

Report of Director of City Development

Report to Executive Board

Date: 22 June 2016

Subject: The Future of Transport in Leeds

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

Summary of main issues

1. Transport is a fundamental component of what makes a prosperous and liveable city. Our vision is for Leeds to be a compassionate, caring city with a transport system that helps all our residents benefit from the city's economic growth. Getting our transport system right is a critical element of achieving the Council's Best City ambition.
2. On the 12th May 2016, Government announced its decision not to grant powers for the construction and operation of the Leeds New Generation Transport (NGT) trolleybus system. When the Supertram scheme was cancelled by the Government in 2005, Government advised instead that a "top of the range rapid bus system" as a "showcase" for the rest of the country should be developed. Working closely with the Department for Transport (DfT) from 2006 onwards a proposal was developed by West Yorkshire Passenger Transport Executive (WYPTE) and Leeds City Council and the scheme was first granted funding approval in March 2010 by the then Labour administration. Overall the scheme was approved by the Government, in 2010 and 2012 and supported by DfT throughout, in terms of the 'Case' put forward.
3. Ordinarily, in such circumstances, if a scheme fails at the inquiry, no funding is made available to the sponsoring authority(ies). Recognising the history here and following high level discussions, Leeds will be allocated the Department for Transport's funding element of £173.5m and it is now important that Leeds looks forward, working with partners, to bring forward the public transport improvements Leeds requires if it is to grow and prosper. It now has the opportunity to consider a city wide plan of improvements that benefit not just Leeds but the wider city region.
4. The Council fully recognises the need to learn lessons from this process. The Leader has asked for a scrutiny inquiry on the decision and, given their roles, it would make sense if the DfT and Combined Authority were to be involved. The inquiry should be

open to the public and engage with a range of independent opinions. The Council could challenge the decision to not approve the Transport and Works Act Order within six weeks of that decision being made. Notwithstanding any concerns the Council may have with the Inspector's report, given DfT have taken the unusual step to allocate £173.5m for transport improvements in Leeds it is considered not to be in the Council's or wider public interest to seek to challenge the Secretary of State decision by way of a Judicial Review.

5. An Executive Board report in October 2015 set out how Leeds provides a strong historical illustration of how major investment in transport infrastructure has resulted in transformational economic growth - from the Leeds Liverpool Canal, to the Victorians who cemented the city's position on the railway network, to our emergence as a 'motorway city' in the 1970's. Today, Leeds is following the global trend towards highly skilled jobs clustering in a compact environment. If this growth is to continue, people need to be able to easily access a denser and more productive city centre.
6. With additional car demand come additional issues to resolve, for example road casualties, poor air quality, noise, carbon, congestion. Our centres can be car dominated in places whereas we want public spaces which are more people friendly. To tackle these issues and grow our city sustainably, we need more people travelling by sustainable modes.
7. The ambition is to have a transport system that supports the growth of our economy, creates a place people want to live and work, that everyone can access, that has a positive effect on people's health and wellbeing and is less harmful on the environment.
8. The Council with the West Yorkshire Combined Authority (WYCA) and partners are already delivering significant improvements to transport in Leeds to help deliver these ambitions. The Elland Road park and ride, delivered in partnership with WYCA, is already proving very popular, and given the demand the car park is now being extended. A further Park and Ride will open at Temple Green in the Aire Valley Enterprise Zone early next year with construction starting this Summer. As a Council we have pressed for greater local control of rail services as is now reflected in the rail North and the new Northern and TransPennine franchises which will provide for greater growth and new trains. The southern entrance to Leeds Station opened earlier this year supports our ambition to double the size of the City Centre by regenerating the Southbank. The new station at Kirkstall Forge will open in the summer which will provide a new park and rail option, and unlock the development of new homes and jobs. These are just a few of the examples of the schemes already in construction. With significant funding from the West Yorkshire Transport Fund, the Council is also developing a number of new schemes, including the East Leeds Orbital Road and a transformation of the way traffic uses our City Centre.
9. With the promise of the additional £173.5m, the Council can now develop additional plans for further improving transport in Leeds. This plan will be pragmatic, deliverable, and focus on the outcomes the Council is trying to achieve. In deciding how to best spend the allocation, the Council will need to make decisions between investing in schemes that can be delivered in the short and medium term, such as park and ride sites, high quality fast bus routes, new rail stations, better public spaces and cycle and walking routes – and plans for long-term projects, which would enable us provide more capacity to cater for the growing number of trips.

10. The Council recognizes that decisions on priorities will be needed given our limited road space and our constrained rail network. Successfully balancing the conflicting and complex demands on our land use and road space across different stakeholder groups will be a major challenge for the city. The Council intends to develop the plans in collaboration with the City so that these decisions can be owned, understood and supported as it is only with strong support that successful schemes will be delivered. The first step of that collaboration was the Transport Summit for a city wide conversation on all the issues held on 10th June 2016. The aim is to have an agreed investment plan with Government this year.

Recommendations

11. Executive Board are now recommended to:
 - i) Note the Government's decision on NGT;
 - ii) Agree that the Council do not make an application for a Judicial Review of the Secretary of State's decision now that DfT has allocated £173.5m for transport in Leeds;
 - iii) Note that the Leader has asked for a scrutiny inquiry to take place and to support the proposal that DfT and the Combined Authority be invited to participate;
 - iv) Agree that a letter should be sent to the Secretary of State for Transport outlining concerns about the process of developing public transport schemes to help lessons to be learnt nationally;
 - v) Agree that officers undertake city wide engagement on developing a new long term transport vision and an associated transport plan including for the allocation of the £173.5m;
 - vi) Agree that officers work in partnership with WYCA and DfT to draw up an outline strategic case for the funding by the early autumn for submission to Secretary of State for Transport with the aim that by the end of the year we will have reached a clear, transparent and concise funding agreement for the £173.5m with Government.

1 Purpose of this report

- 1.1 This report notes the decision of the Secretary for State for Transport to not grant the legal powers (under the Transport and Works Act) needed to construct and operate a trolleybus system in the form that it was presented through the Public Inquiry.
- 1.2 The report also sets out that the funding allocated for NGT, £173.5m, will still be allocated for schemes within Leeds and sets out the next steps.

2 Background information

NGT Scheme

- 2.1 On the 12th May 2016, Government announced its decision not to grant powers for the construction and operation of the Leeds New Generation Transport (NGT) trolleybus system. The process up to that point had taken a significant amount of time and has unavoidable costs associated with it.
- 2.2 When the Supertram scheme was cancelled by the Government in 2005, Government advised instead that a “top of the range rapid bus system” as a “showcase” for the rest of the country should be developed. Working with DfT from 2006, a proposal was developed. Initially the West Yorkshire Passenger Transport Executive and the Council wanted to include a route into East Leeds to serve a regeneration area. However, in December 2007 DfT officials advised that they would not support a scheme based on the regeneration case so this part of the scheme was not moved forward.
- 2.3 Working closely with the Department for Transport from 2006 the proposal, based on the use of overhead wire technology, was further developed by West Yorkshire Passenger Transport Executive and Leeds City Council and a business case proposed with the scheme being first granted funding approval in March 2010 by the Government.
- 2.4 Following the election of the Coalition Government later that year the scheme was put on hold by the Government as part of their Comprehensive Spending Review. During this pause a revised business case and funding bid was developed and the scheme was then granted funding approval again in July 2012. Throughout this working with the Department they supported the case for the scheme, including key aspects such as overhead wires and the corridor it was serving.
- 2.5 The scheme went through a Public Inquiry as is normal for any scheme of this nature with a requirement for a Transport and Works Act Order. The Public Inquiry was chaired by an independent Inspector. The Public Inquiry started on Tuesday 29 April 2014 and concluded on 31st October 2014, sitting for a total of 72 days. On the 12th May 2016, Government announced its decision not to grant powers for the construction and operation of the Leeds New Generation Transport (NGT) trolleybus system.

3 Main issues

NGT Decision

- 3.1 The decision on 12th May 2016 to not grant powers was based on the Inspector’s Report. Some of the issues the Inspector raised included the route not serving regeneration areas, the use of overhead wires, the uncertainty about the benefits raised by opponents and the scheme going through a conservation area. It is not the

intention of this report to give a detailed critique of the Inspector's recommendations nor a summary of the 900 plus page report. That said officers do feel that the conclusions the Inspector came to, relative to the longstanding advice and support the Council received from DfT, does bring into question the level of coherence between the elongated process for securing business case approval for major transport schemes balanced against the relative weight then placed on transport in national planning policy. It is recommended that the Council write to the Secretary of State for Transport outlining these concerns so that lessons can be learnt for the development of future public transport schemes.

- 3.2 The cost of developing NGT and complying with DfT's lengthy approval process since 2007 is approaching £27m. Not all of these costs are abortive. The land held to facilitate the scheme has a value of around £10m and the Council will now review which sites can be released to invest in improvements to the city's transport and the economy.

Allocation of Funding

- 3.3 Following the decision not to approve the Transport and Works Act Order for the NGT scheme, the Department for Transport confirmed that the £173.5m previously set aside for the scheme should remain available for public transport improvements in Leeds. The Council and WYCA are working with the Department for Transport to agree the terms of that transfer of funding. It is the Council's and WYCA's position that all of the money should be transferred during the current Spending Review period, with no 'strings attached' and should not be subject to claw-back once transferred.
- 3.4 The funding does not need to be spent on a like for like alternative to the NGT scheme, but could be a programme of smaller coordinated interventions that could deliver change in a more realistic and publicly acceptable way. In order to agree to the transfer of funding, WYCA and the Council will draw up an outline strategic case for the funding by the early Autumn. Once the strategic case has been understood and agreed, it is expected that individual investment decisions and project approvals should happen at the local level, with limited oversight by the Department.
- 3.5 It is anticipated that the schemes will be assured through the framework set up for the West Yorkshire Transport Fund.
- 3.6 The Council could challenge the decision to not approve the Transport and Works Act Order within six weeks of that decision being made. Notwithstanding any concerns officers may have with the Inspector's report, given DfT have allocated £173.5m for transport improvements in Leeds it is considered not to be in the Council's or wider public interest to seek to challenge the Secretary of State decision by way of a Judicial Review.

Ambition for Transport in Leeds

- 3.7 Transport is a fundamental component of what makes a prosperous, liveable, healthy and sustainable city. Getting our transport system right is a critical element of achieving our Best City ambitions. An Executive Board report in October 2015 set out 'A New Direction in Transport for a new kind of city'. This built on our best council objectives including promoting sustainable and inclusive economic growth, supporting communities and tackling poverty and building a child-friendly city. The strategy is set within the policy context of the LDF Leeds Core Strategy Policies SP11, T1 and T2.

- 3.8 The ambitions are still relevant and can be summarised as creating a transport system that:
- Supports the growth of our economy
 - Creates a place people want to live and work
 - Everyone can access
 - Has a positive effect on people's health and wellbeing
 - Is less harmful on the environment.
- 3.9 These ambitions will need to be tested through engagement over the coming months and used to help shape the business case to Government and a review of the transport plan for Leeds. We will need to take full account of the views of partners and local communities in re-shaping this vision into one owned by the wider range of partners.

Development of Existing Plans

- 3.10 The decision on how to allocate the £173.5m needs to be made in the context of the transport changes that are already in development to help achieve these ambitions.

Pan-Northern connectivity

- 3.11 Through Transport for the North, a transport strategy is being developed that establishes a vision for rail, highway, freight, international connectivity and smart and integrated travel across the North. Through this programme, ambitious plans are being developed to transform journey times between the major cities of the North through Northern Powerhouse Rail and to provide a better customer service for passengers through simplified fares and an integrated, smart ticketing offer reflecting our desire for more locally accountable rail services.. Rail North has already demonstrated the benefits of collaboration and devolution through securing longer trains and more frequent services in the two franchises let this year. Rail commuters into Leeds will benefit from a 52% increase in the number of seats in the morning peak on TransPennine Express trains, and a 40% increase in the number of passengers that can be carried on Northern trains. Pacer trains will also be removed by 2020.
- 3.12 Along with Northern Powerhouse Rail, HS2 will help transform the economic geography with a journey time of 1 hour 22 minutes from Leeds to London Euston. It is not just about times to London thought, HS2 will cut journey times in half between Leeds and Birmingham, and when taking the eastern leg via Sheffield and the East Midlands, it creates a new integrated economic corridor with other 8 million population and 4 million jobs. As agreed at the Executive Board in December, the Council has been working with HS2 Ltd, DfT, Network Rail, Transport for the North and WYCA on the development of an integrated station. There are a number of different projects that will help transform Leeds Station – the Transpennine Route Upgrade, HS2, and Northern Powerhouse Rail and alongside these the aspiration to have a station that is a world class gateway that delivers an excellent passenger experience and is seamlessly integrated into the transport network and the city itself. The outcome from this will be a single delivery plan for an integrated station to deliver an integrated station befitting of the city's ambitions.

Regional connections and serving our centres of growth

- 3.13 The West Yorkshire Transport Fund gives the opportunity for the region to develop a number of schemes to support growth and jobs. The £1bn Fund is targeted at reducing congestion, improving the flow of freight and making it easier for people to commute to and from expected major growth areas. In Leeds, the schemes under development

include: surface access improvements to the Airport, a City Centre package that increases capacity along the M621 and Armley Gyratory and taking general traffic out of city square, an East Leeds Orbital Road to unlock housing and development east of Leeds and a new park and ride at Temple Green which will provide an extra 1000 spaces.

- 3.14 The Council is also working with WYCA on bus and rail improvements on certain corridors, including a new East Leeds Parkway station and along the Leeds to Dewsbury corridor. This builds on the successful opening of the Leeds Station Southern Entrance to open up the regeneration potential of the Southbank and the opening of Kirkstall Forge station this summer which helps unlock housing and development.
- 3.15 The Council has also worked in collaboration with WYCA on a West Yorkshire Transport Plan and Bus strategy that will be consulted upon over the summer.

Local connections

- 3.16 Just as important are the local connections that are vital to neighbourhoods and the creation of public friendly district centres that are free from pollution. To do this we need to work towards a cycling and walking friendly city with appropriate infrastructure, adequate training and safety initiatives and which capitalises on major events to secure greater participation. The first phase of city connect, the new cycle superhighway from Leeds to Bradford, will open in June with further sections following over the summer.
- 3.17 We have the opportunity to be at the forefront of technology changes to the vehicle fleet. To accelerate the uptake of cleaner vehicles, people need to have support through incentives and greater confidence to switch, through provision of appropriate refuelling infrastructure, be that gas or electric. The Council is also taking a leading role through changes to its own fleet of vehicles.

Challenges and Opportunities

- 3.18 It is perhaps not surprising that given our legacy of highways infrastructure and historic under investment in a viable public transport alternative, that currently Leeds has a higher level of car usage for commuting than most other Core Cities. Single car occupancy and car parking reduces the benefits of density in the urban core and takes up valuable potential development land, uses more road space as well as contributing to congestion, which impacts on freight efficiency.
- 3.19 In deciding how best to invest the allocated funding, the Council will need to make decisions about investing in a programme of small schemes or to pursue a large single scheme. Schemes that can be delivered in the shorter term to alleviate the current pressures are park and ride sites, high quality fast bus routes, new rail stations, better public spaces and cycle and walking routes. Development work now on a mass transit system would enable us to provide new stations and more frequent services for commuters but won't be delivered in the short or medium term.
- 3.20 The funding allocated from Government will only go so far and the Council will need to consider carefully the risks of delivery of a single large scheme balanced against the needs of a growing city in the short and medium term. Also, the rail network is constrained and there will be choices about the trade-offs between journey times and stopping patterns. How far to go with the re-allocation of road space for public

transport, cyclists and pedestrians will also be a key question to test. Part of the engagement over the coming months will be to understand the priorities of the city.

Next Steps

- 3.21 In developing a revised transport plan, the Council will work collaboratively with partners, the Combined Authority and the City, building a deliverable phased programme, with private sector contributions, managing cost and embracing new technology for greener, smarter and accessible travel. The Council will also work with WYCA to help shape the West Yorkshire Transport Plan and Bus Strategy.
- 3.22 The Council welcomes the support of its partner organisations in the bus and rail industries and with the Combined Authority, Transport for the North and Government in the improvement in transport in Leeds. A strong consensus is vital locally to help with an efficient and smooth delivery process. The 10th June Transport Summit is the first step in building that consensus and further engagement is planned over the summer, which included the input of recognised experts in their field including Sir Peter Hendy, the chairman of Network Rail, and Professor Greg Marsden of Leeds University
- 3.23 WYCA and the Council will then draw up an outline strategic case for the funding by the early autumn with an announcement expected before the end of the year.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Schemes already prioritised within the WY+TF together with future major transport schemes will be subject to the appropriate individual scheme consultation.
- 4.1.2 There has already been wide spread consultation and engagement on the overall aspirations of the transport strategy from city centre conferences held in 2008 and 2010, and more recent consultation undertaken as part of the Council's Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' workshop and Transport Symposiums. Core Strategy Polices SP11, T1 and T2 were subject to formal consultation in accordance with the LDF.
- 4.1.3 The Council are now keen to continue this conversation, particularly on building a strong consensus for the programme of public transport improvements the City needs. This conversation has already begun with the Leeds Transport Summit held on 10th June 2016. Over 170 stakeholders from across the city attended to discuss the city's transport ambitions going forward, the key lessons we should learn from NGT, and how we address the key issue of limited road space facing the city. Key feedback from the conference included the need to deliver investment in transport infrastructure in both the short term, and get the medium to long term proposal objectives right for the city's transport system. In addition to this it is imperative that we continue this city wide consultation at all stages with all stakeholder representatives, to help put forward a solution that has the support of the city.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity Cohesion and Integration Screening (EDCI) has been undertaken on this report and identifies that the cancellation of NGT has a negative impact on the City's ability to improve its public transport offer. However, the opportunity to use the

allocation of funding to create a new programme of measures has the potential to have a positive impact of improved public transport and local connectivity, which in turn could increase access to employment, education, and leisure services and facilities for all equality groups.

4.3 Council policies and the Best Council Plan

- 4.3.1 The anticipated benefits of using the £173.5m to create improvements to our transport system has the potential to contribute to the vision for Leeds 2030 to be the best city in the UK, and the following best Council objectives; promoting sustainable and inclusive economic growth, supporting communities and tackling poverty, building a child-friendly city and contributes to the Council's cross cutting '*World-class events and a vibrant city centre that all can benefit from*' Breakthrough Project'.
- 4.3.2 The strategy also contributes to the objectives of the Local Development Framework, Leeds Core Strategy, Local Transport Plan 3, emerging WYCA Transport Plan, and Strategic Economic Plan.

4.4 Resources and value for money

- 4.4.1 The development of the transport strategy for Leeds is currently being met through existing resource within City Development. Any further resources needed to progress the development of schemes will be a consideration for City Development and the Resources Directorate.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report is eligible for call-in. There are no specific legal implications arising from this report.

4.6 Risk Management

- 4.6.1 There are no immediate risk management issues.

5. Conclusions

- 5.1 The decision to cancel NGT after so many years of planning is a set-back for the City. However, the funding allocated from DfT opens up a new opportunity to deliver further local improvements positioned in the wider strategy for the city as set out in previous Executive Board reports and the emerging West Yorkshire Transport Plan.
- 5.2 Successfully balancing the conflicting and complex demands on our land use, road space and constrained rail network continues to be a major challenge for the city. However, we must not lose sight of the end goal of creating a transport system that supports the growth of our economy, creates a place people want to live and work, that everyone can access, has a positive effect on people's health and wellbeing and is less harmful on the environment.

6. Recommendations

- 6.1 Executive Board are now recommended to:
- i) Note the Government's decision on NGT;

- ii) Agree that the Council do not make an application for a Judicial Review of the Secretary of State decision now that DfT has been allocated £173.5m for transport in Leeds;
- iii) Note that the Leader has asked for scrutiny inquiry to take place and to support the proposal that DfT and the Combined Authority be invited to participate;
- iv) Agree that a letter should be sent to the Secretary of State for Transport outlining concerns about the process of developing public transport schemes to help lessons to be learnt nationally;
- v) Agree that officers undertake city wide engagement on developing a new long term transport vision and an associated transport plan including for the allocation of the £173.5m; and
- vi) Agree that officers work in partnership with WYCA and DfT to draw up an outline strategic case for the funding by the early autumn for submission to Secretary of State for Transport with the aim that by the end of the year we will have reached a clear, transparent and concise funding agreement for the £173.5m with Government.

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.