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22<sup>nd</sup> May

CONTINUATION OF GREG JONES' CROSS-EXAMINATION OF HENKEL

FWY 121 – bus regulations etc march 2014 (that was put in as a direct response to the additional docs put in by the promoters the night before  
FWY 120 – warsaw book extract on competition

Cameron: just checking with mr Henkel – I know that we received the docs after Henkel left yesterday – did you have a chance to look at them  
Jh – I haven't

Gj – we were looking at the robustness of the assumption made in your proof on the competition response by the bus operators. Confirmatory points rather than the reasons for the assumptions – 1) the submissions of first to the CC and 2) the experience at leeds-bradford airport.

Jh – yes

Gj - leeds-bradford – they took active steps to make it difficult to the non-preferred competitor to make it hard for that competitor

Jh – my recollection – they threatened to do that

Gj – if anyone has worked on airport parking – key aspect is that you need to be at a convenient drop off point isn't it?

Jh – I've just observed that you'll have a car parking a bit further...

Gj – if the airport restricts your access – then that's a major dis=benefit to your ability to compete

Jh – yes

Gj – in fact since then that threat was held to be anti-competitive

Jh –it was the airport's decision

Gj – first also came under pressure from LA to cease competition on the route – the councillor's put pressure on first due to LA

Jh – I'm not aware...

Gj – are you aware of pressure being put on first by the councillor's or the council?

Jh – no

Gj – its right isn't it, entirely improper, if any undue influence was put on first not to compete with ngt – that's right?

Jh – undue influence, yes I agree

Gj- the withdrawal of other routes by first – one other response is withdrawal of other services other than those directly along the ngt corridors – no assessment has been made outside of those sensitivity assessments of the withdrawal of route on the north corridor?

Jh – yes - no sensitivity test

Gj – it's open knowledge that the northern routes are the most profitable for first, aren't they?

Jh – I have never seen accounts route by route – it is alleged – I have heard it's said

Gj – you've no reason to doubt it

Jh – no evidence either

Gj – but you've had to make assumptions on them... highly relevant if we are predicting how the bus company will respond.

Jh – yes it's relevant

Gj – so you've made no assumptions as to the profitability of the routes

Gj – let's have a look at the other routes – where no sensitivity analysis has been done – if we go back to 6.7 please, I come back to the point about whether that was appropriate or not...but we see that in 6.17 on other responses [reads out] – two other possible scenarios can be notes but neither can be guaranteed – e.g. qcs – you've taken legal advice on comp aspects- its right isn't it that it

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would be unlawful for wy to pursue qcs because it wished to protect ngt? And wished to avoid competitive response from the bus service?

Jh – you are asking a q of law – dealt with through legal submission. But the test set out in dft guidance would seem incompatible with the situation you put

Gj – it suggests in 6.7 when you read that it looks like you are saying ‘if the bus operators do respond by withdrawing services on other routes...that you would be able then to embark on a qcs’ – but that would be a wrong view of this para right? If a qcs took place it would be entirely independent?

Jh – 6.17 is a statement of fact, at the moment the wy t authority have had lengthy discussions... this is a statement of fact that would happen

Gj - but not in relation to potential operator responses, something that would happen independently?

Jh – yes

Gj- neither of these things e.g. the qcs – that would not be in relation to potential operator responses?

Jh – developed for other reasons

Gj- if we turn to First submissions to the CC – those submissions were made some years ago [we can see the date]?

Jh – let me check

Gj – g-4-84 – as we know this was in respect the general response of bus competition on new roads – that was a submission made generally in respect of First’s NATIONAL response, not specifically Leeds

Jh – yes

Gj – it was made around 2009/2010?

Jh – if were to ask me of my recollection – I would say 2010.

Gj – it’s a response isn’t it – given in general terms and a response in any event to another bus operator coming on and competing on the route...

Jh – which sentence

Cameron – actually app 109 – 23<sup>rd</sup> June 2011 – para 28, page 6 of that doc

Gj – yes, that’s it. [reads out para about First not engaging in short term tactics etc.] – let’s see whether it does confirm what you’re saying. They are saying they take a strategic approach to comp and wouldn’t engage in short term tactics but they were do it for at least the medium term. That is consistent to what I was putting to you yesterday that your suggestion that your assumption was that operators wouldn’t engage in anything other than short term response (because of what you said would be the loss of revenue/finances) was not something that could be discounted?

Jh – yes and I set out the thinking behind the assumptions made.

Gj – this doesn’t confirm your approach does it – it shows that first take a strategic approach and if they do something they will sustain it to at least the medium term

Jh – I still think the assumptions are valid. Can I also take us to the doc that you refer to – para 3.2 – g-4-84 –

Gj – I don’t see how this is relevant to the assumptions made

Jh – [reads para out]

G – we ‘re not talking about bus operators competing against each other

Jh – trolleybus is a bus service

Gj – so you’re happy to say it is a bus service

Jh – yes

Gj – but its promoted under TWA – because mr haskins said that you can do this to get segregation etc... which you wouldn’t be allowed to do if it was an ordinary running bus.

Jh – that’s not exactly what mr haskins said

Gj – what is wrong with what I just put to you?

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Jh – it was a very long sentence and didn't accord with my interpretation of the rationale put forward for the TWA being the appropriate order for this scheme

Gj – so it's no part of the rationale for TWA that it's a means for overcoming competition issues that would otherwise be identified?

Jh – no part?

Gj – yes it's no part – is it your case that it is no part of the rationale for the decision to go with TWA that it would overcome problems with competition law

Jh – I wish to refer to what we wrote in the business case

Gj – can you answer yes or no – if you don't know say it, then we can judge your credibility on it. It is very important as to the case the director general advances to the inspector

Jh – my understanding is that the trolley is a guided system so is appropriate to use a TWA

Gj – please answer my question

Jh – no part...

Gj – whether any part of the decision to go for trolley through a TWA provision – as part of the decision to go for a trolleybus is so that it can be promoted through TWA? Are you saying that it is NO PART of the decision making process that you could avoid competition aspects by going through TWA

Jh – the reason for a TWA is the guided nature of the system –

Gj – so NO PART of the rationale?? So far as you understood?

Jh – yes

Gj – I'm going to let you go to 3.2 and say what you want to say on it –

Jh – well you raised a reference to a discussion I had no knowledge of between the airport and councillors and you used phrased 'undue influence' – 3.2 says that first took account of the LTAs and PTEs

Gj – now back to my question – para 28 page 6 app 109 – we've agreed that that doc shows that the approach I put to you as a likely response of First is confirmed in that doc that first don't take a short term approach to competition?

Jh – it is clearly a possible response

Gj – we need to move away from the general and look at the particular circumstances don't we – that's a general statement – of competition focused on the bus market

Jh – operator submissions tended that the market was wider than that

Gj – is there anything to suggest first is talking about competition with trains etc

Jh – its silent on that

Gj – it's fair to assume they are talking about bus operators in para 28 –

Jh – I took it in relation to competition generally – as part of their submission is that the market isn't just the bus market

Gj – so also in para 28 that would include response to other forms of transport then?

Jh – yes

Gj – if we look briefly at their potential likely response. These are First's most profitable routes as you've heard alleged – if we look at para 6.12 of your proof you set out your belief... [reads out – highly profitable routes]. It's right isn't it that that being so it is a possible likely scenario that first would compete over more than the short term to safeguard those routes against ngf – can't be discounted?

Jh – can't be discounted but not one of the assumptions made for the business case

Gj – I'm testing the robustness of those – you said that some allowance had been made (although no sensitivity analysis had been carried out beyond maintaining fares/frequency at the level existing) – you said that in any event there is some contingency in the business case?

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Jh – revenue risk adjustment

Gj – are you the person to ask questions about this? Is that because someone has told you that?

Jh – could we look at the business case?

Gj – do you have a competent knowledge of the business case? Need to ensure you do...

Cameron – mr chadwick is the witness called on the business case...

Gj – so when you say that this has been addressed there...do you have sufficient knowledge on it?

Jh – if I could refer to it...

Gj – so the answer is yes...take us to the business case please c-1

[Cameron: he's been tested on the assumptions made – as I understand First who operate routes, have not put forward what their response would be...if it is going to be in their evidence can I ask that it be put to mr Henkel. If it is not in it then it won't be put

Gj – I'm putting likely scenarios and I'll be calling evidence. I'm testing their assumptions ... and we will call evidence. I am having a fair go... one thing I can't be criticised of is not putting my client's case to the witness – I'm putting key ones (e.g. fare reduction/pping services/a combination/and now prospect of withdrawing other feeder services not on the corridor – also will raise competition on various hybrid and different types of buses) to this witness.

Inspector – I just don't want Mr Henkel to have to be called again if you put something about it later on.

Cameron – I just don't want mr alexander saying we will put up fares by X amount...etc. if it's in general terms then I am content.

Gj – at the moment it's not an area we think we'll go there...that's the level in which we are...from our pov it's not a case of the detail...

Inspector – yes because they are only assumptions/possibilities...

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Inspector- I hope that that would stick to that.

Gj – well if we are competing we are not going to be telling our competitors which routes we will be changing...but if we were consulted we would have told you which assumptions were unsound etc. if we had been allowed...it's a reason again that you would hve needed to factor in and done sensitivity testing on – are plans are flexible – we would be naïve to tell the promoters everything we could do

Inspector – we don't want to get to the stage where we are introducing new things]

Gj – let's go back to the business case c-1 –

Jh – can I refer to the statement of matters and remind the inquiry that mr chadwick is dealing with the business case appraisal etc. but page 21-4 table 21.1 – makes a ref to ngt risk adjusted revenue – the risk adjustment was set out in the previous para

Gj – if you look at 21.2 – second sentence [reads out] – “no financial modelling has yet been completed” – then go on to 21.13 where it talks about the risks in the revenue forecasts. And again look at the second sentence [reads out] “financial modelling would typically be adjusted to take account of such risk” – if you look at 21.14 sets out assumptions about inflation etc. If we note at 21.15 it talks about fare evasion and revenue forecast adjusted down by 5% and 21.16 talks about a build-up period for the first 3 years. That is the totality of the risk assessment

Jh – 21.19 talks about a risk reduction of 20% - at this point I will defer to mr chadwick.

Inspector – well we could have saved time

Gj – we were surprised when you said that as we couldn't see anywhere obvious in the financial risk. We can see chadwick outside if he has an answer to it. We couldn't see anywhere in the business case where the matters which haven't been subject to sensitivity assessment which are not consistent with the business case assumptions have been risk assessed.

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Gj – you raised your surprise as to First objecting to the scheme. Do you remember a meeting you had with mr alexander in feb this year where you said to mr alexander that you knew that first would object but you were surprised as to the reason they were objecting

Jh – what date? I knew they were going to object after they sent their objection

Gj – but in feb 2014 you had a meeting that even before the objection you knew they were going to object but you didn't know what the reasons were – which was what surprised you, not the objection

Jh – I was surprised by both

Gj – my client is surprised with your surprise because you said you knew that we would object but that you were just surprised as to the reasons

Jh – to recall properly – the scheme has been in gestation for a no. of years...I've made ref to the LTP consultation...it was late 2013 when I became aware that First would object. It comes across as if I've had only one meeting by mr alexander. I was aware very late in the process and also I became aware of the nature of their objection – both surprised me

Inspector – I don't think that answers the question

Jh – [repeats his answer]

Gj – we are just talking about one meeting right now – the feb 2014 meeting – you said that 'we knew you would object but that we were surprised about the reasons as to your objection'

Jh – yes that is what I said

Gj – we submit that is inconsistent with the evidence you said yesterday in which you said you were surprised by the objection of First

Jh – no it's not inconsistent because First had many occasions in which to raise concerns about the scheme – they recognise one as a response to the local transport plan. That's why my answer covered a sequence of events rather than a single meeting

Gj – so in fact you weren't surprised...because as you told mr Alexander on many occasions but let's focus on feb 2014 – you knew first would object...but you didn't know the reasons – when you opened the post or one of your underlings brought you the post and you opened it... you weren't surprised?

J – no I wasn't surprised them

Gj – so before first filed this objection to the TWA – you knew they were objecting

J – I did –

Gj – so I put it to you that the evidence you put yesterday was misleading then when you suggested that when First objected, it was a surprise.

J – I don't believe it was

Gj – inspector has a note of what you've said

Gj – in terms of the transport plan – part of the objectives of the transport plan is to ensure that there is a well-integrated public transport system in leeds

Jh – I broadly recognise those words – must look at the doc

Inspector – so you are saying leeds including wy...

Gj – yes... you accept leeds is in that doc – and that an objective is a well-integrated system

Jh – there are three objectives – they relate to supporting economy, higher standard of living and carbon elements – that is only a strategic element to the plan (not an objective)

Gj – you are prepared to agree it is a strategy element to have a well-integrated transport system.

Jh – words similar to that

Gj – are you familiar with the sec of state and inspector decision in respect of the merseyside scheme

jh – I'm aware...

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Gj- please familiar make yourself familiar with it at the break - fwy 101 – I'm interested in what was said about the bus operators...

Gj - dealing with matters you emphasised in chief – the letter from derrick twig c-6-1 Leeds supertram letter. You gave evidence as to the reliance you place on the letter [as a goal for trolleybus] – the 2<sup>nd</sup> page – the sec of state had commissioned atkins to look at a brt system. That was being championed as an alternate to the supertram for Leeds to go away and look at

Jh – my recollection is that atkins was looking at the potential of a brt

Gj – let's put to one side as to whether this system's characteristics does actually qualify as a brt – I want to explore some confusion as to what is being said now by the promoters. Penultimate para – “we acknowledge atkins comments about risks in delivering a brt – however none of the problems identified is insurmountable...very much hope bus co. in Leeds will work constructively with PTE to see what bus services can deliver...” – do you see that. There the sec of state is envisaging close cooperation with bus companies, isn't he?

Jh – I don't understand that as close cooperation ... I think it says constructively

Gj – I suggest that that means a 'close working relationship'

Jh – part of this study which was led by Alison Munroe for DfT, I recall I wrote to Alison Munroe to raise issues regarding state aid...the discussions about it fed themselves into this letter

Gj – you don't interpret 'work constructively' as being 'work closely'?

Jh – we did raise the difficulties regarding the legal framework – only constructively...not 'work closely' – doesn't suggest that so no

Gj – they also acknowledge don't they that 'we recognise the uncertainties...no system quite like it in the UK...etc.' – top of the page 2 second paragraph – I asked you about whether you were present when I cross-examined Mr Haskins... I asked him about this. You said you were present there but not taking notes etc. I asked you if there was anything that struck you...

Mr Haskins agreed with me that he accepted that the brt was not a trolley bus scheme. It excluded a trolleybus scheme

Jh – I don't think he said it was excluded

Inspector – I've written it down he accepted that

Jh – what I heard is that brt covered a no. of options that included trolleybus

Gj – we took a careful note. When you look through the atkins report it was clear that whilst one could talk generally of brt system – might include a trolleybus scheme – the brt system to which atkins and sec of state referred to excluded a trolley bus...

Jh – I didn't take note...but I was involved in this work with atkins and Alison Munroe and my recollection is that it neither excluded nor included trolleybuses as a brt.

Gj – on this aspect you rely principally on the evidence of Haskins who is the director of the ngT scheme don't you?

Jh – at that time I was Mr Haskins line manager... and I was also involved in these discussions – you were asking about my recollection...

Gj – no I haven't, I was putting to you what Mr Haskins said after I cross examined him – and he agreed that the brt system looked at by atkins excluded a trolleybus. What Mr Haskins said was that since this letter things have moved on and a trolley bus system has now come into play. We have to be careful of then...we don't rely on this letter as support for a trolleybus as what the minister is talking about there is a BRT which excluded trolleybus – based on forms of bus which are not subject to overhead cables.

Jh – my interpretation when I was in this process was that it was a generic BRT which may or may not include trolley vehicles... it was not specific at that point of time

Gj – are you familiar with the atkins report

Jh - yes

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Gj – it's clear from the atkins report when it deals with flexibility – it cannot be talking about the trolley because when it deals with flexibility it highlights the fact that one doesn't need infrastructure in terms of overhead cables for a BRT.

Inspector – I can't see there is any point to go through this in any more detail – we dealt with this in haskin's evidence...

BREAK

[11:29]

Gj – sec of state decision letter (Merseyside) – when did you become aware of this decision?

Jh – 1999

Gj – it hasn't featured prominently if at all in the promoters' doc

Jh - no

Gj – one of the concerns shared by the sec of state and inspector is on the preferred corridors for the mrt – we're at para 8 6-7 lines down. The preferred corridors were selected because they were seen as offering the best source of patronage...at the detriment to bus operators. Let's just deal with the fact – so far as the corridors are concerned, it's right isn't it that so far as the patronage levels relied up on for the ngt they are largely at the expense of existing bus services

Jh – yes

Gj – also right as well that they're not corridors are they that lack adequate public transport

Jh – no – can we take a step back, depends what it means by adequate –first west's own submission is that the corridors are underperforming

Gj – that's different isn't it, ngt in so far as the total performance of the bus market – is that for leeds or west Yorkshire?

Jh – I'm referring to cheek's submissions about the north corridor

Gj – ngt is not going to address that is it

Jh – as a result of ngt bus passengers will be 50%... [mumbles]

Gj – only if the assumptions are correct in terms of you have the majority transferred from bus to ngt and that the other services of bus are maintained and continued at the levels assumed

Jh – I'm referring to the business case

Gj – yes that's right. So when we look at the sec of state's decision here. This same concern is a live one isn't it in respect of this proposal

Jh – clearly – to the best of my knowledge this is the sec of state's decision in 1998 – there was a TWA inquiry on north and east lines of supertram...which is a v similar alignment and much of the supertram patronage would have come from buses in the same way as ngt and the order was confirmed after a public inquiry

Gj – I'll take that point later – you accept that clearly this is a concern that also applies here – you then mention supertram... but of course one can't pick and choose and ignore sec of state decisions that don't suit one. We can agree that this is a relevant consideration for the inspector in this case also?

Jh – of course but I was also referring to other relevant decisions

Gj – this decision enjoys the distinction of being the only sec of state decision so far on a proposal under a TWA to introduce trolleybuses?

Jh – to my knowledge

Gj – why it is in the promoters case, till expressly referred to by one of the objectors (a660) – why this decision has not been discussed in any detail in the promoters case and in particular in the report that went to the committee – do you remember mr farrington's evidence, he set out the minutes of the two key decision meetings and in cross-examination he agreed this decision had not been referenced to members and there is no discussion in any written proofs is there

Jh - no

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Gj – why it is that the promoters avoided mentioning this decision

Jh – if we read the letter in its entirety and my recollection of the decision at the time – there were very sig differences between the schemes – e.g. Merseyside was in economic decline, it was losing population quickly, there were concerns about the policy framework for that scheme – there were sig differences between those in Merseyside and those here.

Gj – can I suggest to you that a proper response would have been to refer the inspector to this letter ... That would have been the open and transparent way of presenting the case rather than hoping [no one would bring it up]

Jh –...I believe there were sig differences

Gj – we don't see this letter addressed in open evidence – setting out this decision and explaining why there are differences between this scheme and the Merseyside one.

Jh – no we don't

Gj – can I deal with the other doc – section 15 of the CC report – look at fwy 121 – have you seen this before

Jh – im aware of it and aware of some draft responses

Gj – what happened was...you said in your evidence that you didn't think that the CC recommendations would work in leeds – then you say that substantively all of them had been implemented in leeds – but some of them require legislation which isn't in place is it

Jh – no

Gj – so at the moment, you or CC doesn't have the necessary leg powers to carry out all the recommendations

Jh – no but some are for e.g. advanced notice of service changes – there are meetings between us that touch on that

Gj – yes about other matters in respect of your businesses. You mentioned that you and mr alexander will announce the progress that's been made

Jh – we will present to the wy combined authority...

Gj – some of the matters that are in the recommendations (at least one I can think of) isn't in place now and wasn't in place at the time of the CC report

Jh – some of them...but some we have

Gj – there is a change from the position that the CC were reporting upon

Jh – I don't think...it's been usual practice to have these types of discussion and we receive info we have in confidence....it was something I felt was substantially in place in wy ....maybe more of a problem outside of wy...

Gj – ok... well we can see the rest of the examples here are at the stage of consultation as to whether the relevant leg will come into force.

Jh - yes

Gj – matters you raised in your evidence in chief – integration – so far as the route is concerned that is actually the route safeguarded by the supertram...essentially

Jh – the current proposals don't include a line to the east

Gj – yes I realise that...

Jh – and the current proposal to holt park...

Gj – I am aware there is a lot not included in supertram – and this aspect has to stand and fall on its own merits.... But in terms of integration between ... you spoke first of all about the undesirability of buses and trolleybuses sharing the same bus stops in evidence in chief.

Jh – a need for compromises, yes

Gj – one aspect ... physically there is no reason why the bus stops can't be designed to take both types of vehicles?

Jh – there is a constraint of the swept path of the trolley but the infrastructure is the same



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Gj – one aspect was branding

Jh – I wasn't here for mr smith's evidence

Gj – is that something that is part of your case or not? You are the person who knows that metro is a brand... the current position is for bus stops...first aren't allowed to put their branding on bus stops...branded as metro

Jh – yes

Gj – as I understand however...the trolley will be given a competitive advantage as it will be allowed to be branded consistent with the bus stop

Jh – yes

Gj –that's seen as a competitive advantage as branding thought to be important

Jh – the answers will be dealt with through legal submissions...

Gj – no...as I understand it the idea is to give it a comp advantage

Jh - it's to make it obvious

Gj – but there are no proposals to allow first to brand it first ...their bus stops

Jh – never asked by them

Gj – is it something that you would be prepared to offer

Jh – have to look at business case

Gj – the current position is that first are not allowed to brand your bus stops

Jh – yes they aren't – bus stops carry metro brand

Gj – and for the reason for advantage and attracting customers, the proposal is that ngt will be able to have a branding on the bus stops. That will be a competitive advantage...if that is the position that continues to be the case

Jh – if you consider legibility to be a competitive advantage

Gj – well you consider it to be an attractive feature of the trolley – if one has and one hasn't...

Jh – it's a distinguishing feature. You and I have made ref to the partnership discussions that have taken place and part of those have related to a hierarchical bus network and we have talked about a generic brand for high frequency network...e.g. there services operated every 10 mins...part of the discussions is an adoption of a kite mark to designate a high frequency network...not first brand but is designating a type of network..

Gj – but as matters stand... (the kite mark is a different thing to branding...) what you are giving to trolley is an operator brand (not a 'kite mark') –

Jh - it will be a brand for a system rather than for an operator... which I think is similar to a brand for a high frequency network

Gj – the trolley will have a brand

Jh – yes

Gj – and as matters stand first will not be able to have a 'first' brand...

Jh – correct

Gj – and therefore in terms of legibility a competitive advantage is given to the trolley

Jh – yes

Gj – and that is a comp advantage isn't it

Jh – arguably

G – if you say legibility is a good thing and ngt has it and operators don't ...it is a comp advantage...

gj – there is improved legibility for one...and as matters currently stand that form of branding will to be given to first and that would then give the ngt vehicles a competitive advantage

Jh – yes

Gj – I won't ask you whether that is lawful or not. In terms of the bus issues – one issue you raised in chief and in answer to mr bell's questions which I explored with mr haskins is a concern of sharing bus stops with buses – one reasons was that buses might hold up trolleys due to driver ticketing/not 2 doors etc....

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I explored it with haskin's and I took him to the work of Atkins report and the conclusions was that with change in ticketing arrangements and bus design (2 doors etc.) and those issues in respect of increased dwell times...that had been studied in n America and referred to in the report ... I put to mr haskins that that couldn't be achieved in leeds and he agreed

Jh – yes

Gj – there is no reason in terms of slowing up trolleys because with the right buses that can be achieved

Jh – could be but hasn't yet

Gj – the only issue therefore comes down to branding...that would dilute the brand

Jh – there are stops on the ngt system for reasons explained by smith – it can't call in a stop it can't get to...we are talking about stops in shared sections of the route

Gj – obviously not allowed on those ngt segregated sections

Gj – I'm focusing on sharing of bus stops – there is no issue as to the ability to share bus stops as it doesn't impact on delaying ngts...the only issue raised by mr smith is the branding issue

Jh – you are referring to a situation that doesn't exist...it is possible in the future that the dwell times reduce for buses but...

Gj – we are all referring to the future, your ngt doesn't exist either

Jh – but it also is the question of competition response – elsewhere in wy I and my colleagues have problems with bus companies deliberately operating stands to get patronage [staying at bus stands for longer than allocated blocking anyone else pulling in]...my view would be that if in some point in the future it was possible to share bus stops without detriment we would revisit that decision

Gj – first of all, the assumption you are making is that First or other operator would behave unlawfully in breach of a contractual arrangement

Jh – no, I wasn't saying that, I said if it was possible for ngt to share bus stops without detriment to either service we would revisit the decision

Gj – on the evidence before us, it's perfectly possible for buses to share bus stops

Jh – theoretically yes

Gj – it doesn't appear in your written evidence till now that you now have a concern that bus operators will behave unlawfully

Jh – no but what does appear is the objective of ngt and the need to ensure benefits realisation.

Gj – well secondly, there isn't any empirical evidence you produce that supports that assertion that bus companies could behave in such a competitive way...

Jh – no

Gj – that's not directed at first, is it?

Jh - yes – it's not

Gj – if it were a point, it's got to be a bad point as if that were right you wouldn't improve any scheme that had any bus companies sharing stops... as you could always say some of them might overstay their contractual time to [purposefully] mess up other buses...

Jh – we have guidance as to how many buses can be accommodated at certain bus stops – around 20 buses an hour...

Gj – it's a very inconsistent approach as when we come onto procurement... mr haskins said any risk of suppliers not supplying will be dealt with by contract and we assume that they will comply with their contract but here you're telling the inspector to assume that bus companies will breach their contractual requirements and deliberately act to obstruct ngt...

Jh – no, what I said was that in my view if there was a situation in the future where we could accommodate shared stop then we would revisit the assumptions set out in the major scheme business case

Gj – let's see the degree of effort gone into the promote degree of competition. So far as ngt is concerned it doesn't serve any of the commuter or railway stations..

Gj –... it doesn't do anything for international travellers from the airport

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Jh – no, it doesn't

Gj – it doesn't serve any of the commuter railway stations in to Leeds does it

Jh – no

Gj – and Farrington's evidence – its ability to serve HS2 – are you happy for the inspector to look at my cross of Farrington on that...?

Jh – yes

Gj – if we look then please at the question of shared bus stops- one reason why this may be of interest for a passenger is, setting aside ticketing arrangements, if a bus comes first and it takes me to my destination or a trolley comes first...if I'm at the same bus stop I can conveniently get which I come first

Jh – depending on the ticket in your pocket

Gj – even then I might have both...but I said putting the ticketing arrangements aside (the inspector has a note that you think it's important). If you have shared bus stops you've got the choice haven't you subject to decision on ticketing, you've got a physical choice as to whether to jump on bus or ngt

Jh –yes

Gj – but if you've got a distance of 100/50m that choice is diminished isn't it depending on how fit and able you are...dashing to one stop to other

Jh – in many cases...I expect ppl to make use of real time info – but clearly it is less convenient.

Inspector – so there would be shared info between the two stops

Gj –but there are no proposals are there?

Jh – no it isn't (but we do provide real time for every bus stop in Wy at the moment)

Gj – let's look at the distances for ngt – 27 stops.... 21 of them are greater or equal to 400m spacing

Jh – yes

Gj – can you take up FWY 120 paper which is the quantitative assessment of public transport interchanges [explains the report on page 2] – it identifies people who rely entirely on public transport. To what extent the ngt position has been set for you because of past land take on the supertram...? In looking at integration (you said there are winners and losers) – I haven't found anywhere in the evidence where there was an assessment in terms of interchange and set out advice as to how the stops will be integrated into the existing network. Can you take me as to where in the evidence we see how the stops were arrived at in relation to the existing public transport?

Jh – the drawings show the proposed stops and existing ones – shows clearly

Gj – I'm asking for evidence setting out how the assessment was done on seeking to maximise public transport integration – what guidance there was how far ngt should be from a bus stop and how that was assessed.

Jh – no doc I'm aware of

Gj - as far as you're aware, no one asked to look at the guidance as to how best ngt could be integrated and then if it can't be the reasons why it can't be? That hasn't taken place?

Jh – we do have a note here of public transport interchanges...

Gj – we have a scheme presented on the maps and you have a note explaining the relationship of the scheme to bus stops etc. but what I'm asking for is the planning, a stage before, not a description of what there is... it's the first stage as to the what assessment was made as to designing the scheme as to securing the best integration and best fit.

Jh – I'm not aware of a note that sets that out

Gj – I'm not aware of any written evidence outside of the inquiry that demonstrates this either

Jh – I'm not aware of any

Gj – ok so with the guidance we do have – let's test the interchange... let's see here the Alexander approach relied upon in this article...what it says about max walking distances (fwy 120). It gives us some recommendation in the absence of something else –says that as the trips become more local, walking distances should become shorter - they've got 31m when transferring from bus to tram...that's what we're looking at for a trolleybus to a bus...31 metres

Jh – that is what would be desirable...

Gj – we've got a situation in terms of bus stops – a real failure to integrate...certainly to a desirable level (it doesn't even use that word) where the 31m radius is nowhere near met...we are looking at 100+m

Jh – we are confusing two things...one is the design features in the bus stop and one is the interchange locations

We don't pretend each bus stop is an interchange...as part of the local transport plan we do have a strategy regarding hubs, mr alexander has written to us supporting that strategy....most of the interchange will take place in the centre of leeds – as an example of what we've done in the past if we come up to the bus stops next to leeds station - we currently pay £120,000 to network rail to retain that facility for bus operators. As I explained there is a lot of compromise. We see interchange not at every single bus stop but at key locations at transport hubs – and I remain of the view that the key interchange for bus stops will be in the centre of leeds.

Gj – let's see what is said about all that interchange in this report – the authors stress importance of role of interchanges etc. [reads out] – interchanges should be treated as a priority. In the absence of any doc that shows how the approach to interchanges was arrived at – it's fair at the moment to assume that the role of interchanges was not treated as a priority by the promoters

Jh - I don't accept that – part of the interchange offered is the park and ride sites... etc... I remain of the view that the key interchange opportunity is the centre of leeds.

[Cameron – as far as design was concerned this was referred to by mr Smith – only 'integration' questions

Inspector – I think he is capable of answering]

Gj – I'm still waiting for the design brief as well from mr Smith...

Gj – I'll continue, I put to you then that what we will be saying that it's not being treated as a priority. You say most of the interchange will take place in the city centre – a view will be taken therefore as to how well the ngt system in terms of interchange provides adequate interchange outside of the city centre.

Jh – yes

Gj – you recall, by way of example, councillor Anderson's concerns for his constituents and those in the neighbouring wards about the lack of integration in the north corridor.

JH – yes

Gj – integration in the city centre is not particularly useful in respect of the points councillor Anderson was raising

Jh – I did explain that it was reduction of service frequency rather than removal

Gj – in terms of the way interchange takes place – does ngt serve bus station at leeds city centre...it's not 31m within that

Jh – no

Gj – are you familiar with the interchange at almers end (Croydon)?

Jh – no

Gj – you'll see if you do go it is an example of a really good interchange – the railway station/tram adjacent to each other – we won't have that arrangement for the leeds rail station

Jh – no we won't

Gj – it's not very high quality is it, in terms of integration and interchange is it?

Jh – I don't think that's a reasonable conclusion...

Gj – you are promoting a hugely expensive system and we know that it doesn't directly interchange with the rail way...

Jh – we know where it goes...

Gj – there isn't a major transport facility that it does interchange with does it

Jh – the centre of leeds is in itself a major interchange area

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Gj – no it's not a major transport link

Jh – the two park and ride sites. The majority of interchange takes place at the centre of leeds...

Gj – we await to see.... I'm not going to put the brt standard to you...

Gj – part of the objective for ngt is not to create change in overall congestion levels in leeds –

Jh – no it's not

Gj – in terms of modal shift from the car, we've established with mr haskins there is going to be no material/sig modal shift from cars is there

Jh – we need to refer to the business case review which shows the sort of demand...there is demand from car and park and ride sites- you are over simplifying

Gj – there will be some but not material/sig

J h –it will be material

Gj – we've got a note of mr haskins' answers

Gj – mr bell touched on modal shift in his questioning. Levels of private car parking – let's remind ourselves of the Merseyside decision fwy 100 – one of the other concerns in that was in para 17 – the sec of state recalls that most of the off street parking in the city was in the hands of commercial co. little could be done to make parking less attractive - little can be done in leeds

Jh – situation in Merseyside is different from that of leeds as I said before

Gj – one thing that isn't different is that here also there is a v. large amount of car parking space close to centre that is in private hands no?

Jh – yes

Gj – it's obvious and unique for a major city of this nature

Jh – not unique and farrington explained temporary nature of these

Gj – can you cite another city which has so much available car parking space at those prices...

Jh – I don't have that info to hand

Gj – firstly, the vast amount of general public car parking available (around £7/day during the week)?

Jh – my proof doesn't cover parking supply in leeds

Gj – but your oral evidence does – in relation to your evidence about modal shift...mr bell then asked you and you explained by ref to mr farrington's evidence about the provisions that can be taken to restrict car parking in leeds... I want to deal with that with you

First aspect of the policy decisions that can be taken by the council – only in so far as to the powers they have to do so

Jh – yes

Gj – restricting private car parking...that's not the main issue as there are off –street car parking in leeds. And some of those have been granted temp car parking – Tetley site

Jh -yes

Gj – there was no commitment or could there be from mr farrington that any planning permission would not be renewed/refused after the 5 years...couldn't prejudice it's determination... you said that it would not be renewed

Jh – I said that I don't believe it would be renewed

Gj – we need to rmb that that is only in relation to those that enjoy temp planning permission but not those who have a lawful use...

Jh – again I would rely on farrington's evidence

Gj – take from me that one would also need to take into account the lawful parking (done with requisite period of time with no enforcement) and second category – those parking areas with permanent PP for parking

Jh – I'm more comfortable with the second than first.

Gj – there are three types ...

Jh – and also the on street parking supply

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Gj – and also another category – if we look at the Leeds Council previous decisions – a number of new developments have been provided for generous parking provisions e.g. office workers etc. in various developments...

Jh – can't comment on that...

Gj – the inspector can see on site visits – those car parks servicing the various office blocks in the city centre.

Jh – my proof doesn't cover car parking supply

Gj – on that basis, there is not going to be is there, when one looks at even the promoters case and gives credibility to the assumptions made, in order to make a sig change in modal shift – something quite dramatic would need to be done and it's not the trolleybus?

Jh – Mr Haslins explained that NGT was part of a range of interventions in Leeds. I also make reference to the park and ride etc. that is set out in the business case.

Gj – I'll deal with the business case... Mr Hanson and Chadwick.

Gj - just to one small thing you said yesterday – in terms of you mentioning operating losses for NGT and having to go back to Leeds City Council you made indication that LCC has a deep pocket for all sorts of things.

Jh – one of the largest LA in the country.

Gj – as far as I know from Haslins' evidence, there has been no contingency set aside for additional money to be diverted to the NGT

Jh – yes

Gj – and even if one looks at NWL – there are a whole series of highways issues (Prof Bonsall has explored with Mr Farrington) like congestion on A660, orbital issues etc.

Jh – yes

Gj – forget about hospitals/schools etc. – even if just looking at transport and looking at dipping in the transport budget, there would be all sorts of other priorities and other calls as to decisions made [robbing Peter to pay Paul] – as you say, there will be winners and losers.

Jh – the allocation of resources is a political decision

Gj – thank you

Gj – WSP app 116 produced by the promoters. This was only produced a couple of days ago, if you look at the quality management - issue one – is this a draft or final version

Jh – not been signed as final

Gj – can I have a copy of your instructions...it was done on your instructions?

Jh – through verbal instructions – initially for a different purpose...

Gj – for what purpose

Jh - I've explained the work that was undertaken with bus operators to refine and set out what a partnership proposition would be... a lot of this work originated from concerns about the bus market in Wy – I advised the authority that I believed the remedies would be effective. I was checking whether my advice was correct in terms of the impacts to the remedies.

Gj – when did you commission this and this draft produced?

Jh – first spoke to WSP project manager maybe 6 weeks ago... when he saw the rebuttal to Mr Alexander we expedited this work. It was produced last week.

Gj – it was commissioned for another purpose but it wasn't previously shared with the bus companies

Jh – it was commissioned to provide an assessment as to whether there had been a material change or not to the CC report. I commissioned the work to provide an answer to the questions posed.

Gj – we can't see what the instructions were because they were verbal and this is a draft form. And it wasn't previously shared with the operators until end of last week.

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Jh – I was anticipating a question as to the impacts and commissioned the work in order to provide answer to that...

LUNCH BREAK

13:51

Gj – para 2.13 of your proof where you set out the routes, there seems to be some matters I need to raise with you with errors on the table – Geldards buses 28B route between uni and Clarence stop at 3 times an hour isn't in there – should be in table 1 north line. These are omissions, we say, they are matters of fact.

Jh – I'll have to check that, if it's an omission then we can correct that

Gj – you've never actually been involved in the commercial bus operations have you

Jh – no

Gj – you haven't run a bus company?

Jh – no

Gj – table 1 – the geldards bus run 28B between uni and Clarence doc. Are you aware...

Jh – I don't have the bus schedule in my head but I am aware.

Gj – one of the differences I have found is that surprisingly those that run bus services do seem to carry the bus service timetables in their head. Also that we know runs parallel with the proposed ngt route serving Clarence doc etc.

Jh – this is a matter of fact we can establish

Gj – Yorkshire tiger route 61 on table 2 from hunslet centre to st james' hospital – that's not shown

Jh – I am familiar...we need to get back to the source of info but it is possible

Gj – table 2 – the south line – the notes on the first route that you've got there e.g. 12/14 etc and areva route 110 etc. there you show only the roads that run directly along the ngt but they omit the road where ngt is running alongside on an adjacent street – e.g. hunslet road where the ngt were to be running they'd be running through the whitfield estate although they'd be running parallel – it's left off...it may be relevant as to what extent passengers will be extracted from parallel services.

Jh – most probably...we need to confirm this but may well

Gj – we have to see whether those areas are reproduced in the business case or not

Gj – one thing is that your team and yourself – it's taken you 10 years to get to the stage you are at now. From the start period to where we are now there have been and continue to be sig developments in transportation, particularly the bus industry and development of hybrid/hydrogen buses – no?

Jh – of course

Gj – so if we look at your proof at page 4.11 – trolleybus specifications that they have...matters that we can agree e.g. non-trolleybus bus can have 3 or 4 doors. First has multiple dedicated wheelchair spaces. The newest on headingley/hunslet have 2 spaces don't they.

Jh – there are DDA regulations providing space.

Gj – it's a combination of technology and regulations.

Gj – do existing first buses have cctv and heating

Jh – yes

Gj – existing buses of first can provide level boarding

Jh – yes

Gj – and also in the future one could put on buses that have lower boarding levels in any event. Can I ask you about conventional buses/real time info on board vision etc. could be provided on non – trolleybus buses

Jh – yes

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Gj – they don't have power issues do they unlike trolleybuses

Jh – no they don't

Gj – in terms of zero emissions you said the only difference was the advantage was the zero emissions from the trolleybus. Let's explore that – in terms of this project the evidence is that there is no claim made for any sig improvements in terms of air quality

Jh - correct

Gj – because the source of power is from the national grid (not from hydropower like Montreal)

Jh – it's more from the general impact on congestion etc. – the air quality is neutral

Gj – so of course there's been improvement in electric bus technology and evidence explored e.g. Volvo bus with 5 year guarantee...

Jh – I'm aware of that

Gj – I make it clear that mr Cameron's summary of our case is not one we recognise (in your evidence of chief) – we need to look at what the alternatives are that one's looking at – its right isn't it that one is looking at least of a commitment of 60 years.

Jh – there's confusion – the 60 years is the appraisal period defined by the dft (mr chadwick will cover) – it looks at the cost/benefits in the period of 60 years...

Gj – the straight answer to a fairly basic question – what is the degree of permanence? my understanding was that because of the massive cost of the infrastructure it was looking to be in place for at least 60 years. Mr farrington was comparing it to the London underground as a stimulation for leeds. So far as the promoters' case is concerned we are looking at that sort of level of permanence?

Jh – yes

Gj – the business appraisal is for 60 years...if you're spending x amount of money, you're appraising it on the basis it'll be there for 60 years otherwise it won't be worth it

[Note: CHADWICK LOOKS UNHAPPY ABOUT IT]

Jh – you talk about a sensitivity tests...I don't think we've done one on a lesser period but given that future benefits are discounted so heavily we will still have a very strong benefit cost ratio...in my experience when we receive dft grant there is no requirement to ensure infrastructure in place for 60 years...that would be the intention

Gj – straight question - how long are you telling the inspector the promoters anticipate te trolley bus system being in place

Jh – 60 years

Inspector – I think we could have got to that more quickly..

Gj – so it's important to have a view on the degree to which and likelihood of alternatives coming forward?

Jh – yes and mr haskins has explained the work we've done to date

Gj – in that respect ... the use of hybrid technology at first, wouldn't be would it, necessarily the end of the matter (so far as alternatives are concerned) because we can look forward with some degree of confidence, of electric and also other technologies. Hydrogen is being used by First in Aberdeen.

Jh – you say 'with some degree of confidence' – the alternatives were studied in two reports (mode choice report) – the techs you refer to are not currently in widespread use.

Gj – I've cross-examined haskins who dealt with this. I've dealt with the limitations of those examinations. Can I ask you now – you've made some degree of comment on FTR bus orally. Let's get back to that

Gj – operations of ngt para 4.10 of your evidence – you say the contract will require min of 20 ngt vehicles of which 17 will be required on a daily basis with a provision of three.

Jh – yes

Gj – with three spare to cover maintenance. Is that the right position that has been assumed throughout in the work done elsewhere e.g. operating cost report c-1-10, para 2.2.8 [reads it out] –



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shows '18 vehicles required to operate ngt' – how is there a difference that is arisen between 17 and 18...

Jh – 17 is for routine requirement but there is extra requirement for special events.

Gj – so 17 on a daily basis with 3 spare for maintenance....and then you say the frequency has been combined... for each period for the preferred option...the max no. required for ANY TIME PERIOD.

It's not talking about abnormal time periods. That does not seem to be an adequate explanation.

You are suggesting that at 2.2.8 it is a ref of 18 for extraordinary periods e.g. events.

Jh – that is my understanding

Gj – do you see how your understanding seems wrong?

Jh – you asked me for my understanding

Gj – would you agree with me that your understanding is inconsistent with the wording at 2.2.8

Jh – yes but it is still my understanding.

Gj – it's inconsistent with it but you're not aware of any other reason

Jh – I'm not aware.

Gj – on the basis of the modelling for the business case, was 18 or 17 vehicles used

Jh – I believe 17 used, but I believe in the business case there has been testing under the requirement for 21.

Gj – I'll ask mr chadwick that. So your understanding is that it is modelled on the assumption of 17 but been some testing on 21 vehicles.

Jh – if I could just elaborate - part of the cost is linked to the no. of vehicles required but the 20 is in accordance with the central business case... [mumbles]

Gj – so there are two figures we can't reconcile 17 and 18, I asked you what figure was assumed in the modelling and your answer is...

Jh - requirement for 20 but operation of 17 is what is said in your proof

Gj – wait, requirement of 17 is what's said in your evidence and you have 3 that are to spare

Jh – yes.

Gj – can we stay with the operating cost report – planned service levels – this is your area. Go to appendix A table a-1 of c-1-10. Comparing that to the bus provisions – if we look at the current bus service provision on the a660 on mon to sat – you'll know there are 20 buses per hour (we are looking at comparing with the ngt service pattern – appendix A) – I want to do a comparison with the ngt and the existing bus operations.

20 buses per hour on a660 – bus every 3 minutes – does that seem around right

Jh – if we take the frequency of all the different routes that would give 20

Gj – 20 buses is a frequent service

Jh – it's a combination of different services – yes I see how we get 20 buses there...

Gj – we've got mon to fri for the ngt day time frequency between stourton and belle isle is 10 trolleys per hour – every 6 min.

Jh – yes

Gj – that is about half the frequency of current bus provision over this section

Inspector – we are talking about different sections here...

Gj – let's compare a like with like... so on Saturday's stourton and bodington 8 ngt services per hour every 7.5min. if we look again for part of that route through headingley we've got 20 buses per hour ... every 3 min.

Jh – it doesn't mean every 3 min as there will be more bunching than ngt

Gj – if we look at the provision of frequency for ngt on headingley – the frequency will be diminished

Jh – clearly that is the case.

Gj – frequency is important in terms of people's choices

Jh – yes important

Gj – other factors as well for example, table A-1 shows ngt finishing 1 minute to midnight on weekday and Saturdays. Currently first run a night service on route 1 till 3.30am. but we can note there is no nighttime service for ngt.

Jh – not in the assumptions for the major business case

Gj – that's a nother dis-benefit isn't it – in terms of those ppl who want to make a modal shift – if you go out ... you don't want to rush to get the last trolley home at midnight?

Jh – yes they take into account but the assumption is that not all other bus services will be withdrawn

Gj – you are saying ngt will take all the profitable routes...but the bus operators will be benign and run night services in order to support the attractiveness of the ngt services

Jh – we are pleased that first west have extended those operations but they have done that on a commercial basis and there is some demand for them to do that... we don't subsidise it.

Gj- that's the route 1 bus which runs through the day and its one of the most profitable they've got. But you're going to take their passengers away from there.

Jh – but you set out why there won't be ngt available at 2am then we won't be taking their passengers at that time.

Gj – there are peaks and troughs and you make most of your money in the am and pm peaks...

Jh – clearly there are times where they are busier and when they aren't

Gj – so the route 1 will have major transfer during day when ngt running but inspector can safely assume that first or others will continue to run that service including a night service as well

Jh – you say safely assume – the core assumptions are set out. It is my belief that first will run it because there is a demand at that time.

Gj – was there an example of the route 1 night bus having been run independently of their being a route 1 day time service

Jh – not to my knowledge

Gj – is this based on evidence or faith

Jh – in general bus co run bus services when there is a demand and commercial reasons for do so.

Gj – you don't think that bus operators run night services in order to encourage reliability etc. one would choose an area to live in because of the reliability

Are you aware of that type of route management?

Jh – yes I am

Jh – but I am aware of numerous cuts to other services that contradict

Gj – and the night service take home ppl that also use the day service. You've highlighted difficulties in relation to the different ticketing for ngt and buses etc.

Jh – the approach to ngt ticketing is in my proof 2.12 – there will be scope to introduce ngt ticketing but it doesn't propose to do so.

Inspector – are you saying that ngt tickets might be applicable on all buses or like First tickets might be applicable to ngt? He's asking ... if you went in on the ngt would you then be able to use then on the same ticket the night time service on First bus?

Jh – it's a possibility...of course.

Gj – you say that- so when you answered my question about having integrated bus stops and the benefits we agreed of having that was that if a First came first or ngt first then you would be able to go on either. But then you said about ticketing...about how you couldn't jump on any old bus...depends on what ticket you have.

Jh – I said the first thing.

Gj – your assumptions do not assume that you can use an ngt ticket on a first bus?

Jh – the assumption here is not for...

Inspector – you answered my question saying you could use one ticket for both...

Jh – the proposal is that ngt will have a two stage bus system – using single tickets. It says that there will be scope to use multi tickets... its scope...not a proposal

Gj – my understanding is that they are quite separate ticketing – who knows whether you will be able to persuade bus co.s to accept your tickets or not but that is no part of the business case? Is it

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part of the business case assumptions that if you buy an ngt ticket you will be able to use that ticket on conventional buses like First

Jh – no as we can't mandate it

Gj – so we come back to the point I put to you that when we are looking at your assumption as to first carrying on operating a night bus on route 1 we've also got to take into account that ppl who come bk on the night bus include ppl who have come in on the no. 1 bus. those are the ppl you are abstracting to a large extent to go on to the ngt in your business model. So when we are looking at the robustness of your assumption that first will continue to run a night bus service – we've got to not only take into the holistic approach to the profitability of route 1 –but even if we just focus on the no. of passengers using the night bus, those that currently go in on the no. 1 bus and come out on the no. 1 after midnight a large no will be abstracted into buying ngt tickets – which will not be valid on a night bus

Jh – no it won't

Gj – and that will be a discouragement in taken a night bus e.g. to catch a taxi/come back earlier

Jh – won't be an option but they will have the option to buy a multi-operated ticket (m-cards)

Gj – so the fourth bullet about potential scope to introduce a multi-use product – those cost more don't they?

Jh – of course

Gj – but that is different from a multi-operated product

Gj – still looking at a dis-benefit – none of this has been looked at on your assessment on the impacts of ngt – you haven't looked at the impact on the night services...

Jh – not specifically. I remain in the view that they will run those services because there is a demand for it

Gj – multi-operated products cost more don't they

Jh – yes

Gj – FTR – I want to look at the investment in FTR. The introduction of FTR was you don't suggest there was any bad faith from First in its desire to improve transport

Jh – no

Gj – so far as the investment took place – so far as LCC's investment – a large amount of the improvements related to new bus lanes, junction improvements, signal priorities... accessibility improvements

Jh – the figure I have in my mind is 1.5mill

Gj – yes that's right. Those improvements remain in place, [yes], and First agreed to put the FTR on for five years and they kept to that

Jh – yes

Gj – and then the service wasn't lost was it – we'll come into the reasons why it was transferred – the vehicles were transferred to route 72.

Jh and changes to 4 and 16.

Gj – and service 4 still has the benefit of those signal priorities etc.

Jh – yes

Gj – and service 4 has been extended in Pudsey to Thornberry barracks

Jh – yes the conventional bus had better performance in acceleration

Gj – that was a nice example of responding to outcomes in a flexible way

Jh – yes a good outcome

Gj – didn't have to get a TWA and put up a trolleybus

Jh – no

G – from april 2014 there is now an enhanced service

Jh – yes

Gj –that's good

Jh – yes

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Gj – and bus passenger growth has taken place on this service

Jh – can't confirm that...

Gj – and the move to route 72 – mr haskins referred to the benefits of the additional costs of those improvements which were still being felt – but he said the money we spent on improving Pudsey bus station – we wouldn't have had to extend the provisions in the bus station for an articulated bus stand.

Jh – I do recall that we did make modifications to accommodate an articulated vehicle

Gj – but it was the council that wanted the bus to go into the bus station – first didn't want it...the council removed the stations outside

Jh – that was linked to your note in Warsaw...

Gj – funny you didn't say that... it was the council who insisted on that expenditure against the desires of first. You're in charge of the bus stops

Jh – yes I am

Gj – the problem with the ticketing – that was in York wasn't it...the 'free' bus

Jh – we wrote to Nicholas shawn to say that the ticketing issue has to be sorted out before bringing the buses to Leeds

Gj – what was the issue on?

Jh – I don't recall getting robust data on patronage with the FTR routes...we expect to see smart card data appear in what is called a 'hops' way... we haven't seen a single record for the FTR vehicle in the hops

Gj- what is the problem with the ticketing

Jh – because we haven't seen any smart card data...

Gj – so there is no problem in terms of what we were talking about in so far as people coming on and not paying – your problem is that you haven't seen any data. Can you refer me to any letter where you have requested that data?

Jh – I wrote to first indicating my desire to use smart card data for the purpose of concessionary reimbursements some time ago... at the moment lots of data coming through but not for FTR vehicle

Gj – no written request specifically asking for FTR data – pre-2012 or at any time specifically requesting FTR data saying it is a problem because 'we need to assess ftr'...

Jh – that request was made as part of the group overseeing permutations...[mumbles] on route 4 and is in my view a satisfactory monitoring board has never been produced...

Gj – I'll ask you to produce that document out of the inquiry please...whatever you're going to produce in answer to the question I've raised that one of the issues on ticketing was that you had specifically requested ticketing results from FTR and this is not been provided

Jh – I will produce evidence of the difficulties of monitoring the impacts of FTR on route 4

Inspector – that sounds different from what GJ has asked....

Jh – to my recollection that letter hasn't been sent.

Gj – you've made these statements...a series of allegations against my client and I have to test them...and have found them untrue...

Inspector –Mr Henkel if you could try to be more helpful to the inquiry if you can...

Gj – when he raises matters which are UNTRUE, I need to deal with them.

Inspector – if mr Henkel doesn't raise these issues...[then there'd be no problem]

Gj – my instructions are that during the period of the 5 year contract (the period they were running FTR on route 4) did you write to my clients specifically requesting they produce the ticket data from that route.

Jh – no

Gj – that will all follow the decision to transfer from the council of FTR to route 72. If you want to produce outside of the inquiry anything you sent and we can deal with it in submissions that would be helpful.

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Gj – agree the following – route 72 has gone from strength to strength exceeding 60,000 passengers per week

Jh – yes

Gj – a success

Jh – yes

Gj – what we see even from FTR, when was FTR introduced?

Jh – around 2006

Gj – we are 8 years on from its introduction. What we can see from ftr (tech of that ilk), it's got the flexibility to respond to operating issues, hasn't it?

Jh – what do you mean? By being redeployed – yes

Gj – new bus for leeds – you said you didn't know details and you wanted to discuss with first. That comes as a surprise to us. Whether there have been specific discussion or not – you have the statement of case which raised new bus for leeds haven't you

Jh – yes

Gj – a point you raised before was that bus co. should have contacted you when you published your business case if they had to raise issues

Jh – they had an opportunity to

Gj – we've been through the legal constraints. You had an opportunity when you received first's statement to contact them to find out more details – did you

Jh – no

Gj – it goes further than that – before the feb meeting, there was a pre-email to mr haskins in respect to the meeting you attended in feb with mr haskins and mr alexander. If you start with the – if you look at from dave alexander in the middle of page 2 (sent at 13:44) you are not copied in [reads out] – the alternative proposal had already been raised as on the 24<sup>th</sup> Dave Alexander said [reads out] – “we are willing to discuss aspects of our objection including our alternative proposal”. Dave Haskins' answer has no reference/discussion raised about the alternative proposal despite the request to discuss that matter and bring the relevant members of their team. It's unfair for the promoters to suggest that there's an issue because they would have liked to have discussed First's alternative. That opportunity was made plainly available, wasn't it?

Jh – It's a timing issue – that meeting to my recollection was at a moment of time when first was objecting to ngt and part of the meeting was about what would need to happen for you to withdraw your objection – the conclusion I came to was that there was nothing we could have done to result in first withdrawing – my understanding, perhaps passively from mr alexander, was that some of our discussion was suspended...

Gj – that can't be right can it – mr alexander is writing on 24<sup>th</sup> jan before your meeting. He is not saying that we are completely closed minded. He is volunteering to bring extra members to give info about the alternative and you couldn't have known before the meeting that as a result of the meeting the rejection wouldn't have been withdrawn... you hadn't had it

Jh – my recollection was that we had had a conversation which was in what circumstance they would withdraw their objections - we couldn't envisage a circumstance in which First would withdraw

Gj – you were aware of the email mr alexander sent on 24<sup>th</sup> of jan to haskins specifically identifying a willingness to discuss an alternative

Jh – I was aware of it

Gj – until that stage you hadn't had a meeting – the meeting in feb was intended to discuss the objection (amongst other things)

Jh- at that point first were an objector to ngt – the meeting was to do with whether there were things that we could do to lead First to withdraw the objections

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GJ – you suggest that there was a tacit understanding that all other discussions would be off but that's untrue as mr alexander didn't say there was an understanding to discuss the alternative proposal pending the outcome of the...

Jh – no...that was a tacit understanding...

Gj – that certainly was the understanding in January

Inspector – are there any minutes of this meeting?

Gj – 6<sup>th</sup> February – there are no agreed minutes

Inspector - there seems to be a misunderstanding

Gj – there is no misunderstanding - clear here that prior to this meeting there was no understanding that the proposal was off limits – it was your decision not to discuss it with first

Jh – at that time

Gj – at any time since you first knew about it – there was no time that first had refused to discuss the alternative proposal

Jh – no

Gj - and also there is now evidence that mr alexander has volunteered to discuss it and bring along the people that could assist you

Jh – that's what the email says, yes

Gj – it is unfair to suggest that the promoters have been hampered because they haven't had the opportunity to obtain details as to First's alternative proposals.

Jh – hampered?

Gj – made more difficult/impossible...

Jh – I know what hampered means

Gj – it is part of your case, you have suggested that First have not provided you with details for new bus for leeds – you said there were things you would've liked to discuss (in your evidence in chief) - but you said you hadn't been provided with details by First –suggesting that first should have provided you with some details

Jh – there were details we didn't have...and that meeting was not to explore further...

Gj – so the inspector can record that you did not take up that opportunity

Jh – because the meeting was focussed on the objections

Gj – well that was your focus, but first were saying that they were willing to volunteer to discuss the alternatives

Jh – that is what the email says

[15:07]

BREAK

[15:19]

2 ngt letters – 6 december and 21 march

All of the bundles of the correspondence between First and Promoter is now called APP 119  
Letter from ngt in march sent to Mr Alexander. He responded with his draft notes – which the Promoters have also provided.

Cameron: I will file them both as App 119

Gj – and a letter from the 6 dec from ngt to dave alexander.

Gj – I am happy to go back to the previous correspondence. Prior to mr alexander's email – a letter from 9 december, para 4...

Gj – I then referred to the email before the break – I said there was previous correspondence and I hadn't put it in so I am happy for Cameron to put it in. then there is a letter of the 21 March from ngt (post the pre-inquiry meeting) and proofs of evidence were due at the end of march, beginning of

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april. I've asked you about the position at the meeting and now we have a letter (the opportunity wasn't taken up) saying that there is a request to clarify as soon as possible in relation to the new bus for leeds proposal. Not a tacit understanding to discuss this – but a whole lot of questions about the alternative on the 21 march. And then we see the response from mr alexander dated the 21 March in the afternoon. You will recall that I communicated that we need to see your ngt business case – at the time we were presented the statement of case you recall that you said you were reviewing your business case. [reads email out] saying that this is the first time you've asked the detail about our scheme – a week we are due to submit our evidence. You had the opportunity in feb to discuss it and that wasn't taken up.

Has all the hallmarks of a matter of trying to cover the bat – these all could have been asked and dealt with long before the 21<sup>st</sup> march – you knew about it in December. You wrote asking for details, mr alexander said 'let's meet' but then he was told no, until March [when you decided you needed to hear it].

Jh – no

Gj – have you arranged a meeting again to discuss?

Jh – my recollection is that I met with mr alexander, councillor james lewis, mr firmly, my recollection was that it was at that time that all parties were at the view that there was not much left to say.

Gj – when was that?

Jh – april - we recognised where we are - I'm personally not pleased to be in this position and there wasn't much more to be done at this time

Gj – you see that it's been clear that First had made it clear they were willing to discuss details – it was refused and then renewed at a time when both parties were engaged – then mr alexander then made clear he was then again willing to discuss and then ngt didn't take that up.

Jh - yes

Gj – that's it.

[15:34]

NWLTF – PROFESSOR P BONSALL CROSS EXAMINING J HENKEL

Pb – in your 8.2.6 in your proof you refer to high quality bus stops and I'm just asking if you can confirm that metro has aspiration to enhance bus stop facilities generally

Jh – we have substantially completed that – a long programme of bus shelter renewal – we have 920 real time displays – we will finish that bus shelter renewal programme but not to provide more real time displays

Pb – why not

Jh – there a cost attached to them (capital and revenue) and we are aware of the 922 displays, approx. 500's life expectancy is only two years or so (revenue problems) and thirdly the original intention of real time provision was not to give displays but to rely on mobiles e.g. apps, QR codes and NFC tags and stuff as a more cost effectively way of rolling that out

Ph – how appropriate is that tech to the demographic or nw leeds

Jh – there was a moment in time where we were doing the four times SMS inquiries in wy alone was four times the rest of the country we were doing loads a month – the use of apps to access info is increasing, and also increasing internet and smartphone usage amongst all demographics

Pb – were ngt to make a handsome profit could you imagine some uses to that revenue? What sorts of things?

Jh – a question that the project board and authorities haven't considered

Pb – as director – what would you like to use it for

Jh – it would be unwise to speculate at this time

Pb – what priority would you give to bus stop facilities in leeds

Jh – speculation

Pb – if there was no ngt on the horizon could you imagine that it might be one of the priorities to improve real time info and other stuff in the a660 corridor

Jh – we are in the process of re-procuring the real time info system – the current contract expires in sept 2015 – depends on the cost model. The provision of real time displays have been well received so we have to look at the business case. There is a high data cost...

Pb – it would be popular. Can I take you to 4.1 first bullet which refers to the affordability constraints under which you've had to work - confirm that 35mill of prudential borrowing is to be paid for out of surplus revenue

J – yes

P – doc c-6-15 – the letter from dft giving funding approval and programme entry. Could I take your attention to condition 5 – should the cost of the scheme be lower than 249mill – savings should be saved in proportion to metro and also reserved the right to reduce its contribution etc... -

Dh- the dft is just reserving its position

Pb – have they specifically said that it is alright to do the prudential borrowing?

Jh – they have approved the funding model

Pb – have they said they are not going to reduce the contribution?

Jh – I haven't been present in the dept meeting but I know the dept are comfortable with it

Pb – were they to say if you borrow some they will reduce their contribution... a big hole in the business case. You would then have to borrow more and the banks would say this risk is bigger than its potential revenue – you're happy that that's all...

Jh – I'm happy that the dft is fully informed of the scheme developments

Pb- have you had letters from them to say it's alright?

Jh – I would have to defer to haskins

Pb – can we ask for a copy of such a letter?

Jh – All I can confirm is that I did attend the meetings with Haskins and Bob Collins and there were no concerns raised about the funding models

Pb – their letter is full of caveats – e.g. this funding is granted without prejudice of future decisions – reserving their position on future decisions...

Jh – yes but this is similar to other dft funding letters

Pb – can we turn to 4.1 – second bullet – “locking in the benefits of the scheme” – explain what that locking in means?

Jh – the benefits are predicated on the level of performance e.g. journey times, punctuality etc. so you have to structure the contracts to ensure those are delivered

Pb- you say “a more efficient leeds public transport network with encourage economic growth” ... are you suggesting that it is purely public transport efficiency that would generate the improved market con activity, employment etc. or could that be a ref to general con activity including all modes.

Jh – my view, more efficient public transport network will be a more efficient transport network in general

Pb – so the overarching thing is more efficient overall transport system ...

Jh – these bullets refer to this scheme – your statement in the round is correct

Pb – so it's efficiency of the overall system we are looking for and public transport contributes to that... turning to 4.2 – you've described the preferred method of procurement as DBOM - but you said alternative procurement options would be considered depending on market appetite – what other ones you consider acceptable?

Jh – we talked about this yesterday about risk and interface issues (one issue is management track) – it will come through with market testing



Pb – but if there is not market appetite for DBOM...what other options...

Jh – question in my mind is not the DBOM but what is included in it– it might be maintenance of infrastructure but not maintenance of the track for example

Pb – what would be an acceptable alternative? Are you saying that whatever else it must be fully DBOM?

Jh – we would expect to transfer the maintenance of depot, vehicles equipment etc. to a single purpose vehicle

Pb – but if someone offered you everything but that one thing – would that be a possible way forward

Jh – we have to evaluate what came from market testing –

Pb – how bad can it get before you can say you can't do this ngt scheme...e.g. haven't got M of the DBO...

Jh – clearly we haven't got market testing but we have done some market intelligence and feedback we've got is that there is market appetite for this approach – if no one is willing to take this on then we will have to revisit the business case...but we don't believe that's the case from the MI we've done

Pb - 4.14-4.17 you are talking about various proposals for ticketing. These are ticketing specifications which ngt operator will have to meet – you refer in 4.17 to emerging ticketing opportunities such as BEBO –

jh – I'm aware of proposals still at feasibility stage, that ppl will carry on their persons and identified as tag and the vehicle would calculate the person's journey and deduced from their account etc... - not feasible yet but we know that the tech is evolving and may be new systems available in the future

pb – you'd be pressing for this type of new tech to come in asap

jh - we have to make sure it is value for money first, reliable and acceptable as well–

ph – you'd like it ideally to be used by all the operators

jh – if the tech is appropriate

pb –if it were then you would get the full interchange (in relation to ticketing) you would like

jh – in terms of ticketing - it is moving away from ticket machines to ppl carrying identifiers and then being billed – not in place yet but it is the direction we're heading

pb – major benefit is reduced boarding times for buses, ngt, everything. The direction of travel in the ticketing market is to improve boarding times and reduce dwell times.

jh – two further things - also to acquire customer data for data mining purposes and accurate and timely revenue apportionment

pb – those are the back office bits but the big one will be boarding times, speeded up etc.

jh – and convenience of not having to have the right change..

pb – this is not dependent on any particular type of vehicle?

Jh – yes, potentially

Inspector – how would it work in terms of different operators and how the money is distributed?

Jh – I'm not an expert but if a customer carries an identifier and that is recorded when they board and exit the vehicle – that record is sent to the back office where the business rules are written. The processing will be responsibility of the back office...

Inspector – but in terms of the charges. They'd be sent a bill, would they?

Jh – things are being talked about rather than now existing – you would give permission for your travel to be deducted from your account on a monthly basis

Inspector – how would it be divided up to the relevant operators–

Jh – it would be apportioned after going through a clearing house

Pb – one big benefit would be boarding times ... particularly in a660 corridor – part of the problem of bunching.

Jh – it would

Pb – we are looking forward to happening whatever (the case)

**Jh – it's possible in the future**

Pb – would you be surprised it didn't happen within the next 20 years?

Jh – the element that concerns me is willingness of people to sign up – same issue for transport for London and adoption of bank card ticketing and the other issue is that market research does show that some ppl live outside the banking world.

Pb – same issue as whether they will use an app to find their buses etc.

Jh – market research...some people living outside the banking bubble...

Pb – in your oral evidence you refer to Sheffield case nwlft referred to – I was going to ask q on that but Mr Longley will be questioning you. If for whatever reason, whether it be sustained comp or increased cost or failure to be as popular as you anticipate and the revenue forecast turns out over optimistic – what action would you as director of passenger services of metro be recommending in order to rebalance the books? What adjustments?

Jh – I think it's a difficult question to anticipate but clearly the options in general are to look at the cost and revenue sides. We've already acknowledged ngt is running in the context of a deregulated system and those options would have to be advised by a legal team...

Pb – no problem to increasing the fare... that's one possibility, another is you could reduce the frequency, and there is a sensitivity analysis as to removing peak services which is beneficial to increasing BCR, turning around at the Arndell centre or Bodington (not going out to Holt Park)

Jh – certainly...

Pb – charging for the park and ride

Jh – an option

Pb – removing the second member of staff on board

Jh – each must be considered in more detail – I hesitate to offer a view at this time

Pb – but which one of those would be e.g. the last thing you want to do? What would you go for first/last of that list?

Jh – you are asking me to speculate but I think the frequency is the thing you might look at first – but in knowledge of elasticity you can obtain at the time – I wouldn't place weight on answer I gave.

Pb – so you'd want to do some modelling on this?

Jh – well modelling is a way of asking what if questions

Pb – some have been looked at and others not

Jh – yes

Pb – what response would you expect from DfT if you had to do any of those things?

Jh – they are v. concerned about the appraisal of the scheme and less interested as to what happens once it's built – particularly in the current debate around devolution – expect us to behave in a rational manner

Pb there is a condition 11 in the DfT letter which says that "the delivery of ngt services set out in business case is an integral element of the scheme and firm plans must be in place"

Jh – this condition applies for full approval.

Pb – so you think they will need to be sure these things (curtailments) don't happen before giving full approval

Jh – we have a three stage process...

Pb – you expect them to want them to be satisfied that these curtailments won't happen before giving approval

Jh – what they are concerned about is that the business case consultation is kept under review and done a business case on each stage of the process

Pb – what struck me here was the work 'delivery' they want to make sure it is actually capable of happening...

Jh – that relates to your previous q as to how these knock into the contracts etc. I think this condition is saying it is what needs to be in place for approval to be granted

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Pb – if these options e.g. turning short at holt park, increasing fares and so on – if any had to happen what affect would that have on the demands and benefits? Generally speaking the demand would go down?

Jh – you would want to take any decision like that in your best knowledge of the impacts. I confirm that modelling and understanding elasticity is one way of investigations what if questions

Pb – if you had to do any of those things – it would depress the demand

Jh – yes

Pb – the risk of a vicious cycle by increasing fares etc. which reduces the market etc...that is a worry

Jh – yes

Pb – at what stage do you decide ‘it’s not working’ – how far below the forecasts would it have to fall before you say that this isn’t working and should stop

Jh – I can’t answer that question in absence of further info

Pb – if we got to situation that the net revenue was zero would you see a value in continuing?

[16:08]

Jh – the assessment will have to consider a range of factors – the benefits, its relationship to the commercial bus market and so forth. There are so many factors it’s hard to give you a clear answer at this time

Pb – how would you pay off the debt if this situation occurs [the revenue stream isn’t there]?

Jh – part of the risk assessment is that there is a potential that debt will not be repaid through revenue. If that were the case it would be by pushing the button following approval...the promoters are accepting that risk

Pb – would it happen the promoters will have to find that money?

Jh – that is the implication

Pb – is there any infrastructure you could sell off to recoup that debt?

Jh – ngt infrastructure? [yes] to the best of my knowledge the ngt infrastructure is required for the ngt system.

Pb – we are in the situation that revenue is zero and we have a debt – do we have an asset we can sell off...

Jh – you are asking hypothetical questions. You talked about Sheffield supertram...the powers we are seeking in this ngt scheme relates to infrastructure

Pb – I can’t see any real asset you can sell off

Jh – nor can i

Pb – so there is nothing you can sell off...if I recall from Sheffield they still have the debt

Jh – yes

Pb – there is a risk there is a debt that will last in the LCC account for a long time

Jh – yes it’s a risk

Pb – if we got to that maybe it is caused by the sustained competition by bus operator or something else, we’ve got a situation where the operation is no longer producing profit, the city has a lasting debt, you haven’t got control over the fares/services...it’s something you’ve contemplated?

Jh – of course

Pb – on balance you think its worth that risk

Jh – yes – we’ve talked about scenario testing and three stage business case approval. If I were in post at the time I would make sure those risks are understood and the likelihood they will materialise.

Pb – obviously another unfortunate outcome would be the physical appearance of that part of leeds will have been altered forever.

Jh – of course

Pb – you said this morning that potential problems of obstruction behaviour by rival operators at bus stops – if you could overcome that potential problem would you look again at sharing of stops?

Jh – The current position is set out clearly in the business case review. If the benefits could be locked in... I would look again...but the current info is set out in smith's evidence – the reason for that is that the benefits realisation needed for the ngt - it will be looked at at the time.

Pb –so if we can see this tech coming along or other way of reducing boarding time then reconsidering having separate stops is on the cards?

Jh – yes, I think it is something that should be looked at. But it is about ensuring that the outcomes are achieved and benefits are materialised.

Pb – we want to not just look at part of the public transport system – if by sharing the bus stops we can improve matters for some buses and not create /much/ adverse impacts on ngt then we would want to do it.

Jh – I've talked about how trade-offs occur...I think we've been clear that the needs to deliver the benefits is predicated on things like journey times etc.

Pb – when we are doing that we are looking at the whole market rather than one part of it ... ?

Jh –the first requirement would be to make sure that ngt achieves its objectives.

Pb – so that is above creating/maximising benefit to the whole system.

Jh – the reasons we are not proposing a shared bus is set out in mr smith's evidence.

Pb - But are you saying actually you should look at the benefits for the ngt bit above benefits for a whole?

Jh –if you take us back to condition 11 that is saying really that in order to secure funding for approval we have to make sure we do achieve the benefits of the business case

Pb – so you are saying because of that condition you would put the operational requirements of ngt above general transport needs

Jh – the ngt system is designed to achieve certain things... e.g. a level of priority, shorter journey times etc.

Pb – yes I understand but what is the overall objective - but is there not a broader objective to deliver the best public transport in general?

Jh – and the challenge is to make sure those objectives are as consistent as possible

Pb – but which one wins? If it comes to it

Jh – on this corridor in order to achieve the benefits of the ngt system and business case, that is why the current design is as it is

Pb – are you saying meeting the ngt objectives comes above the overall benefit to public transport in the corridor

Jh – that is the rationale

Pb – yes but which do you put higher

Jh – ngt is the priority in those specific corridors (and the separation of those limited no. of bus stops)

Pb – anywhere where the overall system has priority to ngt? Does that apply to all the design details? That ngt's requirements come above the general requirements?

Jh – the approach set out to ticketing, if it was purely to maximise revenue there would be a different path taken... I wanted ngt to fit into a wide transport network in the same way as the info services as well... [mumbles]

Pb- what about the design of ngt stops upstream of bus stops so buses don't slow down ngt vehicles...

Pb – smith was saying quite clearly he didn't want (and the scheme didn't want) the buses to delay ngt but he didn't mind if the ngt delayed the buses

Jh – what we do say is that it is important to improve the ngt punctuality that underpin the business case

Pb – so generally the operational requirements of ngt is coming above the general desire to improve public transport in general in the a660 corridor

Jh – yes

Pb – you say you did have high hopes for FTR and expected it to be popular with the public

Jh – yes

Pb – how confident were you in that

Jh – we did suggest it be allocated to a guide way service as we thought that would be more suitable

Pb – but when it was clear it wouldn't be in a guide way were you still confident the public would like it

Jh – I believed so

Pb – but later it turned out the didn't

Jh – I don't think that's clear – we might have from first that it wasn't the best route chosen

Pb – I think mr chadwick did some work showing they didn't like the vehicle (stated pref work)

Jh – we do receive feedback, some go to operators and some to metro – to my knowledge we did have more complaints but that related to performance aspect of the vehicles itself

Pb – thought it was the amount of standing and the seats are sideways

Jh – when I asked for more insight into the feedback it wasn't that but more about the performance aspects that was more of a concern

Pb – are you confident that they will like the ngt vehicle, more confident about FTR?

Jh – yes, I was confident of the ftr... we've talked about the capacity of the trolley and of course the stated pref is to do with trade-offs and one of the things people attach a high importance to punctuality – there is a trade-off between capacity and punctuality.

Pb - in your 6.10 –you envisage that once ngt services are in operation bus operators might recast their services and create new ones from south leeds etc.... why do you think that's more likely with ngt in place than without it?

Jh - if the core assumption is correct and the frequency on some services are reduced – we are seeing that there will be some spare vehicles I imagine that operators will be able to re-apply them elsewhere. Farrington has talked about the ambitions for the city – we know that st. james' hospital is largest teaching hospital and housing developments taking place ...physical landscape will be diff in 2020 than it is now...but it seems to me that if demographics and land uses changes there will be opportunities to run these services.

Pb – I agree that if the markets developed services will be to. But you put it forward that this will happen once ngt services are operational – I wanted to check that you were saying it is more likely with ngt than without

Jh – if vehicles were not needed for one service...

Pb – so an assumption as to how operators will choose...

Jh – no I just stated there are opportunities as to what will happen

Pb – to suggest that because they have spare vehicles and therefore move those buses – a bit of a jump

Jh – it's just an observation – the land use patterns will change...

Pb – yes but not any more likely with ngt than without...land use will change anyway

Pb – shared bus stops – I asked you the question as to when you'd make the decision to allow shared bus stops

Jh – you review decisions when the facts change

Pb – if new tech comes along then you would review that

Jh – also if it's been deployed effectively. We have talked about delays in bus stops – my recollection is that there will be –

Pb – if something were to happen to convince you that bus dwell times will be reduced.

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Jh – I would recommend to the board that this a joint venture.... My general view is that you should consider that decision

Pb – there is clearly a critical time as if you make this decision before relocating bus stops you could save a lot of money

Jh – but we move bus stops every week

Pb – we are talking about the RTI and shelters etc as well

Jh – I don't want to trivialise it but there is development taking place in leeds everywhere and there is relocation of bus stops every day...this tends to go on anyway

Pb – just relocating a bus stop...but when you are going to have a lay by and widen a road and take trees out it is a big/expensive decision – you should make this decision if you do to share stops you should do that before relocating them

Jh – we'll do that when the facts change

Pb – how long have we got before facts will change?

Jh – if you're looking at the programme we've set out - we're not going to be building for a no. of years

Pb – so we have bit of time

Pb – first bullet of 6.17 – I don't understand what 'different' might mean

Jh – stage coach run buses now operate Supertram Sheffield –

Pb – but they have revenue risk there but not here

Jh – but we've talked about procurement strategy and part of the market testing will be as to what extent the operators take the revenue risk (for incentivisation)

Pb – what? I thought we had established that you were taking the revenue risk

Jh – you can do that...

Pb – that's what you meant by different? That they would share [in the risk]?

Jh – there will be market testing and that will allow us to explore the perceived market proposals and followed by competitive dialogue. One thing we have to be mindful of is the need for revenue protection.

Pb – I couldn't think of any difference if they weren't sharing revenue risk that would actually be legal...

jh – these are things I would expect to be explored through market testing

Pb – you will remember jan 2006 review of transport strategy – one thing it did was to identify the problems in the a660 corridor and its potential solutions – 2 categories of solutions (for local and commuter traffic). Against that background (8.17 of your proof) we are talking about the wy transport fund – is there an allocation of trolley extension in the fund?

Jh – the fund includes a city centre loop and extension of ngt in the aire valley employment area to the south east of leeds – that's my recollection

Pb – my notes to mr farrington's response seems to imply otherwise.

Jh – Is the transport fund a doc submitted to the inquiry?

Pb – mr farrington said there wasn't any allocation but you say there is?

Jh – my recollection is that it includes city centre loop and aire valley. Simplest thing is to check it.

Pb – it is a rather important part of the formal – you are saying there will be but not confirmed yet...  
jh - mr farrington is saying that no funding has been allocated as there is no fund in place yet.

Pb – you suggest that the fund couldn't be used to fund alternative measure on the ngt corridors as the ngt scheme was included as part of the do min package scenario

Jh –yes

Pb – I find that hard to believe if you are suggesting leeds/metro (by allowing that to happen) closed off opportunity to access the wy transport fund if ngt proposal doesn't go ahead.

Jh – the transport fund is a complex job. Includes six district councils – the combined authority is trying to agree a set of proposals that meet requirements – GVA, access to employment etc. it took 2

years to get to a list of proposals with six leaders fully signing up to it – that wasn't a trivial task. Because of the programme entry, ngt was not included as part of that prospectus as it was seen to be funded elsewhere. What we are saying here is to unpick that (to achieve that degree of consensus) would be extraordinary difficult. [so you are saying you had to close off that option?] There was a no. of things put into a do min scenario – e.g. leeds station south exit...once you had seven authorities signed up to a prospectus you can unpick it at your peril

Pb – if for whatever reason ngt couldn't go ahead, are you saying there is no prospect at all for getting wy transport funding for anything on the ngt corridors?

Jh- building a difficult challenge –at the same time in the transport fund this was quite a controversial elements – about 25% of the fund at a nominal price were dedicated to highway efficiency and bus services... dedicated to bus routes and a smoother flow of general traffic –leading to discussions with mr alexander about how the benefits would be recycled...also local version of a green plus fund. [mumbles] – it looks like the funding for (other corridors/proposals) are really tight...if you were to include the a660 that would be v complex and difficult.

Pb – I note you have made the assumption that the frequency of the no1 and 6 would halve but the frequency of the no. 28 and 97 would be unaffected

Jh – that's the assumption set out

Pb – it does seem to be you are suggesting in the no. 28 that the loss of revenues of that part along the a660 would have no impact on the profitability of the no. 28

Jh – I didn't say the frequency wouldn't reduce...

Pb – but if it is going to lose some of its market... the 28 runs partly on the ngt route and also out to the north...the bit of its route along the ngt will lose some of its revenue is it not

Jh – that would be the consequence of the modelling

Pb – so there's a reduction of revenue but you say that it will continue to survive on its frequency now

Jh – substantial part of its route is not on the ngt route.

Pb – you are assuming it's absolutely unaffected. That's not a model of bus economics I recognise

Jh – a degree of scrutiny would have to consider the running costs etc...but my recollection is that the end to end journey time is 83min... it's not just a question of revenue but one of costs...

Pb- sure so the costs will stay much as they are and revenue will go down

Jh – but depending on the journey times changing the frequency to half an hour will not necessarily save costs.

Pb –odd to assume the frequency of 1/6 would halve but the frequency of the 97/28 would be unaffected

Jh – it's clear that these are a set of assumptions

Pb – but if you're wrong as to what will happen with the 28/97 then there will be substantial population of ppl who are served by these who will be disadvantaged – some sensitivity analysis would be useful...

Pb – can I turn to your 8.29 – this is a statement to the affect that park and ride could be served by express service – an express service could be provided for p and r at later date. Are you imaging an express bus or trolley?

Jh – an express trolley would not be able to overtake other trolleys

Pb – so an express bus. what sort?

Jh – as it stands, a current proposal – an operator could run an express service adjacent to the p and r on day one.

Pb - you are envisaging the possibility that this will be one extra plus.

Jh – it is put as a possibility but not part of the business case or core proposition – a p and r site can be utilised in diff ways.

Pb – clearly having an express service is attractive to the users of p and r

Jh – depending of course on the utility value of that.

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Pb – you are saying that you could see this as a benefit

Jh – it's not part of the business case.

[16:49]

#### DICKINSON –WEETWOOD RESIDENTS

D – we express concerns about the possible future of the no. 28 service. I'm referring now to your proofs – first of all appendix 4.1 at point 1.7 and also appendix 4.3.2 you refer to the adverse effects on competition.

Jh – that was my orata.

d- can you say what the adverse effects ON competition are?

Jh – it's in the CC report – section 134 – enterprise act 2002.

d- in your main proof para 4.21 you raised the matter of the possibility of more frequent services of the trolley above 10 per hour in peak periods by the provision of one extra in the section to 2030 and three extra after 2030. However when we were discussing with mr Robertson he suggested that though this was technically possible it would be unwelcome because of other traffic impacts

jh – I wasn't here for that part of mr robertson's proof – but clearly there it is a mix of priority between diff forms of traffic. Phase 2 is an option we should be thinking about.

d- part of his evidence concerns cycle times in signals and adjusting those.

Jh – I can't comment on the leads UTC system

D – para 4.23 of your proof – is this a typo as there will be 20 vehicles...

Jh – I think what is missing is 'each direction'

D – I'm assuming that that is in your main docs

Jh – my error

d- in para 1.21 of your summary proof you mentioned well established mechanisms involving local communities – in your main proof 6.11 and 8.23, you talk about processes used to involve local communities and the consultation framework in place – I'm unaware of these, can you detail it?

jh – most current example is that we are reviewing those bus services leads supports with tender- there is a programme just starting off that involves briefing for local members and a pop-up session for the public the express their views as to how we should change those services etc...

d- do you work through area committees

jh – yes. Something we've been pleased about is working with these bus operators – e.g. x33 with First. we are now starting that process in cornerdale – a tendering service and new service around xmas. There was an extension local consultation exercise. The patronage of those services grown 15% for that area as a consequence... currently example of that is an exercise that we have kicked off in cornerdale- it is a model I am keen to develop and work with bus companies to develop in nw leads.

d- I sat with inner nwl transport group and over a period of four five years I never heard anything about consultation – so I'm glad it is developing

d – your main proof at para 8.17 bullet 2 you state that ngt was included in the do min case- when we were interviewing mr Robertson he specifically said that the ngt was not included in the do min scenario.

[jh clarifies - Two different do min scenes.]

D – at para 8.17 bullet 6 you quote mr robertson's conclusions about signal priorities – these seem somewhat anti-competitive

Jh – that is an issue for legal submissions – that will be dealt with through then.



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[17:00]

Adjourned till 9am tomorrow.