

**Draft Scrutiny Inquiry  
Transport for Leeds - Supertram,  
NGT and Beyond  
27 October 2017**

Complete Draft V5



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# Introduction and Scope

## Introduction

- 1 The vision for Leeds 2011 – 2030 states that Leeds will be fair, open and welcoming, with an economy that is prosperous and sustainable; where communities will be successful and people can access high-quality, affordable and reliable public transport.
- 2 Following a decision by the Planning Inspector not to award a transport and works act order (TWAO) to develop a rapid transit system for Leeds a request for scrutiny was submitted by the Leader of Council Cllr Judith Blake. Cllr Blake asked that the Scrutiny Board consider the role of Leeds City Council (LCC), the West Yorkshire Combined Authority (WYCA)/Metro and the city's public transport operators in relation to the decisions for both New Generation Transport (NGT) and Supertram.
- 3 At our meeting on 15 June 2016 we considered a report from the Director of City Development and WYCA which outlined initial background information on the development of the Supertram and NGT projects including an overview of the decisions made by the Council, and the approvals and guidance provided by the Department for Transport (DfT). At this meeting we considered the request for scrutiny and resolved to undertake an inquiry as the main inquiry for 2016/17.
- 4 We expressed a desire to have a clear understanding about the outcomes of both schemes and of what lessons could be learnt. We also stated the intention to identify short, medium and long term options for future transport provision and infrastructure in Leeds, in order to identify how learning would be

applied and to also appreciate which options could be most beneficial for Leeds residents and the wider Leeds economy.

## Scope of the Inquiry

- 5 Terms of reference for this inquiry were agreed at our Board meeting on 7 September 2016, when we concluded that the purpose of the inquiry would be to make an assessment of and, where appropriate, make recommendations on the following areas:
  - To identify strengths and weaknesses of the Supertram and NGT schemes, what lessons can be learnt, and how learning can be applied to future transport schemes and projects.
  - The developing transport strategy, short, medium and long term options, maximising beneficial impact, and how options could be financed, planned and delivered.
  - Meeting the needs and aspirations of communities and stakeholders through engagement and involvement in the shaping and delivery of transport schemes and projects.
- 6 We want to make it very clear that the purpose of the inquiry was not, at any point, to apportion blame or single out any individuals for the failure of the NGT project. The purpose of the inquiry was also not to repeat the comprehensive public inquiry undertaken by the Planning Inspector, or challenge his reported findings. We aimed to consider how the project progressed, whether people acted reasonably at the time and whether there was anything else that



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could have reasonably been done better.

jobs within reach for people, and a wider workforce within reach for employers.<sup>1</sup>

- 7 The inquiry was conducted over six evidence gathering sessions which took place between 20 July 2016 and March 2017 when we received a range of evidence both written and verbal. A further working group to consider all evidence was undertaken in May 2017.
- 8 During our inquiry a number of strategies were in development, these being the West Yorkshire Transport Strategy 2016 – 2036, the West Yorkshire Bus Strategy 2016 – 2036 and more specifically a transport strategy for Leeds.
- 9 This inquiry was supported by a number of organisations. A full list of those who participated is detailed at the end of this report. The information provided was enlightening and valuable, and we would like to thank everyone for their input to this inquiry, particularly the external representatives who provided their time and expertise.

## Desired Outcomes, Added Value and Anticipated Service Impact

## Council Plan

- 10 The scope of this inquiry fulfils a number of best council objectives and priorities as defined in the Best Council Plan 2017/18. Effective transport provision across the city will contribute to the strategic objectives of connecting people and places, and helping to improve air quality
- 11 The plan sets out an ambition to deliver an improved transport infrastructure that will meet the needs of a growing city. 'Improving connectivity will bring new markets within reach for business, new

- 12 Our focus throughout the inquiry was to minimise risk to future schemes and projects by reflecting on the Supertram and NGT schemes.
- 13 Within this report we have highlighted a number of significant areas where challenges and weaknesses have been identified and lessons have been learned. We constantly sought reassurance throughout this inquiry that such learning would be applied in any future transport schemes or any relevant major projects. We consider that residents and visitors expect and deserve a modern, reliable, punctual and affordable transport system which is delivered in a coherent and managed way, support by those with the relevant knowledge, experience and expertise.

- 14 In conducting the Inquiry we reflected on the role and organisational responsibilities of WYCA, Leeds City Council, the Department for Transport and the Planning Inspectorate. The Scrutiny Board aimed to establish the levels of knowledge, expertise and governance in place to provide the necessary support and challenge for the delivery of a rapid transport system. The Board gathered intelligence and were informed through the collective

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<sup>1</sup> Best Council Plan 2017/18: Tackling poverty and reducing inequalities



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knowledge and experience of all those who contributed to the inquiry.

- 15 We acknowledge the significant public interest in the circumstances surrounding the NGT project. In summarising our overall conclusions on this project and the failure to obtain the TWAO, we are mindful that a significant amount of representatives and organisations engaged in this project over the years have had their integrity and competence challenged and questioned. We have heard how many of those involved have acted in good faith based on the information available, agenda of the time and the guidance provided. However, it is our view that the process was unsound from inception to final conclusion, due to a series of unhelpful circumstances and weaknesses, some of which would have been difficult to identify at the time, but have been recognised with the benefit of hindsight and self-reflection. This report highlights a number of areas where lessons have been learned and where due regard can be taken for future schemes.
- 16 The circumstances that brought about the failure of NGT at public inquiry are complex and are not attributable to one organisation.
- 17 Whilst we ultimately conclude that the lack of a rapid transport system in Leeds is not positive, we acknowledge that the approved government funding of £173.5m will enable Leeds to move forward. We could continue to speculate if the City would have ever received this funding had the NGT scheme not been pursued.
- 18 In May 2017 the Scrutiny Board (City Development) published their inquiry report 'Advancing Bus Service Provision'. This inquiry aimed to establish if robust governance, plans, strategies, and high impact operational practices are in place to enhance customer experience, increase bus patronage and provide a network that considers the needs of communities and economic growth. The outcomes of the inquiry highlighted the need for improved bus services and the timely implementation of the West Yorkshire Bus Strategy and the Bus 18 programme. That inquiry fully supports and complements the inquiry into Supertram, NGT and Beyond as it supports the improvement of transport provision in Leeds and West Yorkshire. <sup>2</sup>
- 19 We hope that our overall findings clearly identify areas that require focus and action. It is our intention to monitor the delivery of the stated objectives, aspirations and promises made.
- 20 Ongoing monitoring of the progress of outcomes will be undertaken by the Scrutiny Board (Infrastructure & Investment) or successor board with the authority to discharge scrutiny functions for highways and transportation.

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<sup>2</sup> Advancing Bus Service Provision, Scrutiny Board (City Development) May 2017



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## Equality and Diversity

21 The Equality Improvement Priorities 2016 – 2020 have been developed to ensure that the council meets its legal duties under the Equality Act 2010. The priorities will help the council to identify work and activities that help to reduce disadvantage, discrimination and inequalities of opportunity to achieve its ambition to be the best city in the UK.

22 Equality and diversity issues have been considered throughout this Scrutiny Inquiry. The evidence submitted and the topics debated in this inquiry have highlighted that there are several social groups dependent on public transport as their main mode of transportation.

23 A report commissioned by the Department for Transport<sup>3</sup> looked at the impacts of public transport in general and concluded that there are several social groups who benefit from local public transport interventions. Those who benefit the most are on low incomes, older people, younger people, disabled people and those living in remote and rural areas. The main common denominator with these groups 'being the tendency towards non-car ownership',

24 The lack of a suitable public transport can reinforce significant barriers such as social and economic exclusion. Improvement in the transport infrastructure in Leeds will promote better access to employment and education, and further empowers people to independently partake in social activities, access healthcare and other essential public services.

25 Where a Scrutiny Board has made recommendations and these are agreed, the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, and where appropriate an equality impact assessment should be carried out.

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<sup>3</sup> Valuing the social impacts of public transport, Department for Transport (University of Leeds & Mott MacDonald)



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## Background

- 26 We studied a considerable amount of background information in order to ensure that we fully understood the series of events that has led to the current transport situation in Leeds. With regard to Supertram, it formed a key element of the 1991 Leeds Transport Strategy. The scheme gained parliamentary approval in 1993, with full network approval given in March 2001. Funding approval for Supertram was conditional, however, it allowed for utility diversions, demolition work, advanced highways modification work and a strategic land acquisition programme to commence.
- 27 In August 2005, the DfT commissioned Atkins to examine the potential of a high quality bus alternative to Supertram. The report concluded that a 'Bus Rapid Transit' (BRT) option had the potential to offer a lower cost and value alternative to the Supertram proposals. We were informed that this conclusion was challenged by Metro as it was felt there was a lack of robust evidence that supported the conclusions.
- 28 In November 2005 following the granting of the Transport and Works Act Order, Supertram was cancelled by the DfT on grounds of affordability. We were advised that much of the increased costs related to the project were as a result of the PFI procurement route which had been previously steered by the DfT. The promoters expressed their disappointment at the decision to cancel supertram at that point but were unsuccessful in their requests for the DfT to reconsider this decision.
- 29 The promoters (Metro/WYCA and Leeds City Council) began to develop an alternative scheme in conjunction with the DfT, which became known as 'New Generation Transport' (NGT). The scheme consisted of three routes, to the north, south and east of Leeds, including a loop around the city centre. Electrically powered trolleybuses were proposed to operate on the system.
- 30 Following the submission of the major scheme business case in 2009, the Secretary of State announced in March 2010 that programme entry approval had been granted, but only for the north and south routes. The omission of the eastern route, which was intended to promote regeneration, was later to become an issue at the public inquiry. The approval included in principle £235 million of DfT funding towards the £254 million project.
- 31 On the 10 June 2010, the incoming Coalition Government announced that all major transport schemes were to be reconsidered as part of the wider Comprehensive Spending Review process. As a result, development activity on NGT was paused pending the outcome of the review.
- 32 We were informed that the promoters were required to submit a Best and Final Bid application to the DfT by the autumn of 2011. This included increased costs resulting from inflation during the project pause and thus culminated in a revised scheme cost of £244 million including an increased local contribution of £57.1 million.
- 33 In July 2012, the DfT announced that NGT had been re-awarded programme entry status with a maximum government contribution of £173.5





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million. The funding gap between the £173.5m and the increased estimated scheme cost of £250.6m was reported to Executive Board in October 2012. The Board gave approval to spend £1.2m to progress the scheme to enable the submission of a transport and works act order application.

- 34 We were informed that a Local Partnerships Gateway Review was held in January 2013 in order to consider the business case for the project and to provide an independent peer assessment of the scheme. The result was mostly positive; however, further work was identified regarding updating documentation, stakeholder engagement, scoping and communicating benefits, outline design and the procurement strategy.
- 35 Subsequently, the transport and works act order and associated applications for NGT were submitted to the Secretary of State for Transport on 19<sup>th</sup> September 2013. Following a public inquiry lasting 72 days in 2014, the DfT announced on the 12 May 2016 that the TWAO had not been granted. However, in an announcement from the DfT it was stated that Leeds would still receive £173.5 million to spend on public transport projects in the city.

## The Case for NGT

- 36 Documentary evidence presented informed us that, following the public inquiry for NGT, the Inspector concluded that there was a strong need to improve public transport in Leeds to attract a modal shift, including along the NGT scheme corridor much of which was congested during peak times. However, he was not convinced that the NGT
- 37 The Secretary of State considered the Inspectors conclusions and balanced the reported likely adverse impacts of the scheme against the benefits, having regard to a number of areas of concern and uncertainty which the Inspector considered had not been adequately resolved on the basis of the evidence submitted to the inquiry. The Secretary of State agreed with the Inspector that the TWAO was not justified and that a compelling case in the public interest has not been made for giving the powers required to implement the scheme.
- 38 In considering these conclusions we wanted to understand if the promoters could have or should have foreseen this outcome and if there was a point when it should have been self-evident that the scheme may not have been appropriate. To identify this we focused on the events leading up to the correspondence dated the 12 May 2016<sup>4</sup> containing the Secretary of State decision not to award the TWAO.
- 39 During this scrutiny inquiry Cllr Andrew Carter, Joint Leader of LCC until May 2010, cautioned that it was being undertaken with the benefit of hindsight. At the time when the government decided not to fund Supertram the question of starting again and looking at the scheme afresh was pursued. The

<sup>4</sup> Department for Transport letter, Martin Woods 12 May 2016





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advice provided was that this would risk delaying the introduction of a major transport scheme for years. However, any judgement about the approach taken with regard to NGT, if it should have been more ambitious, or if the promoters should have *“risked tearing everything up and starting all over again”* is all with hindsight.

- 40 When discussing the initial case for NGT we were advised by Cllr Ryk Downes the former chair of WYITA (Metro) that following Supertram he visited parts of Europe to look at alternative transport systems. This included modern trolley buses, light transit systems and tram systems. He added that Metro came to the conclusion that there was scope to get a trolley bus project at half the price of Supertram which would deliver approximately two thirds of the benefits. He thought NGT was a project that had a lot of merit, that would be attractive to passengers and that people would get behind it. It would also have the additional benefit of being able to operate ‘off the wire’ if necessary. He added that in his view at the outset, all the initial work that had been done for NGT showed that it would deliver and be acceptable.
- 41 We were informed that there was a great deal of deliberation between 2005-2009 regarding the best scheme, which included the reconsideration of a tram system. All of the main radial routes into Leeds were examined and a range of options were considered for each corridor which included bus and rail enhancement, tram train and park and ride. It was concluded that the three former Supertram routes were the most appropriate for NGT. These were the three routes to Bodington, Stourton and St James’ Hospital.
- 42 It was explained to us that a number of UK cities, such as Sheffield, Nottingham and Newcastle, have brought forward tram systems and in many cases they have been successful in making use of redundant or under-utilised railway lines. Leeds does not have redundant or under-utilised railway lines that are readily available for key transport corridors, therefore solutions were planned mainly on the public highway which brought about issues of sharing space, and which mode of transport would take priority. Consequently the routes for Supertram and NGT were selected to deal with the greatest congestion issues and potential for regeneration. One of these routes being the A660, to Headingley and beyond, which is statistically the most congested route in Leeds. Inherent conflicts arose from that selection which are reflected later in this report.
- 43 Cllr Andrew Carter advised that there was some scepticism about the A660 route through Headingley, however initially it provided guaranteed passenger numbers because of the student population in the north-west of the city. However as time progressed the concentration of the student population changed with a significant number moving from the Headingley and Weetwood area into purpose built accommodation in the centre of Leeds. We were informed that the Headingley route was not discounted as passenger number predictions still identified that it was viable.
- 44 Cllr Downes stated that there had been a considerable amount of preliminary work done for Supertram by the promoter which they felt could then be utilised for NGT. He added that if work



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has started again from the beginning, there would have been a need to re-do all the preliminary work at a higher cost.

- 45 We were further advised that LCC and Metro undertook an evaluation of the future Transport Strategy for Leeds. This culminated with the 2009 report 'Investing in Public Transport – A Framework for Leeds'. This report recommended solutions to each of the main transport corridors dependent on their issues. The solutions included NGT on the busiest and most crowded bus corridors experiencing significant peak delay where there was scope to achieve significant reduction in public transport journey times. The consequence of this is detailed later in this report.
- 46 We were further advised that another significant barrier for Leeds was that it did not secure a rapid transport system when most other cities were establishing theirs. It was stated that Leeds has some of the worst congestion in the country which still needs addressing. Supertram had the potential to resolve that. However, it was expressed that it was easier for the Government to invest in places like Manchester who already had an existing system which could be expanded it at a cheaper cost.
- 47 The initial business case was submitted to the DfT in 2007. The representative from DfT advised us that they had subsequent discussions with the promoters about how the scheme was developing and the scope of the scheme through to the submission of the business case in 2009. He stated that 'we were in very close contact with them (the promoters) throughout that time. Probably to an increasing degree of frequency as the business case developed.'
- 48 WYCA advised us that DfT provided clear advice in response to the initial business case and following that they spent the best part of a year working to ensure that the corridors selected were absolutely right, developing the 2009 business case for submission. This business case was effectively a bid to receive money that was required to deliver the network.
- 49 At the latter stages of the Scrutiny Inquiry it was specifically acknowledged by WYCA and LCC that decisions taken on the choice of technology and line of route at the early planning stage of a project does fundamentally dictate the development and delivery of a scheme in the later stages. In the context of the ongoing Transport Strategy for Leeds, transport requirements will be explored which may include the development of a rapid transit system in the long term.

## The Removal of the East Route

- 50 One of the initial objectives of the NGT scheme was to support and facilitate targeted regeneration initiatives and economic growth in the more deprived areas of Leeds. However, in 2009 the DfT advised the removal of the East route, which would have served one of the most deprived areas of the city. At the conclusion of the public inquiry the Inspector then criticised the scheme for having no route that would provide significant regeneration benefits. He said that he "*found little evidence to show that the scheme would serve the areas of Leeds that were most deprived, or improve connectivity between the City Centre and areas of highest unemployment, or improve access to*



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*regeneration areas.*” This again seemed to contradict the decision made by the DfT, that it would not support the funding of the east route, which led to its removal.

51 We highlighted this dichotomy to the representative from the DfT. In response we were informed that DfT advice was given in good faith at the time shortly before the initial business case submission in 2009. At that time they could not predict the nature of objections and what cases would be made by others. It was also stated that the advice was given for the scheme that the DfT thought would provide the best chance of receiving a funding approval based on likely value for money and the funding envelope that DfT were dealing with at the time.

52 Reflecting on these events the Director of City Development advised us that where the government is providing the funding, a business case will be developed which will obtain approval, and the promoters were advised in 2009 that a ‘regeneration-based’ case for the eastern leg of the city would not be supported. As time progressed there was greater recognition of regeneration benefits, in terms of business case appraisal. This was exemplified by the position that the Inspector took in 2014 when his view for securing regeneration benefits through the proposed transport scheme differed and did not concur with the view taken in 2009.

53 We were informed that the programme entry business case submitted in 2009 proceeded based on the DfT advice provided. We consider that the length of time taken to progress the scheme through the various stages of decision making was counter-productive and

ultimately seriously detrimental to the success of the scheme. The changed perspective about the merits of regeneration at a Government level illustrates this clearly.

## Project Pauses

54 Throughout the inquiry we were advised that significant challenges had arisen as a result of NGT project pauses and that throughout the whole process there had been a series of prolonged periods of time where the project was in the hands of Government and the DfT. We were informed that cumulative delays to progress of the project lengthened the development by 5 years, leading to loss of momentum and the necessity to repeat work including environmental surveys, modelling and consultation. We were also advised that the delays significantly increased the development costs. The time line example presented at the inquiry is detailed in appendix 1.

55 Following the award of programme entry in 2010, there was a change in Government. The new Coalition Government paused approximately 50-60 projects across the whole country. In a period of recession when the Government were reviewing the economic situation of the country more broadly, which included significant cuts in capital and public expenditure, we understood the rationale for this. This delay lasted until March 2012.

56 In considering whether the decision to progress the NGT project in 2012 was the right decision we also considered the level of local and national support for the scheme up to that point. We acknowledged that programme entry approvals were granted by firstly the



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Labour Government and subsequently by the Conservative/Liberal Democrat Coalition. The development of NGT was overseen by 8 Secretaries of State for Transport. Locally, both the Conservative and Liberal Democrat Coalition and the Labour administration approved its progress through the Executive Board in 2008, 2009, 2010, 2011 and 2012 (later also in 2013 and at Full Council in 2013). It was also initially supported by Team Leeds (the Leeds MPs), however we acknowledge that in some cases local MPs changed their position from supporter to objector later in the project's development.

- 57 We also considered the statement by Secretary of State for Transport, Justine Greening made on the 5<sup>th</sup> of July 2012. *“Leeds will have new state-of-the-art trolleybuses that will be faster, more reliable and greener than their predecessors. They will make public transport in Leeds more accessible and attractive than ever before and I know trolleybuses will be transformational for growth and jobs in West Yorkshire. Investment on this scale in precisely this kind of infrastructure is a recognition of how crucial Leeds and Yorkshire are to the long-term success of the British economy. It is also a great example of what this coalition government and West Yorkshire partners can achieve when we knuckle down together and stick at finding a real solution to today’s challenges.”*

- 58 We were informed that during the extended project period local funding rules were changed which resulted in a revised offer of £173.5m funding from Government toward the scheme cost of £250.6m meaning that a much greater local contribution was required. The intention was to fund the gap with NGT

revenue income, reinvesting profits to pay off borrowing. It was clarified to us that the government had removed funding for a number of schemes so when the revised offer was made the promoters were eager to move forward with the scheme. The Director of City Development explained that *“ultimately you are left in a position where you have to decide whether to progress the scheme when the city is due to be given £173.5 million, when it has already spent a lot of money developing it for 7 years. That is a big call to say to the Government let’s not do it and risk the funding not being secured for Leeds.”*

- 59 The risk to funding was reinforced in a letter from Minister of State Baroness Kramer in October 2013 to one of the Leeds MP’s that stated *“If Metro was to decide to withdraw the scheme and promote an alternative it would need to bid for new funding from the Local Growth Fund - the approved funding available for the NGT scheme would not automatically be available to them.”*<sup>5</sup>
- 60 Considering the range of evidence presented we had been concerned that there may have been pressure or a perceived need by the promoters to keep the NGT project alive without foundation or merit. Given the level of political support at that time and recognising the drive to secure funding for the City supported by the DfT, we understand why the decision to continue with NGT was made in 2012 as was not withdrawn.

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<sup>5</sup> Department of Transport, Letter from Baroness Kramer 31 October 2013.





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## Technology and Transport Options

61 It was suggested at the inquiry that the choice of technology was made without serious consideration of the alternatives. We questioned how much attention had been paid to alternative technologies during initiation and through the initial stages of the NGT project. We were advised that advancements in bus technology throughout the world were monitored and alternatives to NGT were considered as part of the business case in 2009 and again in 2012.

62 As part of the business case for NGT two alternative options were assessed as comparators in accordance with DfT guidance;

- Next Best Alternative – hybrid buses following the same route and priority characteristics as NGT
- Low Cost Alternative standard buses along the same corridors as NGT with more limited highway improvements.

We were advised that at that time the DfT agreed with the promoter's assessment that cheaper bus-based alternative did not deliver sufficient benefits and offered lower value for money.

63 We were also advised that in line with the DfT guidance the alternatives were not developed to the same level of detail as the preferred option and that the comparison detail was deemed to be sufficient to conclude that NGT would offer the best value for money of the options considered.

64 It was clarified that the technology and the route was established in 2009. Due to project pauses the public inquiry did not take place until 5 years later. It was felt that this lapse of time had further detrimental impact on the project particularly with regard to arguments about alternative technology. With regard to the Inspector's views, "*The Inspector considered that the applicants had not properly taken into account evidence that other forms of technology were progressing, while trolley vehicle technology had not been widely adopted in recent years*" It was also stated that "*The Secretary of State shares the Inspector's concerns that the various assessments of alternative options in terms of modes and technology have not convincingly demonstrated that the applicants' proposals represent the most appropriate means of meeting the objectives set for the scheme. While recognising that no detailed alternative set of proposals has been put forward, like the Inspector he considers that with the latest advances in bus propulsion technology many of the environmental and performance benefits claimed for the NGT scheme could be achieved by measures which involved less environmental harm and at lower cost*".<sup>6</sup>

65 Given the conclusion of the Inspector we sought clarification regarding the potential to amend, change or update the NGT business case and asked if at any point between 2009 and 2012 it would it have been possible to update or adapt the project to reflect changes in technology and position both locally and nationally. We were advised that there was a lack of flexibility to change or

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<sup>6</sup> Department for Transport letter, Martin Woods 12 May 2016



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adapt the scheme. We were also informed that surprisingly during this time technology had not progressed substantially, it was considered that electric bus technology was not yet proven technology for the numbers of passengers forecast and the length of route, or reliable over the lifetime they need to last, plus far too expensive.

66 As stated in paragraph 49 it has been acknowledged that decisions taken on the choice of technology and line of route at the early planning stage of a project have a fundamental impact on scheme delivery in the latter stages. We do however consider that there seems to be a significant difference in the assessment detail of alternative options needed to meet the requirements of the DfT and for the public inquiry. This would need to be prepared for and addressed by the promoter should a TWAO be sought for a future scheme.

## Assurance, Independent Scrutiny and Preparation for Public Inquiry

67 Following consideration of the impact of the project pauses we were advised that during this extended time the DfT had taken many months to interrogate and 'scrutinise' business case information in detail until programme entry approval was confirmed. The business case was included in the TWAO submission.

68 We noted that the Inspector raised concerns regarding the details and conclusions of the business case previously approved by the DfT. We were advised that the reviews

undertaken by DfT were not light-touch reviews and that some confidence had been gained by the promoters because of this. We were advised that for the 2012 approval the DfT held at least 16 technical meetings with the promoters.

69 In a report from WYCA and the Director of City Development it was stated that there appeared to be a disconnect between the Inspector and the DfT on the assessment of scheme benefits. This is despite the extensive technical rigour and scrutiny that had been applied by DfT and others through the course of the scheme's development.

70 We appreciated that the DfT supported and approved the NGT project at its various initial stages, and that a great deal of time, effort and expense was invested in this process, until programme entry was confirmed. We sought to clarify the remit and function of DfT and the Planning Inspector in order to understand if the promoters had been too reliant on initial DfT advice to provide sufficient focus on satisfying the requirements of the TWAO process. We also wanted to understand the dynamics and relationship between two areas of the DfT, the first dealing with local transport funding, growth and delivery, the second being the Transport and Works Act Orders unit; in particular if there is a process in place which supports the progression of a scheme from one area to the next.

71 The letter from Martin Woods, relaying the Secretary of State's decision, identified that "*In coming to his decision on this application the Secretary of State has, like the Inspector, considered whether in the light of all the evidence, the public benefits of the NGT scheme would outweigh the harm that it would*





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*be likely to cause so as to justify making the TWA Order and giving the planning direction, in doing so he has taken into account, among other things, the decision of the Department for Transport ("DfT") on 19 July 2012 to confirm Programme Entry funding approval for the NGT scheme." This goes on to say that the Secretary of State "notes, however, that the decision to allocate funding for the scheme was based specifically on an assessment of the value for money, affordability and deliverability of the scheme and did not involve consideration of its wider planning merits. The funding decision was, furthermore, conditional on any necessary statutory powers for the scheme being obtained and was made without prejudice to this decision whether to authorise the scheme for planning purpose."*<sup>7</sup>

72 We further note that this was clarified in the letter from the DfT regarding programme entry which stated that "*this decision is given solely in respect of the appraisal case for this scheme and is entirely without prejudice to any view that the Secretary of State, or other Ministers, may take on any future application for statutory powers or in accordance with any other functions.*"<sup>8</sup>

73 We asked the lead official from the DfT, dealing with the NGT project from 2007 until 2012, to provide some clarity about what seemed to be two very separate processes, to help us establish if these had in some way become conflated by the promoter. We were advised that the two processes are entirely separate from each other. The TWAO process is a quasi-judicial decision that ministers

make akin to a planning decision. For that reason, the TWAO unit in the DfT receives the Inspector's report and will make recommendations to ministers entirely separate from the team which deals with the funding approval decision earlier in the process. "*It's a different decision, made by different people with different considerations.*"

74 We were advised that the TWAO process requires an unbiased approach to balance the input of supporters, promoters and objectors to a scheme. For that reason, the Planning Inspector and the team that subsequently deals with the planning Inspector's report have to be even handed. They cannot have prior discussions with those that are outside the public inquiry process as that might be seen to prejudice the decision.

75 We sought to establish if the responsibility to meet the requirements of each stage of government approval is wholly that of the promoters, or is there a need for some discussion at Government level to establish if more robust guidance and support is required from DfT to help promoters prepare for public inquiry.

76 The DfT representative advised that the Inspector, as an independent person, will gather evidence and make recommendations. He added that it would be impossible for DfT to try and predict the nature of individual objections before the TWAO stage. It should not be a foregone conclusion that both decisions (DfT and Planning Inspector) would be the same, as these are independent of one another.

77 We asked if he was aware of any other examples where there have been major

<sup>7</sup> Department for Transport letter, Martin Woods 12 May 2016.

<sup>8</sup> Letter from Bob Collins regarding LEEDS NEW GENERATION TRANSPORT: PROGRAMME ENTRY, 23 March 2010.



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schemes that have gone through various stages of DfT approval but which have fallen at the public inquiry stage. We were advised that it is rare and that most TWAO's are successful. In his 10 plus years of dealing with major schemes it is very rare for a scheme with funding approval not to proceed past public inquiry, but it is inevitable that that it might happen.

78 We asked the DfT representative if there are any lessons that have been learnt in terms of helping promoters to make the best business case that will also provide the best chance of being successful through the TWAO process. In response he advised that the DfT can and should be honest and open with promoters about the uncertainties. However that would not necessarily comprehensively prepare a scheme for the statutory TWAO processes because there will be areas included in that which the DfT have not considered.

79 Following this debate, representatives from Leeds City Council and WYCA advised that they were clear that there were two distinct processes. It was their view the public inquiry would be concerned with the environment and its impact on local people. They stated that they were surprised about how much the inquiry focussed on the finer detail of the business case and it was their view that the TWAO process "jumped fence" into the previous DfT processes. We note however that the guidance on the procedures for obtaining orders under the Transport and Works Act 1992, produced by the Department for Transport June 2006 is clear in the general principals to be considered, which includes the financial and economic issues including the

applicant's prospects of funding the planning and construction, and therefore there was some inevitability that the Inspector could focus on areas previously considered by DfT particularly if brought to his attention by those in opposition to the scheme.

80 We sought to identify the quality of preparation and the level of comparative information acquired for TWAO submission and public inquiry. We were advised that the promoters consulted widely and sought guidance from parliamentary advisers BDB in order to develop the evidence for the public inquiry. The promoters had also spoke to the promoters of the Nottingham tram scheme, Cambridge guided bus scheme, Bristol Bus RTS, Manchester and Birmingham, to take on board their 'lessons learned' from going through the TWAO processes. This led to what was believed to be a thorough and comprehensive TWAO submission in September 2013. It was stated that the submission was thought to be the most comprehensive set of documents seen for a TWAO of this scale in the country.

81 It was stated to us that the public inquiry was much longer for NGT in comparison to others that had been conducted elsewhere in the country, lasting 3 times longer than the inspector had originally allowed for the inquiry. The Public Inquiry started in April 2014 and the original inquiry programme published by the Inspector showed it lasting 8 weeks (40 days), concluding on June 27th 2014. It lasted for 72 days finishing on 31st October 2014. It was felt that this demonstrated the length and the intensity of questioning which was far greater than what would usually be



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expected for that type of inquiry. It was acknowledged that the promoters were caught unaware as to the extent to which the Inspector would wish to interrogate the evidence.

- 82 During the scrutiny inquiry Cllr Andrew Carter advised us that in his opinion the retirement of the Director General of Metro in 2014, a matter of months before the opening of the public inquiry was considered to be a major mistake, as the one person above all who had the technical knowledge and knew the history of Supertram and NGT. He stated that this ultimately proved to put the officers of WYCA and of Leeds City Council in a highly invidious position.
- 83 Reflecting on the evidence and debate during our inquiry we were advised by LCC and WYCA that they would be entering into detailed dialogue with the DfT to identify how the approval and TWAO process can be improved in the event of future schemes.
- 84 In a report from WYCA and the Director of City Development it was stated the business case review process undertaken by DfT failed to highlight the weaknesses in the scheme identified by the Inspector. Having already explored where the responsibility lies to identify and address scheme viability and weakness, we sought to understand if this should have or could have been identified by the promoter and mitigated at an early stage in the scheme's development.
- 85 During the inquiry contributing external representatives asserted that it should have been clear at a very early stage that the scheme was not going to work, particularly in the A660 corridor. They

also asserted that there had been a reliance on unjustified assumptions and that weakness could have been identified with independent scrutiny and challenge. One representative perceived that the reliance on DfT to identify any weaknesses was a costly mistake and it was suggested that the viability and robustness of any major transport scheme should be externally challenged and verified so that promoters are not "marking their own homework".

- 86 We understand from the DfT letter dated 19 July 2012 that the promoters were requested to undertake a stage 1 gateway review. We sought clarity about the primary purpose of the stage 1 gateway review conducted in January 2013. We also sought to establish the independence of the review and if its primary purpose was to examine scheme progress rather than to test the appropriateness of the scheme itself.
- 87 We have established that The Office of Government Commerce (OGC) gateway process is utilised in central government, the health sector, local government and defence. It is also applicable to a wide range of programmes and projects from organisational change; acquisitions; property/construction developments, and IT-enabled business change to large procurement projects.<sup>9</sup> The process examines programmes and projects at key decision points in their lifecycle; looking ahead to provide assurance that they can progress successfully to the next stage. Each of the five stages in the process "*delivers a 'peer review' in which independent practitioners from outside the programme/project use their experience*

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<sup>9</sup> Association for Project Management – April 2016



# Conclusions

*and expertise to examine the progress and likelihood of successful delivery of the programme or project.”<sup>10</sup> We therefore recognise the independence of the gateway review process.*

- 88 In establishing the purpose of the stage 1 review it was evident that this was to confirm the robustness of the business case and not to consider the schemes overall feasibility or potential to succeed. However, it has been verified that preceding the stage 1 review an independent stage 0 gateway review was undertaken in 2007 which provided an initial strategic assessment of the rapid transit proposals. Subsequent action was taken by the promoters following the reporting of recommendations by the review team at both stages.
- 89 External representatives suggested that an independent individual should be embedded into the system who should have the right and duty to present challenge and ask the difficult questions as part of the process. We do understand why the promoters would actively undertake and be confident in the widely utilised and endorsed gateway review process, however we also have concerns about infrequency of independent review during which time support for the scheme changed and the level of opposition to the scheme increased.
- 90 We were assured by Chris Longley, as member of the recently established transport expert advisory panel<sup>11</sup>, that he would raise the matter of independent scrutiny and how this could

potentially form part of the assurance process for future transport schemes.

## Consultation, Engagement and Opposition

- 91 The Transport and Works Act Guide to Procedures<sup>12</sup> provides specific advice with regard to consultation, pertinent to this inquiry which is as follows:
- “before embarking on the statutory pre-application procedures, all prospective applicants are advised to consult thoroughly on their proposals with relevant statutory authorities, with statutory utilities whose services may be affected, and with all other persons likely to be affected by the proposals. “*
- 92 The guide also goes on to say that *“The larger the project is, the more critical it is to engage properly with such authorities and affected persons. Experience has shown that it can be easy for applicants to under-estimate the amount of opposition engendered by TWA projects, especially those involving linear works through residential areas and/or town or city centres. Engaging in a constructive dialogue during the formative stages of a project, and being seen to be listening to objections, can often significantly reduce the size and strength of opposition. (Very often, objections are made to a TWA order, which are later withdrawn, simply because the objector has not had a clear understanding of what the project*

<sup>10</sup> OGC Gateway Review for Programmes & Projects - [http://webarchive.nationalarchives.gov.uk/20100609094113/http://www.ogc.gov.uk/what\\_is\\_ogc\\_gateway\\_review.asp](http://webarchive.nationalarchives.gov.uk/20100609094113/http://www.ogc.gov.uk/what_is_ogc_gateway_review.asp)

<sup>11</sup> See para 119

<sup>12</sup> A TWA Guide to Procedures, Guidance on the procedures for obtaining orders under the Transport and Works Act 1992, relating to transport systems, inland waterways and works interfering with rights of navigation, Department for Transport June 2006





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*entails; and this can often include statutory bodies and public utilities as well as private individuals.) Even where consultations fail to satisfy some objectors, as is always likely to be the case where private interests are adversely affected, the applicant will at least be better informed about the nature of the objections and therefore better placed to respond to them later (for example, at a public inquiry).*

93 *Failure to carry out adequate consultations or to take into account issues or concerns raised increases the risk of the TWA application not succeeding. At the very least, inadequate consultation is likely to result in a greater number of objections and hence a more drawn out process before the application is determined. Experience suggests that if meaningful discussions with concerned parties (including statutory undertakers) are left until after an application has been made, this can lead to requests to the Secretary of State to delay progressing the case until negotiations have been concluded; or result in a public inquiry being held where it might have been avoided; or lead to the inquiry taking an unnecessarily long time. It is therefore likely to be counter-productive to take forward a TWA application without first having undertaken an extensive consultative process.”*

94 In this knowledge we consider the aspect of community engagement and consultation of particular significance, particularly as some critical objector concerns were not resolved in sufficient time preceding the public inquiry. We consider that the platform provided at the public inquiry for those who may have felt ignored or dissatisfied

contributed to the extended length of the inquiry. We were also advised that the promoters continued negotiations with objectors, particularly local businesses during the public inquiry which diverted resources away from the inquiry itself.

95 We were advised that during the project pause in the schemes development, which commenced in June 2010, there was minimal continuous communications activity. As a result the schemes profile in the city reduced. This lack of promoter-led communications led to communication from those objecting to the scheme taking precedence. We were informed that activity was reduced based on the advice of DfT<sup>13</sup> who strongly advised local authorities to ‘consider carefully whether investing further time and resources in developing [such] schemes ahead of the Spending Review is justified’.

96 As part of the scrutiny inquiry process we sought input from external representatives who provided their opinions and expertise to the public inquiry. We asked them for their views relating to local community engagement and consultation and how this could be improved in the future. In response they advised us that the promoters relied on the positive results of a consultation exercise which had been conducted several years earlier on the general proposal for a rapid transit network. When residents and small businesses along the route learned about the actual proposal they were unconvinced that the benefits claimed for it would outweigh the negative impacts on the local communities and townscape, that the proposed scheme would not reflect their

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<sup>13</sup> Letter 10 June 2010.



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needs and aspirations and tended to work against them.

- 97 The experience of the Federation of Small Businesses was that there was a lack of positive engagement until the federation prompted it with the businesses located along the A660. They found that a very limited amount of information regarding the NGT was given to them and that in most of the consultation with businesses appeared to have been conducted with larger national firms that were not actually based along the route.
- 98 There was a view that effort was focussed on publicising the benefits of the scheme rather than on genuine consultation therefore local people and businesses were dismayed to learn that, although they were being invited to comment on detailed aspects of the proposal, the main features of the scheme were to be taken as given. Reflecting on this it was acknowledged by WYCA and LCC that (although the staffing available for consultation on NGT was higher than for other comparable transport schemes) greater specialised resource and expertise in engagement and consultation at an earlier stage would have been beneficial.
- 99 Another critical view was that the promoters did not adequately try to understand or to combat/satisfy objections. A lot of the objectors were extremely experienced in transport matters concerning different modes of transport and there was concern that the public inquiry started with people still actively presenting very reasoned objections that had not been adequately dealt with.
- 100 A particular difficulty was created during consultation in the later stages as the scheme was based upon a form of technology and a line of route that was established in 2009 and fixed into a DfT government approval process. The amount of flexibility that the promoters had to respond to some fundamental issues of opposition to the scheme was constrained by those parameters.
- 101 It was broadly acknowledged that genuine public consultation is not always easy or straight forward and can be hindered by communication difficulties. External representatives suggested to us that not all members of the general public will immediately interpret and understand the impact of the arguments put forward by policy analysts and technical experts in the early stages of a scheme. Therefore, the views and opinions of the public may not become clear until proposals are considered further, and the impacts are known, which could be later in the process. We consider that this underpins the importance of continuous and ongoing dialogue from an early stage. We were advised that with major transport schemes it is unlikely that unanimous support will ever be gained.
- 102 With the assistance of those providing an input to the inquiry we identified that there is a need for improved community engagement, which should be open, honest and transparent, which involves communities in setting the hierarchy of transport priorities particularly where these are competing. There is a need for engagement surveys with open-ended questions to allow all potential alternatives to be explored. There was also a recognition of the danger of





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consultation becoming conflated with community engagement and the need to gather the opinions of residents in addition to their support. We also recognised the clear importance for communities to be appropriately consulted with and engaged early in the initial stages of any future projects and for that engagement to be maintained. Effort to generate support and influence opinions of the public, business community, government or councillors in favour of the scheme can begin when there is security that the scheme is the most appropriate for the City and the communities on which it will have an impact.

## Lessons Leaned

103 With regard to lessons learned for future schemes it was acknowledged by WYCA and LCC that there is a need to ensure that there are sufficient resource to deal with the technical issues raised by objectors, and to ensure appropriate and ongoing engagement at senior levels to make certain that issues are resolved at the earliest stage in the project's development.

104 In addition it was also recognised that there is a need to ensure adequate resources both in skill set and quantity to deliver effective consultation and engagement and the need to invest in both marketing and communications expertise. Communication and engagement should also continue even in times of reduced scheme activity to maintain scheme profile. The need for an improved Social media response was discussed and how all forms of social media should be utilised to promote engagement in any future schemes.

105 In preparation for future public inquiries it was recognised that accurate and comprehensive records are kept of all consultation, and that the detail and scale of opposition should be assessed to ensure that the witnesses are fully prepared and supported to meet the challenge of public inquiry.

106 With regard to the NGT public inquiry we were informed that several key businesses and organisations were detailed in the public inquiry papers and wrote letters of support for NGT to the Secretary of State, however none appeared at the Public Inquiry. It was recognised that ongoing engagement should also be maintained with prominent supporters for future schemes to secure their support in speaking in favour of a scheme at any future public inquiry.

## **The A660 and First Group.**

107 We were advised that despite the mitigation measures developed by the promoters the scale of challenge at public inquiry had been underestimated. There was a particular swell of well organised opposition to the A660 route, which was and remains to this day one of the most congested arterial routes into the City, despite the demographic shift of students into the centre of Leeds. One of the criticisms presented by an external representative was that the inclusion of the A660 corridor was driven by a desire to control a system which might generate revenues to the promoter and therefore generate conflict with bus operators servicing that route. It was also stated that this route was selected due to the desire to make use



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of the design work done for Supertram. It was acknowledged however that congestion presented a rational reason for the promoters bringing forward with that route.

108 Challenge at public inquiry was supported by First Group whose revenues from the A660 services were likely to be impacted on by NGT. We were informed that the high profile legal presence from First Group resulted in intensive cross examination which raised doubt about the modelling and business case information previously provided by the promoters to the DfT. There was a question as to whether all witnesses were adequately prepared for the extent and nature of the intense, lengthy and sustained cross-examination.

109 We understood that the Inspector's view was *'that the applicants had not fully examined whether there were more suitable corridors for a rapid transit system to meet the scheme's objectives. Also stating that he was unconvinced that the A660 corridor was particularly suitable for articulated vehicles.'* He also concluded that *"since the scheme would abstract patronage from existing buses it would compromise the commercial sustainability and efficient use of the existing network of services. The Inspector also considered that, if implemented, the alternative proposals advanced at the inquiry by First West Yorkshire would introduce modern hybrid buses which, combined with improved bus stops, signal prioritisation and segregated bus lanes, could offer a noticeable improvement in the quality of public transport and greater flexibility than the proposed NGT scheme, at lower cost and less environmental harm.*

*He noted further that, as an interim solution, existing bus services could be improved with a quality partnership scheme."*<sup>14</sup>

110 We sought to clarify if any other transport public inquiries had sustained opposition from bus operators, to this extent. We were advised that as many other tram schemes are built around existing underused rail way infrastructure, they did not present the same direct competition. Representatives from WYCA and LCC concluded that had the scheme just consisted of the south line there probably would not have been the same level of opposition from First Group because it would not have impacted on their business in the same way as the A660 route.

111 Reflecting on lessons learned for potential future schemes from this element of the public inquiry, we were advised that full consideration should be given to the potential impact on other transport operators and the potential conflict this may give rise to in the delivery of the scheme. In this regard consideration would also need to be made regarding the potential for successful delivery when selecting corridors, in addition to levels of congestion.

112 We asked both Cllr Carter and Cllr Downes if, in their view, the NGT scheme was capable of being modified to the extent that it would have got through the inquiry. We were advised that in considering the opposition raised relating to environmental impacts, overhead cables, impact on business, plus other considerations, that it was likely

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<sup>14</sup> Department for Transport letter, Martin Woods 12 May 2016.



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that nothing would have assuaged the Inspector's concerns.

113 The involvement of First Group and the submission of alternative proposals at the public inquiry generated strong views during the scrutiny inquiry. Cllr Andrew Carter expressed the view that it was *"a great pity that First Bus can't put the energy into providing bus services that they've put into scuppering Supertram and NGT"*. Both he and Cllr Downes reflected on the promise of buses improvement in 2005, stating their view that the major bus investment required could have been delivered over the past 12 years but has not. They expressed their concern that promises will still not be delivered and their dissatisfaction at the way that buses operate within Leeds and West Yorkshire.

114 With regard to our scrutiny inquiry into Advancing Bus Service Provision<sup>15</sup> we explored the powers due to be provided by the newly introduced Bus Services Act. This sets out three areas of improvement. Firstly, a simpler route to bus franchising for those authorities which are a mayoral devolved organisation. Secondly improved partnership working with the bus operators and thirdly the improved data transfer and 'open data' approaches to enable customers to gather the information that they need for bus travel.

115 Whilst the new act supports the development and creation of new and existing partnerships schemes this requires the full support of bus operators to be effective. The Scrutiny Board was unanimous in its belief that bus franchising decisions should be made

locally, to drive improvement in bus provision. There was also unanimity in the view that all Combined Authorities (mayoral or non-mayoral) should have the option, if they wish, to be a franchising authority. We were disappointed that franchising powers under the Bus Services Act will currently be limited for West Yorkshire without Secretary of State intervention.

116 Recognising the need to improve bus services in Leeds we stated our objective to monitor the performance of the established partnership arrangements to determine if the objectives and vision of the Bus Strategy, Bus 18 programme and Leeds Transport Strategy are being delivered. It was considered prudent to fully explore all the options and requirements under the Bus Services Act for the implementation of franchising arrangements in West Yorkshire. This view was reinforced during this scrutiny inquiry. (Transport for Leeds - Supertram, NGT and Beyond.)

## Transport Strategy and the Leeds Transport Conversation.

117 During the course of our inquiry WYCA was actively developing the West Yorkshire Transport Strategy and West Yorkshire Bus Strategy. This outlined the areas that require development in order to deliver a transport infrastructure that supports economic growth, and supports broader environmental and social goals.

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<sup>15</sup> Scrutiny Board (City Development) 17 May 2017



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118 At our meeting on the 15 February 2017 we considered the Transport Strategy for Leeds. This has been developed to align with the West Yorkshire Transport and Bus Strategies.<sup>16</sup>

The strategy outlines the planned investment of £270m for transport in Leeds,<sup>17</sup> comprising of short, medium and long-term projects. This includes the investment of £173.5m Government funding contribution for Leeds. Efforts to secure this contribution through the preparation of a strategic outline business case for transport were being undertaken during the course of our inquiry. This was subsequently approved on the 21<sup>st</sup> of April 2017 when it was made clear by the DfT that any plans to develop a future mass transit system, is outside the scope of the funding contribution, which is only for projects that can be substantially delivered by 2020/21.

119 We were advised that an independent panel of experts was being set up following the Leeds Transport Summit held on 10th June 2016. We sought clarity about the purpose and membership of the panel and were informed that the experts are national figures in the transport arena, and are well known and respected people that have a history of working in the transport field. The purpose of the panel is to support the shaping of the transport strategy moving forward. Chris Longley who made a valuable contribution to this inquiry is a member of that independent panel.

120 We sought to establish if the DfT would impose any conditions on how the

£173.5m could be invested. We were advised that this would be likely. We were also informed that any major individual scheme decision involving funding of £50m or over would most certainly require the approval of DfT. In addition any proposals for new rail stations would also need to be discussed with DfT. We were advised that on securing this funding it would potentially be utilised to support a series of proposals for schemes of less than £50m in value, when WYCA and Leeds City Council would use their assurance frameworks to ensure the money is spent appropriately. A decision would need to be made regarding whether existing highway powers, relationships with bus operators are utilised. It was stated that the ability to carry out joint investment on a regional basis has improved due to the city deal agreed in 2013 which established the West Yorkshire plus transport fund, administered by WYCA. We recognise that whilst there may be greater flexibilities with regard to funding, any major scheme may still require the approval of a TWAO. This reinforces the importance of taking due regard of the NGT Inspector's comments for future schemes that are likely to require a public inquiry.

121 It was widely recognised by most individuals contributing to the scrutiny inquiry that any further transport proposals should fully support improvements to the Leeds city region economy and the local Leeds economy. Regard of Leeds City Council local growth and infrastructure plans should also be a key consideration. The benefits that future transport improvements would bring to communities and individuals residing in

<sup>16</sup> Transport Conversation update and Leeds Public Transport Investment Programme, December 2016

<sup>17</sup> <http://democracy.leeds.gov.uk/documents/s152792/Transport%20Report%20Appendix%20A%20061216.pdf>





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those communities should be articulated so that people can understand the potential desired impact a scheme could bring.

- 122 We were advised that over the long term there will be a city wide transport ‘conversation’ that will help determine and shape the form of future transport provision, whether it will be a series of small schemes or a large scheme. During our inquiry the conversation approach was open to initial consultation in order to gather the views of the public on transport, issues in their local area and potential solutions. Conversations were also being held with Community Committees. Aecom, was employed to support the independent assessment of the 8,200 responses to the consultation questionnaires. We were informed that the outcomes from the initial consultation would be utilised to identify the priorities of the strategic outline case to secure the £173.5m funding.
- 123 Based on our previous finding regarding consultation and engagement for the NGT scheme we commented that the type of questions used in the questionnaire were considered to be quite closed. We were advised that the questionnaire was checked by experts at the University, however there was a very short window of opportunity to draft a questionnaire. We were reassured that the ‘conversation’ would continue with the city into 2017 to develop the strategy for investment further particularly with regard to the long term 20-25 year vision for the city.
- 124 We also sought external representative views about the current strategic approach including the ongoing

‘conversation’. We were advised that the procedure put in place was considered to be generally right, with a wider conversation and the use of an expert panel to advise on the way forward. However, it is important that the expert panel is provided with sufficient meaningful information in order to give advice and comment.

- 125 We were informed the existence of communication difficulties during consultation and engagement must be recognised. In addition there is also a need to explore trade-offs between competing aspirations as different people and communities will place value of different types on transport provision.
- 126 We were advised that Leeds City Council and WYCA need to be open and transparent and “*learn to listen to the things they don’t want to hear as well as the things that they do,*” hearing what people are saying individually and collectively. In addition, promoters should be mindful that the views of the public may arise at different stages of scheme development, as the public grow to understand the impact that any scheme would have on them and their communities. As previously stated, this highlights the need for continuous engagement and the potential requirement for additional consultation at key stages.
- 127 We were also advised by external representatives that the decision to pursue a particular scheme should only be made after serious consideration of the alternatives, and politicians should not commit themselves firmly to a particular scheme before it has been subject to a rigorous analysis.



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128 As we concluded the inquiry we were advised by LCC and WYCA representatives that many of the lessons learned and discussed during the Scrutiny Inquiry would be addressed as the transport strategy develops and moves forward, which we acknowledge.

129 Given our findings and conclusions regarding the extent of consultation and engagement undertaken for NGT we will be paying particular attention to the scope and continuation of the 'Leeds Conversation' to ensure that adequate consultation is undertaken with communities at opportunities when fundamental concerns can be expressed and schemes can be reviewed and changed.

130 Whilst finalising the inquiry into Advancing Bus Service Provision the Scrutiny Board stated its intention to maintain a watching brief over the bus element of the evolving Transport Strategy for Leeds. In light of the findings of this inquiry we feel it appropriate to expand this brief to maintain a watching brief on the investment and delivery of priorities specified in the whole Transport Strategy for Leeds paying particular regard to transport investment committed and the outcomes and impact being achieved.





# Evidence

## Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

## Reports and Publications Submitted/Considered

- Report of Director of City Development and WYCA, Inquiry into the Development of NGT , 20<sup>th</sup> July 2016
- Letter from Council Leaders to Secretary of State for Transport 16th September 2005
- Leeds Supertram decision letter, 03 September 2005
- Local Partnerships, Gateway Report 05 February 2013
- Department for Transport Rejection letter, Martin Woods 12 May 2016
- NGT Project Timeline, 20<sup>th</sup> July 2016
- Table of expenditure year by year, 20<sup>th</sup> July 2016
- Summary of key points from Inspector's Report, 20<sup>th</sup> July 2016
- NGT Project Board Members, 20<sup>th</sup> July 2016
- Report of the Director of City Development & WYCA, Inquiry into the Development of NGT, 7 September 2016
- Presentation – Supertram and NGT, 7<sup>th</sup> September 2016
- Atkins Report: Study of High Quality Buses in Leeds, Final Report 15 Nov 2005
- Response from Metro on the draft Atkins Report, 07 October 2005
- Transport in Leeds, Consultation Questionnaire, 7 September 2016
- Gateway Review- Actions Undertaken, 7 September 2016
- Background to the Economic Impacts Assessment, 7 September 2016
- SDG Report NGT Wider Economic Impacts, January 2014
- Extract from the Letter of 12<sup>th</sup> May 2016 from the DfT TWA Orders Unit with added commentary, 7 September 2016
- NGT, Sub – mode options investigations report, Metro, January 2014
- Email from Project Director to DfT detailing the Off- Wire Proposals, 9<sup>th</sup> March 2016
- Report of the Director of City Development & WYCA, Inquiry into the Development of NGT, 23 November 2016
- Membership of the Advisory Panel , 23 November 2016
- Mott Macdonald Statement of Experience and Expertise, 6 September 2015
- SDG Statement of Experience and Expertise
- BDB Statement of Experience and Expertise



# Evidence

- Aecom Statement of Experience and Expertise, 23 September 2016
- KPMG Statement of Experience and Expertise, 4 August 2016
- Submission to the Leeds City Council Scrutiny Board (City Development), Peter Bonsall, 23 November 2016
- Submission of the A660 Joint Council to Scrutiny Board (City Development) 8 November 2016
- Report of the Director of City Development & WYCA, Inquiry into the Development of NGT, 18 January 2017
- Submission of Peter Bonsall - City Development Scrutiny Panel investigation of the Supertram and NGT projects, December 2016
- Report of the Head of Governance Services and Scrutiny Support, Transport for Leeds, Supertram, NGT and Beyond, 15<sup>th</sup> February 2017.
- Letter from Mr Collins dated the 3 of February 2017
- Department for Transport correspondence 03/11/05, 19/06/06, 02/07/07, 23/03/10, 10/06/10, 14/12/11, 19/07/12
- A TWA Guide to Procedures, Guidance on the procedures for obtaining orders under the Transport and Works Act 1992, relating to transport systems, inland waterways and works interfering with rights of navigation, Department for Transport June 2006
- Transport Conversation update and Leeds Public Transport Investment Programme, Report of the Director of City Development to Executive Board Leeds, 14 December 2016
- Best Council Plan 2017/18: Tackling poverty and reducing inequalities
- Valuing the social impacts of public transport, Department for Transport (University of Leeds & Mott MacDonald)
- Report of the Head of Governance Services and Scrutiny Support, Transport for Leeds, Supertram, NGT and Beyond, 22 March 2017.
- Letter to Greg Mulholland MP, from Department for Transport, Minister for State Baroness Kramer, 31 October 2013
- Written personal submissions of:  
Mr. Stuart Archbold OBE  
Cllr Tom Leadley  
Mr. Malcolm Bell



# Evidence

## Witnesses Heard

Andrew Wheeler – NGT Project Manager, Leeds City Council  
Dave Haskins – Head of Feasibility and Assurance WYCA  
Cllr Keith Wakefield – Chair of Transport Committee WYCA  
Martin Farrington – Director of City Development  
Gary Bartlett – Chief Highways Officer, Leeds City Council  
Andrew Hall – Head of Transportation, Leeds City Council  
Cllr Richard Lewis – Executive Board Member, Regeneration, Transport and Planning.  
Cllr James Lewis – Previous Chair of Transport Committee WYCA  
Cllr Andrew Carter CBE – Previous Executive Board Member (City Development) and Leader/Deputy Leader of Council (2004 – May 2010)  
Cllr Ryk Downes – Previous Chair/Deputy Chair of Transport Committee WYITA (2006 - 2011)  
Bob Collins – Department for Transport  
Bill McKinnon – Vice Chairman A660 Joint Council – External Representative  
Chris Longley MBE – Area Policy Representative, Yorkshire Federation of Small Businesses – External Representative  
Peter Bonsall – Emeritus Professor of Transport Planning, University of Leeds – External Representative

## Dates of Scrutiny

20 July 2016  
7 September 2016  
23 November 2016  
18 Jan 2017  
15 February 2017  
22 March 2017  
17 May 2017 – Working Group



# Appendix 1

1993	<ul style="list-style-type: none"> <li>• Supertram gains parliamentary approval</li> </ul>
2001	<ul style="list-style-type: none"> <li>• DfT Approval given full network approval</li> </ul>
November 2005	<ul style="list-style-type: none"> <li>• The Secretary of State for Transport (Alistair Darling) cancelled the Supertram proposals.</li> <li>• The Government stated that 90% of the benefits of a tram could be delivered by a bus-based scheme at 50% of the cost.</li> <li>• The Promoters were therefore encouraged to develop a "top of the range rapid bus system" as a "showcase" for the rest of the country and were told that "the money would be there for the right proposals"</li> </ul>
2006 to 2007	<ul style="list-style-type: none"> <li>• DfT told the Promoters that there was no funding earmarked for NGT and that they would need to compete for funds through the Regional Funding Allocation process.</li> <li>• DfT also asked the Promoters to reconsider whether the NGT routes were the right routes in Leeds for a rapid transit system. This is despite all the technical work and evidence associated with Supertram.</li> <li>• The Promoters therefore had to undertake a significant piece of technical work to provide further evidence to the DfT that these were the right routes. The DfT then fully signed this off.</li> </ul>
April 2007	<ul style="list-style-type: none"> <li>• An 'Initial Business Case' for NGT was submitted to the DfT. This was not a formal part of the DfT's major scheme process, but the Promoters wanted early clarification from the DfT that the proposals were on the right track before committing significant expenditure to the project.</li> <li>• The feedback from the DfT was generally supportive of the proposals and the Promoters took account of the comments they made.</li> </ul>
June 2007	<ul style="list-style-type: none"> <li>• An initial funding allocation of £150 million was earmarked for NGT through the RFA process.</li> </ul>
Aug 2007-2009	<ul style="list-style-type: none"> <li>• Throughout this period there was significant engagement with the DfT on the development of the scheme.</li> <li>• DfT indicated that they didn't believe the East Route would offer value for money. They did not accept the argument that this route was necessary for social/regeneration reasons and due to its importance in serving St James' Hospital.</li> </ul>
July 2008	<ul style="list-style-type: none"> <li>• Executive Board approved of £2.316m towards scheme development</li> </ul>
January 2009	<ul style="list-style-type: none"> <li>• A further £98.8 million was allocated to NGT through the RFA process.</li> </ul>



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January to October 2009	<ul style="list-style-type: none"> <li>The Promoters continued to liaise closely with the DfT on the development of the Major Scheme Business Case for NGT to ensure a 'no surprises' approach when they received the submission. This would then enable a quick decision on the submission from the DfT.</li> </ul>
October 2009	<ul style="list-style-type: none"> <li>The Major Scheme Business Case for NGT was submitted. DfT had indicated that they would aim to make a decision on this by the end of 2009.</li> </ul>
November 2009	<ul style="list-style-type: none"> <li>Gateway Review (Business Justification) undertaken by Local Partnerships. Key findings included:             <ul style="list-style-type: none"> <li>There is strong support across the full range of stakeholders with solid political backing from all parties.</li> <li>All the key building blocks for effective project delivery are in place and attention given to a number of small areas will increase the already good prospects of successful delivery.</li> </ul> </li> </ul>
March 2010	<ul style="list-style-type: none"> <li>5 months later NGT was eventually awarded Programme Entry Approval but only for the North and South Routes. No funding for the East Route to St James' Hospital or the full city center Loop.</li> <li>DfT agreed to fund £235m of the £254m total scheme cost.</li> <li>DfT also agreed to fund the proposed Holt Park Extension.</li> </ul>
June 2010	<ul style="list-style-type: none"> <li>The New Coalition Government suspended the Major Schemes process as part of the Comprehensive Spending Review (CSR). NGT was therefore put on hold.</li> </ul>
July 2010	<ul style="list-style-type: none"> <li>Transport Minister Norman Baker visited Leeds and met with senior politicians to discuss NGT. He outlined the need for the Promoters to further reduce scheme costs and for an increase in the local funding contribution.</li> </ul>
September 2010	<ul style="list-style-type: none"> <li>The NGT Promoters put forward a revised funding offer to increase the local contribution to 20% (£50m) and reduce the Government's contribution to around £200m.</li> </ul>
December 2010	<ul style="list-style-type: none"> <li>NGT was not prioritised through the Comprehensive Spending Review (CSR) and was placed into DfT's newly created 'Development Group' which contains 43 schemes competing for a share of a £600m funding pot. Decisions on which schemes could proceed would not be made until the end of 2011.</li> <li>The Promoters asked the DfT to treat NGT separately and provide an early decision, since the delay to the scheme now meant it would not need any Government funding during the CSR period.</li> </ul>
March 2011	<ul style="list-style-type: none"> <li>The Secretary of State for Transport visited Leeds and met with the NGT Promoters. He encouraged the Promoters to further increase their local funding offer.</li> </ul>



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May 2011	<ul style="list-style-type: none"> <li>Executive Board approved the submission of a Best and Final Bid (BAFB) increasing the local contribution to £57.1m</li> </ul>
June 2011	<ul style="list-style-type: none"> <li>The Secretary of State confirmed that NGT would not be treated separately (6 months after the Promoters raised this request). Therefore a decision will not be made until the end of 2011.</li> </ul>
Sept 2011	<ul style="list-style-type: none"> <li>The NGT Best and Final Funding Bid was submitted. This put forward an increased local funding contribution of around 23% (57m). This has been approved by both the LCC Executive Board and the ITA Executive Board.</li> </ul>
December 2011	<ul style="list-style-type: none"> <li>NGT not approved by DfT in current round of major scheme approvals (which included Kirkstall Forge and Dapperly Bridge Rail Stations). DfT requested further detail.</li> </ul>
March 2012	<ul style="list-style-type: none"> <li>Following discussions with DfT including a detailed review of the modelling and appraisal work, a further bid was put forward for NGT.</li> </ul>
July 2012	<ul style="list-style-type: none"> <li>DfT granted NGT Programme Entry status, at a cost of £250m with a DfT contribution of £173.5m. This represented a shift in local contribution requirement from the 2010 approved bid from 10% to around 30%</li> </ul>
October 2012	<ul style="list-style-type: none"> <li>Executive Board approved £1.2m to progress the scheme towards the TWAO submission</li> </ul>
Jan 2013	<ul style="list-style-type: none"> <li>Gateway 1 Review held</li> </ul>
March 2013	<ul style="list-style-type: none"> <li>Executive Board approved expenditure of £19.2m to progress the scheme to the construction phase.</li> </ul>
July 2013	<ul style="list-style-type: none"> <li>Full Council approve the submission of the TWAO</li> </ul>
September 2013	<ul style="list-style-type: none"> <li>Transport and Works Act Order submitted</li> </ul>
November 2013	<ul style="list-style-type: none"> <li>Full Council confirm their approval of the submission of the TWAO</li> </ul>
January 2014	<ul style="list-style-type: none"> <li>Local Partnerships undertook a Gateway Review on the NGT project. The key finding was:             <ul style="list-style-type: none"> <li>Successful delivery appears probable however constant attention will be needed to ensure risks do not materialize into major issues threatening delivery.</li> </ul> </li> </ul>
April 2014	<ul style="list-style-type: none"> <li>NGT Public Inquiry commences. Based on other similar inquiries, an inquiry length of 8-10 weeks (30-40 sitting days) was anticipated.</li> </ul>





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October 2014	<ul style="list-style-type: none"><li>• NGT Public Inquiry finishes having sat for 72 days. Additional length attributed to a combination of sustained objection by FWY , a core of local objections plus an Inspector who was keen to ensure that all viewpoints were aired.</li></ul>
July 2015	<ul style="list-style-type: none"><li>• Notification that the Inspector's report was submitted to DfT for consideration. DfT guidance indicates a 6 month timescale for making decisions on TWAO submissions. though notes that larger/more complex schemes may take longer.</li></ul>
May 2016	<ul style="list-style-type: none"><li>• NGT cancelled by Secretary of State Transport</li></ul>

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