong route. In that context, as demonstrated above, the key decisions on route and technology were taken before the end of 2009 and were based on evidence available at the time and influenced significantly by previous approvals, notably the successful TWAO public inquiry in 2001. Accordingly, should Members conclude that the route selection and technology choice were wrong, for the benefit of lessons learned, the importance of a key decision taken at an early stage when for example on route and technology, should be recognised.
- 3.3.10 The second aspect to note is the significant role and influence of Government through DfT in the development of the project. Given the prevailing method of progressing and funding major schemes of this type at the time, the Project simply could not have progressed without their support, scrutiny and approval.

It is the case that the Government, was responsible for the approval of the main funding for the scheme. Without their funding the scheme would not have been viable and therefore the strict adherence to the Government's business case process was a fundamental part of the scheme's development. In addition to funding, another essential component of the scheme's progress was the granting of the TWAO powers. In the A660 Joint Council's submission to Scrutiny in December 2016 it is suggested that there has been an attempt to "shift the blame" of the scheme's failure. To clarify, however, the simple point that is being made is that the way in which the scheme was developed and the level of significance that was given to the Government's feedback should be considered in the context of the fundamental controls that the Government exerted on whether the scheme progressed or not. Furthermore, it is against this background and the feedback from Government that the decision to drop the Eastern Leg and city loop was made. In summary decisions made on NGT took full cognisance of the Government's feedback on the basis that their approvals were key to the Project progressing.

- 3.3.11 The level of public opposition to the scheme significantly increased when work on the project restarted in 2012 after the Government halted the scheme in 2010. This may simply be a consequence of a scheme becoming more likely to be delivered as it progresses through the various delivery phases; whatever the reason, this point is worth noting at this stage.
- 3.3.12 In other UK cities that have tram systems, their first lines have been on under used /redundant railway lines as in Sheffield, Nottingham and Newcastle. However, the transport geography of Leeds does not readily afford this opportunity the railway lines in Leeds have saturated capacity therefore the scope for rail line utilisation is extremely limited. Consequently the routes for Supertram and NGT were selected to deal with the greatest congestion issues and potential for regeneration. The A660 is statistically the most congested route in Leeds.
- 3.3.13 One of the criticisms levelled against NGT was the unsightly nature of the overhead electrification. However similar electrification is present in many UK cities including Manchester, Sheffield, Birmingham and through Edinburgh's World Heritage Site as well as many iconic European cities. In their submission to December's Scrutiny, the A660 Joint Council outlined their concern that overhead wires would harm built and natural environment and they also stated that overhead wiring "cannot be regarded as a positive feature that could influence investment decisions in the area...". In acknowledging this point, a key question that Members may wish to consider for the future is whether they feel that a transport system based on overhead wire technology is appropriate for Leeds in the way that it is in many other UK cities, or whether they feel that there are factors which mean that this type of installation is not appropriate for Leeds? In light of many interested parties urging the council to explore aspirational transport systems, many of which include significant infrastructure, be it rail or OHLE and the work currently being undertaken to explore potential rapid transit solutions for Leeds, Members' views on this point will help to inform the way that such work is progressed. It is also the case that trolley bus technology is dependent on overhead line equipment (OHLE). The early decision taken (and accepted by DfT) to promote trolley buses therefore made it inevitable that overhead wires would be integral to the scheme to some extent. Whilst the promoters have sought to limit their use in sensitive areas, particularly as technology improvements have advanced over the years, it is important to note that concerns over OHLE use remained a key issue throughout the public inquiry..

In a similar vein, the issue of giving priority to major public transport schemes continues to cause considerable debate because of the need to prioritise them over other modes of transport to make them attractive to potential users and the potential negative impacts on transport emissions and journey times. Not all the associated issues can be addressed positively. Feedback from the recent Transport Conversation has confirmed once again the desire for giving priority to more sustainable modes but recent experience has proven how difficult it is to actually see such schemes through to implementation.

- 3.3.14 NGT supported key national and local policy documents as outlined in the Public Inquiry Document *C-1-15; Strategic Fit Review*. The main local policies included;

1. LTP3 whose objectives are:
 - Economy: To improve connectivity to support economic activity and growth in West Yorkshire and the Leeds City Region;
 - Low Carbon: To make substantial progress towards a low carbon, sustainable transport system for West Yorkshire, while recognising transport's contribution to national carbon reduction plans; and
 - Quality of Life: To enhance the quality of life of people living in, working in and visiting West Yorkshire.
2. The Unitary Development Plan (UDP), the current land-use plan for Leeds. The UDP specifically supports the implementation of a rapid transit system in Leeds.
3. LCC's Local Development Framework Core Strategy. The use of the NGT corridors for a rapid transit system, including the park and ride locations, has formed part of adopted Leeds land use and transport policy for many years.
4. Leeds Vision
5. Leeds City Region Transport Vision and Investment Plan (2011)
6. Aire Valley Action Plan
7. South Bank Planning Statement
8. Neighbourhood Frameworks
9. Leeds City Region Local Enterprise Partnership Plan (2011)
10. West Yorkshire Transport Fund Plus

3.3.15 As part of the Business Case for NGT two alternative options were assessed as comparators in accordance with DfT guidance;

- Next Best Alternative – hybrid buses following the same route and priority characteristics as NGT
- Low Cost Alternative standard buses along the same corridors as NGT with more limited highway improvements.

In line with the DfT guidance the alternatives were not developed to the same level of detail as the preferred option however the comparison was sufficient to conclude that NGT would offer the best value for money of the options considered.

3.3.16 Noting that the key decisions on route and technology were established prior to the end of 2009, throughout its development NGT has received cross-party political endorsement (and also opposition), both locally and nationally. Programme Entry approvals were granted by firstly the Labour Government and

subsequently by the Conservative/Liberal Democrat Coalition. The development of NGT was overseen by 8 Secretaries of State for Transport. Locally, both the Conservative / Liberal Democrat Coalition and the current Labour administration approved its progress, in particular through Executive Board in 2008, 2009, 2010, 2011, 2012 and 2013 and Full Council twice in 2013. It was also supported by Team Leeds (the Leeds MPs) but in some cases local MPs changed their position from supporter to objector part way through the project's development. In common with similar public inquiries and on the advice of Counsel no politicians were invited by the promoters to attend the Inquiry.

3.4 Independent Scrutiny

3.4.1 The development of NGT followed national guidance and accepted best practice. The project team liaised with promoters of rapid transit schemes that had utilised the TWAO process so that their lessons learned could be incorporated into the NGT project.

3.4.2 The analytical work for the Business Case was carried out for the Promoters by the consultants engaged on the project over a significant period, employing considerable resource, using a vast amount of data and applying complex procedures and tools. Prior to submission to the client all reports and analytical work were signed off by be three named signatories – Prepared By, Checked By and Approved By, to verify that the work was correct and in accordance with guidance. These reports were then subject to high level review by the Promoter's Project Team which included experts across a wide range of disciplines. The consultants have a legal and professional duty to be independent when presenting evidence at a Public Inquiry. To ensure that they are not undermined at the Inquiry their evidence needs to be based upon reports submitted to the Promoters as part of the scheme development. Therefore all the work carried out by the Consultants for the Promoters has to be objective and a true representation of their professional consideration. These advisors on the Project were selected for their extensive experience and expertise in delivering rapid transit systems in the UK and this was documented in the November Scrutiny report.

3.4.3 The Business Case for NGT was assessed and approved by the DfT on 2 separate occasions, namely:

- March 2010 - Business case consisted of 252 pages plus 58 appendices – Review took 5 months
- July 2012 – Business Case consisted of 87 pages plus 39 appendices - Review took 4 months.

The volume of information supplied to the DfT was to comply with their guidelines in order for them to make a proper and considered decision on schemes. On each occasion the DfT carried out a detailed review of modelling and appraisal work to satisfy themselves of the adequacy of the Business Case and that the scheme provided good value for money. In particular, for the 2012 approval the DfT held at

least 16 technical meetings with the Promoters to respond to issues raised. In the context of the points made in paragraph 3.3.13, the promoters for the scheme paid close attention to the feedback given by the DfT following their reviews. The level of engagement by DfT on this matter was clearly significant and resourced to a commensurate level. They looked into any concerns they had with the Business Case, which was reflected in the level and length of scrutiny. Such input culminated in a positive Business Case outcome and the supportive comments that were made.

3.5 Business Case

- 3.5.1 The Business Case and in particular the issue of Stated Preference was subject to extensive interrogation and discussion at the Public Inquiry where there was a divergence of opinion between experts; the Promoter's economic advisor whose work had been assessed by the DfT's experts and; a witness representing an objector. Ultimately the Inspector chose to place more credence on the arguments put forward by the objector's representative than the Promoter's advisor and the DfT.
- 3.5.2 It was alleged that at the November Scrutiny meeting, information was deliberately withheld from the DfT. In common with all long and complex projects a huge amount of data was produced for NGT and not everything was sent to the DfT. The joint Promoters are clear that no information was deliberately withheld from the DfT. In relation to the comments on Stated Preference (SP) it is worth pointing out that;
- Through discussions the DfT were aware that (a) there was an exercise within the overall SP that considered bus vs. trolleybus amongst other variables and (b) that the trolleybus parameter was not statistically significant and would be dropped. In particular:
 - In the January 2008 report on the pilot survey, there is explicit reference to the bus vs. trolleybus exercise and that the models using the pilot survey data resulted in non-significant parameters for trolleybus and tram. The report of the SP pilot was also submitted to DfT
 - On 15 July 2008 a presentation on the SP main survey results was given to DfT and the point was made, that the trolleybus parameter is not significant and would be dropped
 - Paragraph 7.46 of the final SP report makes reference to mode constants for trolleybus and tram and that these were not applied in the final model. Para 9.5 of the final SP report reiterates the aim set out in the Pilot Survey report to have a model without a mode constant, if that could be justified statistically

The process of analysing a SP survey is made up of a number of steps (intermediate models). After each step, the models are reviewed and a new model fitted. Sometimes this results in an improvement in the model, other times it results in a worsening of the model. If things get better, you move forward. If they get worse, you go back. Eventually you end up at the destination - preferred model. The results that Peter Bonsall refers to are from one of the steps down the path.

- The results of the 2007 SP were used for four different sets of forecasts – for the 2009 Major Scheme Business Case, the Best and Final Bid, and its

resubmission and then the Inquiry Business Case. The first three of these were scrutinised by DfT who were satisfied with the analysis.

- The promoters and their advisors maintain that any errors in the stated preference analysis are minor and had no material effect on the Business Case.
- The Promoters were always aware that before applying to the DfT for Conditional Approval, they would have to re-forecast NGT demand, revenue and benefits. In his report the Inspector said that further SP survey work should have been undertaken. The Promoters' position was and remains that the appropriate time to do this was post inquiry. This re-forecasting work was initiated before the Inspector reported, but not completed before work on the project was stopped following the decision.
- For all segments the 2016 SP showed a preference for the NGT vehicle over bus. This work was reviewed by ITS Leeds.

3.5.3 In Peter Bonsall's submission to the Chair of Scrutiny Panel dated December 2016, paragraph 1f states;

On day 38, about 46 minutes into the first morning session, Mr Chadwick states that he cannot recall whether DfT were ever informed that the stated preference work had revealed that there was an aversion to trolleybus and confirmed that DfT had never have been given a copy of the table containing the result.

Although under cross-examination Mr Chadwick could not recollect if the DfT were informed on the SP, the above bullet points clarify that the DfT were informed and furthermore as a result of the information shared with the DfT, they did not require a copy of the result.

3.6 Lessons Learned

3.6.1 Strategic Case

3.6.2 As has been mentioned previously the key decisions on route and technology were taken before the end of 2009. What followed therefore in terms of scheme development was dependent and influenced by that earlier decision. It set the parameters for OHLE. It is also important to note that the early decisions on route and technology created the potential for conflict with the City's main bus operator, which inevitably would have concerns about such a scheme because of the potential revenue consequences to its current operation.

3.6.3 Because of the congestion that exists on the A660 and the revenue that could be generated from the fare box on that route, there were rational reasons to select the route chosen. That said, taking account of the environmental impacts and the technical and physical constraints on the route, it is also the case that a different and more straight forward route corridor could have been selected. In acknowledging that point, it should be noted that the environmental impacts of NGT

were very similar to those of Supertram, which had been approved by an Inspector and Secretary of State through a similar Public Inquiry process in 2001. Furthermore the choice of route had been confirmed through an extensive study and agreed with the DfT in 2007.

Members may wish to consider whether a decision to go for an easier corridor from the delivery perspective and seek to bring forward extensions of the system at a later date, , may have been a more practical way forward. Whilst the need for the scheme to comply with the DfT's business case process may have mitigated against this option being chosen at the time, in the context of increased devolution in public spending that is being brought forward, the promoters may not be as constrained by Central Government approvals in the future, which potentially affords more flexibility on the selection of route corridor options.

- 3.6.4 With respect to the choice of technology, it is the case that the trolleybus was perceived as the 2nd best option by many of the objectors, and this was an additional challenge when explaining the benefits of NGT. It is notable however that a number of objectors put forward solutions that did not deliver the same quantum of benefits as the Trolleybus.
- 3.6.5 It was determined that TWAO powers should be sought to enable the construction and operation of NGT. Alternatively, a number of other powers and permissions could be sought but these would be numerous and cumbersome and would significantly increase delivery risks and lengthen an already long programme. Under this alternative it is conceivable that more than one public inquiry would have been required.
- 3.6.6 The objective of reducing transport emissions and zero emissions of the Trolleybus was weakened by the modelling which showed an increase albeit a very slight marginal overall increase in transport emissions equivalent to 0.1% of the total transport related carbon emissions associated with the Leeds district . This was due to increased emissions from private vehicles taking longer journeys to avoid the A660 and increased delays for this traffic at some junctions to enable priority for NGT to be given. The promoters did consider altering (reducing) the priority timings for NGT at junctions to address this negative but this would have undermined the benefits for NGT, its passengers and also the business case to be submitted to DfT. It is worth noting at this juncture that some of the feedback from the recent Leeds Transport Conversation is the support for promoting more public realm, gateways, promotion of sustainable modes and removing traffic from certain areas including reallocating road space for public transport. It remains the case that such measures could increase overall transport emissions and journey times similar to NGT. In part this is a reflection of the consequential impact of prioritising finite road space to one type of user over another. On the basis that this issue will remain a challenge going forward, Members may wish to express a view on how the Council approaches this challenge.

- 3.6.7 Strategic Case Lessons Learned for future transport schemes:
- i. Decisions taken on the choice of technology and line of route at the planning stage of the project have a fundamental impact on scheme delivery in the latter stages. In the context of the work underway to explore the development of a rapid transit system for Leeds, care should be taken to not make choices on line of route and form of technology until a full assessment has been taken.
 - ii. In selecting the form of technology and route, full consideration should be given to the potential impact on other transport operators and the potential conflict this may give rise to in the delivery of the scheme.

3.6.8 The role of the DfT and project pauses.

3.6.9 The DfT was asked to approve a 3 line route terminating at Bodington and including a city loop and St James' Hospital link but in 2010 DfT approval was given for a 2 line route from Stourton to Holt Park, with no hospital link or city loop. The DfT had strongly advised the Promoters to drop the link to St James' and the city loop and include the route to Holt Park. The justification for the extension to Holt Park, although sound in economic and financial terms, ultimately gave rise to local opposition, due to the consequential impact on existing bus services that may have taken place. In his report, the Inspector criticised the proposals for not serving regeneration areas, which is a concern given the direct feedback from DfT in 2010 to drop the proposed line to St James' Hospital. It is open to question whether enough emphasis was given to the regeneration aspects of transport schemes through the Government's approval process, at the time that this decision was taken?

3.6.10 The DfT required the use of the very complex Leeds Transport Model (LTM) in the modelling but reliable model forecasts could not be produced early enough. As all aspects of the Project required approval from the DfT it was important to take heed of any advice from them.

3.6.11 Temporary pauses to progress on the project as a result of approvals and instruction from the DfT, lengthened the development by some 5 years, leading to loss of momentum and the necessity to repeat work including environmental surveys, modelling and consultation. This timescale significantly increased the development costs. In addition, as a consequence of the passage of time during this period, advancements in technology were used by objectors to challenge the scheme. Whilst any scheme is always open to this challenge, with regard to NGT it has already been highlighted that the technology choice was established by 2009 at the latest, however, the Public Inquiry did not take place until 5 years later. This timespan increased the exposure of the project to arguments about the advancement in technology.

3.6.12 The Inspector reported weaknesses in the Business Case despite the DfT approving the Business Case twice after around 9 months of scrutiny in addition to

the time pre-submission discussing the detail of the Business Case with the Promoters.

3.6.13 The role of the DfT and project pauses Lessons Learned:

The Business Case review process undertaken by DfT failed to highlight the weaknesses in the scheme identified by the Independent Inspector. Officers of LCC and the WYCA should enter into detailed dialogue with the DfT on any system failures in the approval process that gave rise to this situation to identify how the approval process can be improved in the future.

3.6.14 Consultation

- 3.6.15 A significant amount of consultation was undertaken on NGT which was greater than other similar sized rapid transit schemes. This included 21 days in 2009/10 and 26 public consultation events in 2012/2013. During the pause in scheme development, at the direction of the DfT, there was minimal communications activity which resulted in the scheme's profile in the city reducing. This lack of promoter-led communications led to the negative messages from those objecting to the scheme taking precedence.
- 3.6.16 The level of opposition to NGT significantly increased following the end of the project pause in 2012. The increase in use of social media in recent years also became a factor in galvanising opposition to the scheme and is inevitably going to become an increasing factor to take account of and proactively manage in future schemes.
- 3.6.17 The consultation events were well attended and most were well organised but 1 or 2 early events in 2012/13 out of a total of 26, suffered due to last minute room changes etc. outside the control of the promoters. This weakened the perception of the public consultation at the Inquiry.
- 3.6.18 As a result of the consultation, numerous changes were made to the scheme, however these did little to pacify objectors who were fundamentally opposed to the scheme and no changes to the main principles of the scheme could be made without compromising the approvals obtained from the DfT. It is worth noting at this juncture that considerably enhanced mitigation measures were included in the final NGT scheme design, far more than were included in the Supertram proposals.
- 3.6.19 There were a number of people claiming not to have received any NGT mailshots. These were delivered by private companies who produced records to confirm where leaflets were delivered to.
- 3.6.20 Although the staffing available for consultation on NGT was higher than for other comparable transport schemes greater specialised resource and expertise in engagement and consultation at an earlier stage would have been beneficial.

1 **3.6.21 Consultation Lessons Learnt for future transport schemes:**

- i. Do not underestimate the resources required, both in skill set and quantity to deliver effective consultation and engagement. Invest in both marketing and communications expertise.
- ii. Make sure that communication and engagement continues even in times of reduced scheme activity to maintain scheme profile.
- iii. Ensure accurate and comprehensive records are kept of all consultation.
- iv. Target all forms of social media to promote engagement in the scheme.

3.6.22 Public Inquiry

3.6.23 The Inspector was critical of the lack of design detail (e.g. building fixings) in certain areas and difficulties then arose about the environmental impacts. However the level of detail was comparable with other (successful) public inquiries.

3.6.24 Well organised and credible local objectors and a high profile legal presence from First Group resulted in intensive cross examination at the Public Inquiry and the Inspector was inclined to place more reliance on objectors' arguments than the Promoters and extent of DfT scrutiny that had taken place on the project.

3.6.25 The Promoters underestimated the scale of challenge at Public Inquiry particularly from First Bus whose revenues were likely to be impacted on the A660 by NGT. Although the witnesses for the promoters performed generally well at the Inquiry there is a question as to whether all witnesses were adequately prepared for the extent and nature of lengthy and sustained cross-examination which for some lasted many days.

3.6.26 The claimed damage to the local environment including tree loss and overhead line equipment was not sufficiently mitigated. For example a generous (compared to comparable schemes) 3:1 tree replacement policy was weakened by the ability to replace trees of sufficient stature and in the proximity of the tree loss. However the level of mitigation was greater than for Supertram.

3.6.27 Although several key businesses and organisations wrote letters of support for NGT to the Secretary of State none appeared at the Public Inquiry.

3.6.28 The promoters and their consultants were under significant time pressures to submit the TWAO in order to meet DfT expenditure deadlines to avoid further scheme delay and associated increased costs and the need within the City to deliver solutions to the transport problems along the route.

3.6.29 Public Inquiry Lessons Learned for future transport schemes

- i. Assess the likely scale of opposition and ensure that the witnesses are fully prepared and supported to meet this challenge.
- ii. Assess the level of detail likely to deal with objections.
- iii. Due regard needs to be taken of the NGT Inspector's comments for future schemes that are likely to require a public inquiry.
- iv. Prominent supporters should be galvanised to speak in favour of the scheme at the public inquiry.

3.6.30 Objection Management Strategy

3.6.31 Although extensive discussions and negotiations were held with several stakeholders and objectors other critical objectors were not sufficiently engaged in good time prior to the Inquiry. As a result many of the negotiations with objectors, particularly local businesses were not closed out until during the Public Inquiry which diverted resources away from the Inquiry.

3.6.32 Objection Management Strategy Lesson Learned:

- Ensure that there is sufficient resource to deal with the technical issues raised by objectors and ensure appropriate and ongoing engagement at senior levels with potential objectors to ensure that issues are resolved at the earliest stage in the project's development.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Extensive Consultation was carried out on both Supertram and NGT. In addition to the formal requirements of the TWAO process, consultation and engagement has been carried out on NGT including:

- Feasibility consultation in 2008
- Consultation carried out in 2009/2010 involving 21 days of exhibitions along the route – showed strong support for the proposals.
- Area Committee presentations.
- Briefing to the main political groups September-November 2012
- 26 Public Consultation events held October 2012 - July 2013: over 1,100 attendees
- 52,000 leaflets distributed
- Quarterly E-newsletter with circulation of around 450 people
- Meetings with Businesses, access groups, Tenant organisations, Civic Trust, Cycling Forum and the Universities
- Meetings with Councillors and MPs
- Engagement with officers from across the Council.
- Individual meetings with affected land and property owners along the route.
- City Plans Panel meetings devoted to the NGT proposals.

4.1.2 The city-wide conversation about the future of transport in Leeds is detailed in Section 3.1 of this report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 A full equality impact assessment was undertaken on the Project and accompanied the TWAO application. The assessment concluded by stating that the provision of a

new and frequent public transport service in the form of a trolleybus network would improve access to a whole range of social and economic resources along the route including the City Centre, Leeds' two universities, a major hospital, and a whole range of other facilities from shops to places of worship. It also acknowledged however that the construction and implementation phases may have a negative effect on a range of local socio-demographic groups and communities. The report contained a number of recommendations to mitigate the negative impacts.

4.3 Council policies and Best Council Plan

4.3.1 This inquiry will support objectives as defined in The Vision for Leeds 2011 – 2030 and the Best Council Plan 2015-20.

4.4 Resources and value for money

4.4.1 This report has no specific resource and value for money implications

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report has no specific legal or access to information implications

4.6 Risk Management

4.6.1 This report has no risk management implications.

5 Conclusions

5.1 The Supertram and NGT proposals were developed over a period of around 25 years. With respect to NGT, it is the case that, after nearly ten years of work, the scheme failed at the Public Inquiry stage. It is not considered that there is any single reason why the scheme failed. However, in assessing the background to this outcome, it is evident that the initial decisions on line of route and form of technology set in motion the issues that ultimately came to the fore during the Inquiry, including the opposition levelled at the scheme by First Bus.

At all stages, the Department for Transport was fully engaged and awarded both schemes formal approvals at key stages of their development. Key decisions were taken by DfT throughout the process which led to fundamental changes to the scheme. Some of these led to adverse comments / criticisms in the Inspector's final report. However, the pause in the project did not help its delivery both in terms of momentum and cost. Accordingly, consideration needs to be given over the extent to which the established clearance process for scheme's of this nature, failed in this instance to identify the concerns made by the Independent Inspector.

5.2 Whilst the Promoters did undertake a lot of consultation during the project, lessons can be learned in terms of improving engagement, particularly during the early stages of project development. 5.3 There are also lessons to be learned for future public inquiries particularly in terms of office representation and also supportive representation from key partners.

5.3 This report has presented an overview of the background to the development of both Supertram and NGT and explores some of the reasons behind the decision.

- 5.4 Executive Board have approved the submission of an Outline Strategic Case to DfT for spending the £173.5m allocated to Leeds for public transport.

6 Recommendations

- 6.1 Members are requested to note and comment on this report.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.