

**Report of the Head of Governance Services and Scrutiny Support**

**Report to Scrutiny Board (City Development)**

**Date: 22 March 2017**

**Subject: Transport for Leeds - Supertram, NGT and Beyond**

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. At its meeting on the 15th of June 2016, the Scrutiny Board considered a request for Scrutiny from Cllr Judith Blake, Leader of Leeds City Council, which asked for consideration of the role of the Council, the West Yorkshire Combined Authority/METRO and the city's public transport operators in relation to the decisions for both NGT and Supertram.
2. Terms of reference for this inquiry were agreed by the Scrutiny Board at the September 2016 when it was determined that the purpose of the inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:
  - To identify strengths and weaknesses of the Supertram and NGT schemes, what lessons can be learnt, and how learning can be applied to future transport schemes and projects.
  - The developing transport strategy, short, medium and long terms options, maximising beneficial impact, and how options could be financed, planned and delivered.
  - Meeting the needs and aspirations of communities and stakeholders through engagement and involvement in the shaping and delivery of transport schemes and projects.

## **Inquiry Session March 2017**

3. Cllr Andrew Carter and Cllr Ryk Downes have agreed to attend this session to support the inquiry. Cllr Andrew Carter was joint Leader of Leeds City Council and Executive Board Member for City Development from 2004 until May 2010. Cllr Carter is an Executive Board member as the leader of the largest opposition group. Cllr Ryk Downes was the Chair or Deputy Chair of the West Yorkshire Integrated Transport Authority (Metro) from 2006 until 2011.

## **Background**

4. Reports presented to the Scrutiny Board in 20<sup>th</sup> July 2016 and 7<sup>th</sup> September 2016 provided background information regarding the development of NGT from 2005 until 2015. This information is outlined below (paragraphs 5 to 20).
5. Following the cancellation of Supertram in 2005, WYCA and Leeds City Council were directed by the Secretary of State for Transport to develop a “top of the range bus system”.
6. Discussions then took place with the DfT on the development of revised transport proposals for the City. The premise of which, as agreed with the DfT, was to develop proposals for the three former Supertram corridors. It was envisaged that further proposals would be developed for a wider network over time. At the same time the wider transport needs were being considered by the City through the Leeds City Transport Vision.
7. The DfT commissioned consultants Atkins in August 2005 to examine the potential of a high quality bus alternative to Supertram. This culminated in a report which concluded that a “Bus Rapid Transit” (BRT) option has the potential to offer a lower cost and value alternative to the Supertram proposal.” The Promoters were concerned about the lack of robust evidence for the conclusions set out in the report and expressed their concerns in a letter to the DfT in October 2005.
8. These initial BRT proposals developed into the NGT scheme with significant engagement with the DfT and consisted of three routes to North, South and East Leeds, including a loop round the city centre, and linking key trip generators including the city’s hospitals and universities. The scheme included enhanced cycling facilities and park and ride sites and a significant degree of priority over general traffic in order to deliver high levels of reliability across the network. Electrically powered trolleybuses were proposed to operate the system
9. An Initial Business Case was presented to the DfT in March 2007 which included an option appraisal on the vehicle type. This document was not a formal part of the government approval process but the Promoters chose to submit their emerging proposals for initial feedback at the earliest opportunity given the experience on Supertram.
10. Following significant engagement with the DfT on the development of the scheme the Major Scheme Business Case (MSBC) for the project was submitted to the DfT at the end of October 2009. This included a comparison with the “next best alternative to NGT” of a high quality diesel electric bus on the same route as NGT and a low cost alternative.

11. After a prolonged period of analysis and scrutiny by the DfT, the Secretary of State announced on the 22nd March 2010 that Programme Entry Approval had been granted but only for the North and South Routes. The DfT indicated that they didn't believe the East Route would offer value for money. They did not accept the argument that this route was necessary for social/regeneration reasons and the importance in serving St James' Hospital. The DfT did however support the extension of the North Route to serve Holt Park. The DfT also concluded that compared with the alternatives NGT was the optimum economic option.
12. The revised scheme therefore comprised the North Route from Holt Park to the city centre and the South Route serving Hunslet and Stourton. Major park and ride sites were to be provided at Stourton and Bodington.
13. The Programme Entry Approval included in principle DfT funding of £235m towards the £254m project. Under this arrangement the DfT would have funded all of the construction costs and a proportion of the development costs.
14. On 6<sup>th</sup> May 2010 the administration of Leeds City Council came under Labour control. On the 10th June 2010, the incoming Coalition Government announced that all major transport schemes were to be reconsidered as part of the wider Comprehensive Spending Review (CSR) process. As a result, development activity on NGT was paused pending the outcome of the CSR and confirmation of funding from the DfT.
15. Subsequently the DfT requested promoters to submit Best and Final Bids (BAFB) by Autumn 2011. These bids were to consist of the Promoters' final proposals in terms of the revised scope and cost of the scheme, the amount of Government contribution required and the economic case for the scheme.
16. In May 2011 Executive Board gave approval to submit a Best and Final Bid (BAFB) to the Department for Transport (DfT). The report to the Board detailed the increased costs mainly due to inflation resulting from the pause in project development, and the value engineering made on the project to bring costs down. This resulted in a revised scheme of £244m. The BAFB approved by Executive Board consisted of an increased local contribution to £57.1m in line with DfT aspirations.
17. In July 2012 the Department for Transport announced that NGT had been re-awarded Programme Entry status with a maximum contribution from the DfT of £173.5m towards the increased estimated scheme cost of £250.6m.
18. This was reported to Executive Board in October 2012 where the funding gap between the £173.5m and the previously approved £57.1m was acknowledged. The Board also gave approval to spend £1.2m of the £57.1m to progress the scheme to enable the submission of a TWAO application.
19. The TWAO and associated applications for NGT were submitted to the Secretary of State for Transport on 19 September 2013.
20. The DfT announced on the 12th May 2016 that the TWAO application had not been granted. However the DfT still awarded the £173m to Leeds for public transport projects in the City.

## Timeline Summary

Milestone	Dates
Submit Programme Entry	Oct 2009
Programme Entry Approval	March 2010
Political Administration Change of Leeds City Council	May 2010
Project paused by DfT	June 2010
Programme Entry confirmed	July 2012
Submit TWAO	Sept 2013
TWAO Decision	May 2016

A more detailed timeline summary previously provided to the Scrutiny Board is also attached as appendix a

## Aspects for further consideration

21. During previous sessions of this inquiry the Scrutiny Board has considered a number of aspects which require further clarity and could be explored during this session.

- The alternative comparator schemes considered and the why NGT was selected.
- Stakeholder challenge regarding the appropriateness and suitability of the NGT scheme in the initial stages. (November 16)
- Stakeholder challenge regarding the findings at public inquiry and if they should have been self-evident to those involved in the project during the initial phases. (November 16)
- Views about project viability, finances, environmental impact, economic impact, benefits NGT could have brought to the City.
- Views about why the scheme was unsuccessful and what lessons can be drawn from it and applied to future major projects and schemes.
- Community engagement in the initial stages of the project.
- Views about the impact of the scheme's 'project pause' in 2010.
- For future potential schemes, views about the use of over-head wire technologies and technologies which could impact less favourably on vehicle emissions.

The letter from Martin Woods which outlines the summary of inspector's recommendations and findings is attached as appendix b

## Recommendations

22. The Scrutiny Board (City Development) is recommended to:

- a) Note the information provided in this report and associated appendices.
- b) Note the verbal information provided by attendees.
- c) Make recommendations as deemed necessary.