



Report of the Director of City Development

Executive Board

Date: 16 July 2008

Subject: New Generation Transport (NGT) Update (Capital Scheme 14810)

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

- 1.1 This report updates Members on progress made with the NGT proposals and how these fit strategically into a wider transport strategy for Leeds and the wider City Region.
- 1.2 The DfT are broadly content with the shape of the Business Case for the NGT subject to consideration being given to a range of options and treatments for the network, including the potential for using different technologies. It will be necessary to show how the proposals link to a wider demand management strategy and also the Leeds City Region Transport Vision.
- 1.3 The Regional Transport Board has endorsed the NGT scheme and allocated £150 million from the current Regional Funding Allocation (RFA) for the period 2010-2012 with the remainder of the scheme being funded in the next RFA period.
- 1.4 The next step is to submit a Major Scheme Business Case to gain programme entry status for the scheme with the DfT. This is currently anticipated in Spring 2009. Subject to Programme Entry being obtained, the next key project milestone will be to move towards Conditional Approval. This is approximately an 18 month process, which will almost certainly require a Transport and Works Act Order to be obtained, involving a full Public Inquiry. On the current work programme, it is anticipated that construction of the scheme could commence in 2012 with opening of an initial phase of NGT by 2015.

- 1.5 In parallel to the development of the NGT proposals a wider piece of work has also been undertaken to consider the Strategic Fit of the NGT with other public transport investment in Leeds. The emerging findings of the Strategic Fit analysis have been presented to, and discussed with the DfT at recent meetings relating to the NGT project and senior DfT officials have confirmed that they are comfortable with the approach to the strategic fit work and the emerging findings.
- 1.6 The report seeks an injection to the capital programme, funded through developer s106 contributions, to fund the Council's share of the development costs to the Major Scheme Business Case stage.

2.0 Purpose Of This Report

- 2.1 To update Members on progress made with the NGT proposals and how these fit strategically into a wider transport strategy for Leeds and the wider City Region.
- 2.2 To seek approval to a capital programme injection of £1.4m and authority to spend of £2.450m, funded from s106 developer contributions, to meet the Council's share of the development costs in 2008/09 and 2009/10.

3.0 Background Information

- 3.1 In November 2005 the Secretary of State for Transport withdrew funding from the proposed Leeds Supertram scheme. In cancelling Supertram, the Secretary of State directed Leeds City Council and Metro to pursue a high quality bus-based system which, in the view of the DfT appointed consultants (Atkins), represented a more affordable alternative to the tram scheme and higher value for money. As such LCC and Metro have subsequently been working in partnership to develop a bus-based rapid transit system for Leeds known as NGT (New Generation Transport).

4.0 Main Issues

Initial Business Case

- 4.1 An Initial Business Case setting out the proposed NGT network was submitted to the Department for Transport (DfT) in April 2007. Although not a formal part of the appraisal process, it was agreed with the DfT that an Initial Business Case should be submitted in order to gain early DfT feedback on the proposals prior to significant expenditure on scheme development.
- 4.2 In their formal feedback on the Initial Business Case, the DfT stated that they were "broadly content with the shape of the Business Case so far", however they did raise a number of issues for further consideration as follows:
- It will be necessary to consider a range of options and treatments for the network, including the potential for using different technologies on different routes;
 - The promoters should ultimately put forward an optimised package of measures;
 - It will be necessary to clearly demonstrate how the scheme is linked to the Leeds City Region Transport Vision; and
 - The DfT will need to see how the NGT scheme links to a wider demand management strategy.

Regional Funding Allocation

- 4.3 The Initial Business Case was also submitted to the Regional Transport Board (RTB) in April 2007 to form the basis of a bid for regional funding. At their meeting of 15th June 2007, the Regional Transport Board endorsed the overall NGT scheme at a provisional figure of £350m and allocated £150 million from the current Regional Funding Allocation (RFA) for Phase 1. The initial £150 million has been allocated in 2010-2012 with the remainder of the scheme being funded in the next RFA period. However, potential slippage associated with other schemes and the forthcoming RFA review process could provide certain opportunities to bring forward funding for the NGT project. A bid is intended to be submitted in Autumn 2008, as part of a wider RFA review process, for the outstanding balance of the funds required to develop an optimised NGT network for Leeds.

Development of the Major Scheme Business Case (MSBC)

- 4.4 Following the allocation of initial funding through the RFA process, work commenced on the development of a Major Scheme Business Case for the NGT project. This Business Case will be submitted to the DfT and based on this they will decide whether to grant Programme Entry to the NGT scheme.
- 4.5 Submission of the MSBC is currently anticipated in Spring 2009. Subject to Programme Entry being obtained, the next key project milestone would be to move towards Conditional Approval. This is approximately an 18 month process, which will almost certainly require a Transport and Works Act Order to be obtained, involving a full Public Inquiry. On the current work programme, it is anticipated that construction of the scheme could commence in 2012 with opening of an initial phase of NGT by 2015.
- 4.6 Ahead of the MSBC submission there is a DfT requirement to undertake a minimum of one round of Public Consultation on the proposals. This is due to take place in Autumn of this year.
- 4.7 At present, work is being undertaken on the network consisting of the M621/A61 (south) corridor from Stourton, the A660 corridor from Bodington and a spur out from the City Centre to St James' Hospital. Through discussions with DfT it is clear that an MSBC should be developed to reflect the initial £150 million that has been allocated to the project. They have given a clear indication that it would seem unwise to revive proposals for a tram at this stage, given the likely funding available for the next decade and in the absence of a TIF bid. Subject to any bid that is submitted to RFA in Autumn 2008 a variant MSBC funding bid will be prepared for the full NGT network.

Project Advisors

- 4.8 In August 2007, technical advisors were appointed to the NGT project to assist in the development of the Major Scheme Business Case and activities beyond this point. The appointments were made following a European tendering process undertaken through the OJEU framework.
- 4.9 The following advisors were appointed to the project on the basis of skills, experience, evidence of quality, staff capability and financial rates:
- Mott MacDonald: design, engineering and operations services
 - Steer Davies Gleave: modelling and economic appraisal services

- KPMG: procurement and financial services

4.10 The project also currently utilises the services of Turner & Townsend in a programme/risk management capacity, as well as DLA for legal input.

4.11 Since their appointment, the NGT technical advisors have been working with the Project Team to develop the NGT proposals to the level of detail required for the Major Scheme Business Case.

Strategic Fit Work

4.12 In parallel to the development of the NGT proposals a wider piece of work has also been undertaken to consider the 'Strategic Context for Public Transport Investment in Leeds'. This involves identifying the most appropriate transport interventions on radial routes in Leeds, based on traffic flow data and assumptions related to future growth scenarios. The need to undertake this piece of work was originally identified by the DfT and others, as a means of more clearly demonstrating how the NGT proposals fit within the wider public transport requirements for the city. This strategic context is also required to bridge the local policy gap between the strategic Leeds City Region Transport Vision and the shorter-term 2nd Local Transport Plan.

4.13 The technical analysis undertaken has been based on available transport data, supplemented by consideration of a number of local growth scenarios. To date the strategic fit work has led to recommendations for a number of potential interventions on transport corridors in Leeds. These are attached as Appendix 1.

4.14 The emerging findings of the Strategic Fit analysis have been presented to, and discussed with the DfT at recent meetings relating to the NGT project. At a meeting with senior DfT officials on 10 March, the DfT confirmed that they are comfortable with the approach to the strategic fit work and the emerging findings. The meeting was also useful in achieving a degree of consensus between both parties on the process for moving towards Programme Entry (the next stage in the DfT's major scheme process).

4.15 The key points that have arisen from the discussions held with the DfT can be summarised as follows:

- The NGT proposals must demonstrate a clear strategic fit with other transport proposals including demand management;
- The first phase should focus on developing a business case that fits the funding available (£150 million plus a local contribution);
- There is a need to clearly indicate how this first phase is extendable across the wider network;
- DfT understand the desire to include tram as an option, but this is still unlikely to be affordable;
- DfT understand the need to quickly narrow down the alternative mode options if tram is not affordable and are prepared to assist with this;
- There is a need to demonstrate how the NGT proposals take due account of predicted housing growth levels.

4.16 Based on the emerging findings from the strategic fit work and the DfT discussions that have taken place, the following approach has been adopted:

- Development of proposals for 'quick wins' including bus improvement measures on the A660;
- Development of proposals for A61 and A64 guideway upgrades, working in partnership with bus operators;
- Early work to establish the impact and benefits of segregation and the ability of different modes to provide the capacity required on each route;
- Development of a business case that meets the required value for money criteria, which includes a potential first phase for a southern route and a spur to St James' Hospital;
- A detailed assessment of additional funding opportunities;
- Narrowing down mode options and obtaining DfT buy in to the Business Case;
- Further work on the A660 NGT options (to maximise segregation) and on the wider benefits of the East Leeds route;
- Further work on possible NGT routes for the Aire Valley.
- Development of tram-train proposals as part of a longer-term strategy for NGT routes where appropriate.

5.0 Implications For Council Policy And Governance

- 5.1 The NGT proposals support the objectives of the Local Transport Plan which contributes to the delivery of the Council's Strategic Plan objectives for transport and those of the Vision for Leeds. The scheme will make a major contribution to improving the attractiveness and quality of travel by public transport and is predicted to encourage a switch from private car to public transport, thereby alleviating congestion on the NGT routes.
- 5.2 Progress will be reported to the Executive Board at the key stages in the delivery process. Oversight of the scheme is provided by a Project Board chaired by the Director General of Metro. The Board also includes the Director of City Development and Director of Resources from Leeds City Council.

6.0 Legal And Resource Implications

- 6.1 As part of the detailed development of the scheme a full evaluation of the necessary statutory requirements will be made. This will review the requirements for planning consents, processes needed to acquire any third party land and the highways and traffic Orders necessary to construct and implement the scheme.
- 6.2 There is no capital programme provision for this project. It is proposed that the development costs in working towards the submission of the Major Scheme Business Case are shared equally between Metro and Leeds City Council. In 2008/09 it is estimated that the Council will need to contribute £1.36m and it is proposed to use the s106 contributions secured for the original Supertram project to support this new project. The capital programme already includes s106 contributions of £1.050m originally for the former Supertram scheme and these will be transferred to this new project.

6.3 At this stage, indicative costs for 2009/10 show that the Council's contribution will be £1.090k. This will be reviewed as the development work progresses and updated as part of the February 2009 Capital Programme Review.

7.0 Conclusions

7.1 Work is progressing towards the submission to the DfT of a Major Scheme Business Case for the NGT. The DfT are broadly content with the shape of the Business Case subject to consideration being given to a range of options and treatments for the network, including the potential for using different technologies. It will also be necessary to show how the proposals link to a wider demand management strategy and also the Leeds City Region Transport Vision.

7.2 The Regional Transport Board has endorsed the NGT scheme and allocated £150 million from the current Regional Funding Allocation (RFA) for the period 2010-2012 with the remainder of the scheme being funded in the next RFA period.

7.3 Submission of the MSBC is currently anticipated in Spring 2009. Subject to Programme Entry being obtained, the next key project milestone would be to move towards Conditional Approval, around an 18 month process. On the current work programme, it is anticipated that construction of the scheme could commence in 2012 with opening of an initial phase of NGT by 2015.

7.4 The emerging findings of the Strategic Fit analysis have been presented to, and discussed with the DfT at recent meetings relating to the NGT project and senior DfT officials have confirmed that they are comfortable with the approach to the strategic fit work and the emerging findings related to rail, bus, rapid transit, park and ride, complementary measures and orbital moves.

8.0 Recommendations

8.1 Members of the Executive Board are requested to:

- i. Note the update on NGT progress covered in this report.
- ii. Endorse the findings of the Strategic Fit work identified in Appendix 1.
- iii. Approve a capital programme injection of £1.4m and a transfer from scheme 99926 of £1.050m, funded from s106 developer contributions, and give authority to spend of £2.450m, as the Council's contribution towards scheme development costs, to cover design fees and the preparation and consultation costs necessary to develop the work through to a Major Scheme Business Case submission.
- iv. Agree the submission of a further progress report once scheme development has progressed.

APPENDIX 1: Strategic Fit Analysis Recommendations

Rail:

There is a need to procure additional carriages to alleviate congestion. The recommendation is to include additional local services on the Huddersfield Line, new stations and some improvements on the Airedale Line. Electrification of the York / Selby Lines and the Leeds – Bradford Interchange – Halifax route have also been recommended.

A need has been clearly demonstrated to provide substantial additional capacity on peak services to/from Leeds. In addition to conventional rail enhancement options, constraints on some lines (including the Harrogate Line), suggest further investigation of tram-train solutions. It would also offer increased flexibility to serve the emerging land uses in the Lower Aire Valley if a rapid transit solution was not appropriate and Leeds Bradford International Airport.

Rapid Transit:

Initial analysis of evidence indicates the strongest demand for a 'rapid transit' public transport solution is on the A660 and M621 East towards Stourton, including park and ride provision.

The analysis also indicates that there is likely to be a need for rapid transit to be introduced on other corridors, including the A61(N), A647, A64 or the A653. However, there are a number of factors that identify these routes as lower priorities, for example, dispersed demand, limited scope to deliver a step change in journey times, or relatively low car flows, combined with restricted opportunities to introduce park and ride. Further consideration also needs to be given to a potential route to South-West Leeds and a West Leeds route, with the potential to build on the A65 Quality Bus Scheme.

Incremental Bus Enhancements:

These are recommended for the corridors with lower demand (A58, A65, M621 West), or corridors where demand is relatively dispersed (A647).

Park and Ride:

These are recommended for the M621 Junction 7, Bodington, Moor Allerton, Apperley Bridge, M62 Junction 27, New Pudsey, A heavy rail Parkway East of Leeds, A58.

Complementary measures:

Recommended measures include green travel plans, ticketing initiatives and targeted marketing strategies.

Orbital movements:

Frequency improvements to existing services, improved connectivity to key destinations by revising services, and development of mini interchanges are recommended.