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12 MAY 1999

Dear Sirs

**TRANSPORT AND WORKS ACT 1992  
TOWN AND COUNTRY PLANNING ACT 1990  
APPLICATIONS FOR THE PROPOSED MERSEYSIDE RAPID TRANSIT SYSTEM ORDER  
AND DEEMED PLANNING PERMISSION**

1. I am directed by the Secretary of State for the Environment, Transport and the Regions to say that consideration has been given to the Report of the Inspector, Mr Ronald Holley CB FRAeS MIMechE MIEE, who held a public local inquiry into the application made by the Merseyside Passenger Transport Executive (Merseytravel) on 7 April 1998 for The Merseyside Rapid Transit System Order ("the Order") to be made under sections 1 and 5 of the Transport and Works Act 1992 ("the TWA") and for a direction as to deemed planning permission to be issued under section 90(2A) of the Town and Country Planning Act 1990, relating to proposals to construct a 11km long guided trolleybus scheme from Albert Dock across Liverpool to Page Moss with a branch to a park and ride site adjacent to the M62 motorway.
2. The Inspector's Report on the inquiry, which was held in November and December 1998, is enclosed. His conclusions are set out in paragraphs 404 to 500. The Inspector has recommended at paragraph 501 that the Order should not be made.

**Secretary of State's considerations**

3. The Secretary of State's consideration of the Inspector's Report is set out in the following paragraphs which include the Inspector's Report paragraph numbers in brackets.

The Overall Concept

4. The Inspector reported that although the Order related to only one line of the proposed guided trolleybus system, Merseytravel's declared overall aim was to introduce a three line network. Many of the decisions taken on Line 1 would limit options for Lines 2 and 3. This applied particularly to the choice of City Centre route

(414 to 416). The Inspector noted that Merseytravel's earlier favoured option of improving existing bus services, notably by providing priority lanes, had been constrained by the then requirement that other road users should not be disadvantaged. Rapid transit was offered as a solution which could improve journey times and relieve congestion. However, the Inspector found that no comparative study had been carried out between the selected mode and high quality buses with priority measures. He felt that improving existing bus services was a potential alternative to meeting the current objectives of improving public transport services, modal transfer and Merseyside's image (417 and 418).

5. The Inspector also found that the trolleybus was clearly superior to diesel buses in terms of emissions and noise, but he considered that Line 1 of the Merseyside Rapid Transit (MRT) would in itself have no major impact on air pollution in Merseyside. Furthermore, the trolleybus required overhead wires which, however tastefully designed, could not be presented as an attractive feature of the townscape and which constrained flexibility of operation. The Inspector considered that, while the proposed guidance system could have significant benefits, especially when combined with trolleybuses, Merseytravel could be incurring risk in adopting an untried system (419 to 425).
6. The Secretary of State notes the Inspector's conclusions on the overall concept of the scheme. Whilst he generally welcomes the development of emission-free public transport vehicles in city centres, he considers that each project must be carefully considered on its merits. In this case, he notes that the Inspector has suggested that the objectives of the scheme might be met more cost-effectively by more modest measures, such as by way of high quality buses and priority measures. From the available evidence, and in the absence of a suitable comparative study, The Secretary of State is not inclined to dispute that view. He considers, however, that the justification (or otherwise) of the cost of the scheme is a matter which would appropriately fall to be examined in the context of the proposed grant application were TWA approval to be given, and he has therefore proceeded to reach a decision on the TWA Order in the light of other factors, as dealt with below.

#### Justification for the scheme – Page Moss to the City

7. The Inspector found that although the latest draft of the Liverpool Unitary Development Plan (LUDP) conveyed support from a route serving this general corridor, subject to detailed assessment and design, it did not identify the main route in any detail nor include the spur from Springfield Park to Broad Green and its associated park and ride facility. The Knowsley Unitary Development Plan (KUDP) had not been modified to take account of the proposed MRT and the Inspector found this omission to be a significant lack of support for the project (428 to 430). The Inspector also found that congestion was relatively low and that the preferred corridors for MRT were selected not because they lacked adequate public transport but because the high bus flows along them offered the best source of patronage. No need had been demonstrated for a service running from one end of MRT to the other, and if there were a need, existing bus operators might have been expected to have exploited it. Neither had MRT been justified as an instrument of regeneration, with the number of approved development schemes along the route being very modest. As to modal transfer by car drivers, the Inspector found that this was clearly not perceived as offering enough patronage without park and ride schemes, as the area was one of very low car ownership (431 to 435).

8. The Secretary of State shares the Inspector's concerns about the failure to integrate the project with the KUDP and, to any detailed extent, with the LUDP. He would normally expect a major public transport scheme such as this, including the proposed park and ride facility, to form an integral part of an integrated transport strategy developed by the local authorities. He is concerned too, that the preferred corridors for MRT were selected not because they lack adequate public transport, but because they are seen as offering the best source of patronage, which would largely be at the expense of existing bus services. The Secretary of State agrees with the Inspector that no clear need has been demonstrated for the particular route chosen for Line 1, and that it would be likely to have a very limited impact in terms of urban regeneration of this deprived area.

#### Justification for the scheme: Park and Ride

9. The Inspector reported that there was no overall policy or strategy on park and ride in the LUDP or KUPD on which the project could draw, but he felt that this was not surprising for a city with low car ownership and low congestion. If a park and ride policy was to be introduced for Merseyside, the route which probably offered the largest potential patronage was the M62, but demand was low. The late decision to add the M62 park and ride site to the scheme had resulted in the requirement for a branch line through a Neighbourhood Park, involving the diversion of a public right of way and, in the Inspector's view, the provision of exchange land. Although the proposal would result in the loss of 85 planned houses from a proposed development of 4000, he noted that Knowsley MBC had not objected to the park and ride proposal (436 to 442).
10. The Inspector also found that the park and ride site at Broad Green on the M62 would not secure a quicker and easier alternative to travelling to the city centre by car. No attempt had been made to investigate the options for the transport link and to seek an optimum solution. The Inspector also noted that that the proposed park and ride site was within sight of Broad Green railway station on a direct line to Lime Street. Whilst car users transferring to MRT would achieve a faster time to the Waterfront, there were other city centre destinations, such as St John's and Clayton Square, which were closer to Lime Street than to the MRT route (444 to 448).
11. The Secretary of State shares the Inspector's reservations about the proposed park and ride facility. Whilst he generally supports the concept of park and ride as part of an integrated transport strategy, the Secretary of State is concerned that the site proposed has not emerged from a comprehensive evaluation of the options as part of a wider strategy. He is also concerned that the particular site chosen appears to have a number of disadvantages. The proposal would take the busway through a Neighbourhood Park; car users transferring to MRT would find their journey time increased; and the park and ride site was close to a railway station with a direct link to Lime Street, so car users who were inclined to transfer to public transport already had the railway option. In all these circumstances, the Secretary of State does not consider that a good case has been made for the proposed park and ride facility.

### Justification for the scheme: City Centre route

12. The Inspector reported that the LUDP did not provide for the MRT route through the pedestrianized area of the City Centre, indeed it expressly referred to reducing pedestrian-vehicle conflict. He considered that the people of Liverpool were entitled to expect pedestrianisation to remain uncompromised. The Inspector found that none of the continental examples given involved the reintroduction of public transport into fully pedestrianised areas. Neither was there firm evidence or logic to suggest that running MRT vehicles along Church Street would improve retail competitiveness with out of town shopping centres (449 to 457).
13. The Inspector was concerned about pedestrian safety in view of the quietness of trolleybuses, which would approach many people from behind. The presence of two vehicles going in opposite directions could be a particular hazard. He could see no fundamental reason for precluding use of routes outside the pedestrianised areas or involving less penetration. He was in no doubt that alternative possibilities existed which warranted further consideration. (458 to 464).
14. The Secretary of State accepts the Inspector's concerns about the proposal to route trolleybuses, which by their nature are extremely quiet vehicles, through an established and busy pedestrianized area of the City. He considers that, due to potential risk to pedestrians, such a proposal requires the most compelling justification, and demonstration that there is no reasonable alternative. However, from the evidence available, the Secretary of State remains to be convinced that there are no better alternative routes.

### Justification for the scheme: Link to Waterfront

15. The Inspector accepted that, if MRT were to be approved, it should connect with the Waterfront area, although he was concerned that the overhead wires would not enhance the listed buildings. He noted that the operational need for the proposed Salthouse loop depended upon resolution of redevelopment plans for King's Dock, which could significantly alter thinking. The link to Waterfront needed further consideration (465 to 470).
16. The Secretary of State agrees with the Inspector that, if the scheme were being approved, it would make sense to have it link to the Waterfront, but he also agrees with him that this aspect of the scheme requires further consideration in the context of redevelopment plans for the area, with a view to minimizing the impact on the historic buildings.

### Environmental Considerations

17. The Inspector considered that the main environmental concerns related to the effects of the proposed spur to Broad Green and the impact of MRT on the character of the pedestrianized City Centre (discussed above). He noted that other more detailed concerns included the loss of mature trees, which could be mitigated by new planting, the loss of the central reservation in East Prescott which, whilst regrettable, did not amount to a significant breach of the environmental policies of the local authorities, and the visual effects of the overhead wires. In terms of encouraging traffic restraint and modal transfer, the Inspector was sceptical that MRT would make a positive contribution. He noted that as most of the off-street parking in the

City was in the hands of commercial companies, little could be done to make City Centre parking less attractive (471 to 476).

18. The Secretary of State considers that whilst the scheme would have some adverse environmental effects, and would be unlikely to do much to encourage modal transfer, overall the environmental effects of the scheme should be acceptable, or could be mitigated to an acceptable degree, if other factors pointed in favour of allowing the scheme.

### Economics and Funding

19. The Inspector reported that whilst the project appeared to have a favourable Net Present Value, no debit had been included for the loss of business to existing bus services, and possibly jobs as well. Although bus operators could possibly re-deploy their vehicles on other services, the Inspector pointed out that the present trends on Merseyside were already for bus numbers to rise and patronage to fall. User benefits of MRT would effectively be subsidized, in substantial measure, by losses to the bus operators. A further cause for concern was that the relationship between the projected revenue and the value of the concession was unclear (477 to 479).
20. The Inspector considered that if eligibility for ERDF funding were related to regeneration, MRT Line 1 had relatively little to offer. Eligibility for grant under section 56 on the Transport Act 1968 was dependent upon non-user journey time savings but the Inspector doubted that the potential would be released without a concerted policy of traffic restraint. The only reasonably assured source of private finance was the offer by the prospective concessionaire, Transform, but without park and ride their offer would inevitably be substantially lower (480 to 483).
21. The Secretary of State notes the Inspector's comments on the economic and funding issues. He is concerned to note that the Inspector's advice that the economic appraisal did not take account of the adverse effect on existing bus services and on jobs in the bus industry. Should the scheme be re-submitted at a later stage, the Secretary of State would expect to see a more comprehensive evaluation of its likely economic effects.

### Overall Conclusion and Recommendation

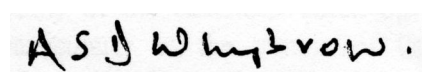
22. The Inspector recommended that the Order not be made for the reasons discussed above and summarized at paragraphs 493 to 501 of the Report.

### **Secretary of State's overall Conclusion and Decision**

23. In reaching a decision on the Order application, the Secretary of State has considered the Inspector's report, the evidence which was presented to the inquiry, and the representations made before and after the inquiry. He has concluded that none of the post-inquiry representations contain any new evidence or new matters of fact which would have caused him to come to a decision at variance with the one which he has made. The Secretary of State has also considered the Environmental Statement and is satisfied that it is sufficient to enable him to reach a conclusion on this case. He has complied with the obligations under the TWA in relation to all objections and other representations relating to the environmental Statement.

24. The Secretary of State shares the fundamental reservations that the Inspector has about this scheme, both in terms of overall need for it and the impact of the particular route chosen for Line 1. On the first of these matters, he is not persuaded that the need for the MRT scheme has been adequately demonstrated. In his opinion, insufficient evidence has been presented of worthwhile benefits, such as attracting patronage from car users, providing a much-needed service and stimulating urban regeneration, that would outweigh the disadvantages discussed in this letter. The Secretary of State is particularly concerned at the lack of a comprehensive strategy framework for the project, including the park and ride facility. From the available evidence, he sees no reason to disagree with the Inspector that, in a City with relatively low traffic congestion and car use, improving existing bus services might provide a more cost effective solution, although, as explained in paragraph 6 above, cost considerations have not affected his decision.
25. The Secretary of State also remains to be persuaded that the selected route through the pedestrianised City Centre, and the siting of the park and ride facility, are the most appropriate. He is concerned about the safety aspects of routing MRT trolleybuses through the pedestrianised area and is not convinced that there are no better alternatives to this. With regard to the park and ride site, he is concerned that not only would this involve a spur line through a recreational area and the diversion of a public right of way, but the site is in any event close to a railway station with direct links to Lime Street.
26. Although the Secretary of State has previously earmarked capital funding for the project, that was conditional on consideration of a TWA Order. **Having now considered this application in the light of all the foregoing factors, the Secretary of State has decided not to make the Order** and hereby gives notice under section 14(1)(a) of the TWA of this determination. Copies of this letter and an extract of the Inspector's Report containing his conclusions and recommendation are being sent to all persons who made representations to the application.

Yours faithfully,



**A S D Whybrow**  
**Head of Charging and Local Transport Division**  
**Department of the Environment, Transport and the Regions**