

Baxter, Amy

From: Denise [denise.carlo@btinternet.com]
Sent: 23 November 2010 07:29
To: 'Louise t John Howe'
Cc: Eastaugh, Sandra; Charles, Ruth
Subject: NDR - response from DfT dated 17 November 2010
Attachments: 101117 - EIR RESPONSE - DFT to NNTAG - NNDR Postwick Hub.pdf

Dear Louise,

Proposed NDR - Various Matters - letter to NNTAG from the Department for Transport dated 17 November 2010

Please could you forward the attached letter as referred to in NNTAG note on the deliverability of NDR/Postwick Hub to the Inspectors.

Many thanks, kind regards, Denise Carlo, NNTAG

Matters Covered by Letter include:

1. The public transport alternative ('non-road alternative' see p2 lines 7-9)

NNTAG asked the DfT to summarise the public transport options tested by Norfolk County Council.

The DfT letter confirms that Norfolk CC tested a public transport option without NDR (a 'combined option' p2 paras 6 & 7). The County's analysis showed a BCR of 1.5 if Norwich Area bus service patronage went up by 6.5% and a BCR of 2.0 if it were to go up 8%.

An increase in numbers to provide the necessary BCR would not be difficult as there is considerable scope for improving the bus system in Norwich .

The current bus service is inadequate at present to obtain the patronage increase. Also, there is insufficient city centre traffic restraint to enable an increase in bus usage to be achieved.

2. DfT information on Postwick Hub status

The DfT letter at p3 states that the funding for Postwick Hub was transferred to 'this Department' (DfT). 'By virtue of this transfer, the funding now has to be managed within the Department's major capital scheme programme'.

Also, the letter says ' The Distribtuor Road and the Postwick Hub scheme are being treated as one scheme. It will now be for Norfolk CC to submit a joint best and final funding bid and also consider the scope of the scheme, its cost and lower cost alternatives'.

'The scheme' (NDR + Postwick Hub) is thus up for a total review.

_____ Information from ESET NOD32 Antivirus, version of virus signature database
5640 (20101122) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

Denise Carlo
NNTAG
Via email

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17th November 2010

Dear Ms Carlo,

REQUEST FOR INFORMATION

You have requested information regarding the decision in 2009 by the then Government to grant Programme Entry for the proposed Norwich Northern Distributor Road (NNDR). I apologise for the delay in replying.

As you are aware, Programme Entry was granted for a shorter route alignment for the NNDR than the one that Norfolk County Council had been promoting (and which formed the basis of the Major Scheme Business Case that was submitted to the Department in July 2008 requesting initial Government funding). The shorter route would run from the A47 Postwick Junction (the improvement of which is being funded separately through the Community Infrastructure Fund) to the A140 Junction at Norwich International Airport.

You asked about public transport alternatives. As you know proposals for a proposed NNDR first came to prominence as an issue for the Norwich area in 1991. The preferred strategy produced by consultants after a 2 year study recommended inclusion of an NNDR scheme but the scheme was not included as part of the adopted strategy as further investigation was recommended at that time.

Reviews of the Norwich Area Transport Strategy (NATS) both in 1994 and 1997 maintained this position until the NATS 4 strategy was reviewed and adopted in 2004. The NNDR scheme was included in NATS 4 as a means of achieving other elements of the strategy, which had not been successfully achieved under NATS 3.

The inclusion of the NNDR scheme took place after a review by the promoters, Norfolk County Council, which involved the appraisal of six strategic options, as follows:

- Option 1 – Full length NNDR and complementary transport measures
- Option 2 – Half length NNDR and complementary transport measures
- Option 3 – Three quarter length NNDR and complementary transport measures
- Option 4 – Orbital Bus Route with associated traffic management measures
- Option 5 – Light rapid transit scheme with associated traffic management measures
- Option 6 – Measures to encourage modal shift to sustainable modes of transport.

Following consultations with Statutory Environmental Bodies (SEBs) and further work on identifying probable environmental impacts undertaken by the Council it was decided that Option 1 which would cross the River Wensum would be the most likely to receive objections from Statutory Bodies due to the fact it would have significant adverse impacts

on the Special Area of Conservation. The preferred strategy option including the NNDR scheme was deemed to best meet the aims and objectives of the NATS strategy, and following public consultation, was adopted by the County Council in October 2004. The environmental consideration led to the County Council adopting **Option 3** as the Preferred Scheme.

When assessing the MSBC which Norfolk submitted to the Department requesting Programme Entry in July 2008 – see weblink below – the Department as part of this assessment asked to see further evidence from the Council in respect of non-road alternatives as part of our requirements set out within our the then Major Scheme Business Case Guidance.

Norfolk produced further background evidence on what they had done in regards to considering whether a public transport option would meet the same objectives as the preferred scheme.

http://www.norfolk.gov.uk/Travel_and_transport/Transport_future_for_Norfolk/Norwich_Area_Transport_Strategy/Northern_Distributor_Road/Major_Schemes_Business_Case/NC061110

In response to our request, Norfolk demonstrated that they had undertaken a qualitative assessment of four candidate public transport options against both NATS and NNDR. The intention at the outset of this work was to select the two best performing options for modelling. This assessment work identified that the two best performing options (1B and 2A) were a bus-based package of public transport improvements (including new orbital bus route and improvements to existing radial bus services) and a bus rapid transit system.

Norfolk undertook further assessment of these options in combination and identified that the combined option performed better against both the NATS and NNDR objectives than any of the individual options. This combined option was therefore adopted as the preferred public transport option for modelling and appraisal in the NNDR business case in preference to testing these options individually as originally proposed.

The analysis of the Public Transport option in the Business Case gave a clear indication that this proposed combined scheme did not offer value for money, due primarily to the continuing cost of public transport subsidy.

Given that the main factor behind the low VFM assessment was due to subsidy costs, we asked Norfolk to undertake a further test to see how much public transport usage, (and hence revenue), under the previous modelling would need to change to reach BCRs of (around) 1.5 and 2.0 and then take a judgement as to how plausible that might be. Following these tests, Norfolk highlighted that they would need an increase in bus patronage equivalent to 6.5% across all bus routes in the Norwich area to achieve a BCR of circa 1.5 and an increase in bus patronage equivalent to 8% across all routes to achieve a BCR of circa 2.0. This would require very significant higher patronage on the new routes than predicted.

On the basis of the evidence made available, we agreed that neither of the public transport scenarios seemed plausible bearing in mind that services would have to generate sufficient patronage and revenue to operate without subsidy. Norfolk also

highlighted that they had undertaken an experimental orbital bus service which operated between November 2005 and March 2007 and this route covered less than one-third of its operating costs. On this basis, it was agreed that a public transport alternative to the NNDR scheme would not be cost effective and therefore not offer value for money.

In the Programme Entry letter that was sent to Norfolk County Council on 8th February and which I released a copy to you in my email dated 10 February 2010, we set out a number of conditions. This included the Council having to develop a new and updated traffic model on a Productions and Attraction basis, prior to any Public Inquiry into the scheme and before the Council was able to proceed to submit a Business Case for Conditional or Full Approval to the Department.

I also refer to your email dated 11 November which asked a number of additional questions regarding our assessment and the current position regarding NNDR and Postwick Hub.

Our assessment which formed advice to the then Minister of State, Sadiq Khan, concluded on the available evidence provided by the Council, including the additional traffic modelling requested, that the part NNDR option is estimated to have a NATA BCR of 4.58 with the promoter's Optimism Bias allowance of 25%. With 44% Optimism Bias this would fall to 3.97

Turning to the current funding position. As you are aware, the proposed Postwick Hub scheme was originally agreed as part of the Community Infrastructure Fund (CIF). The previous Government had agreed to contribute £21m towards the scheme costs. As you know, the CIF funding was time related and was required to be spent by the end of March 2011. Due to the scheme being in a different position to other CIF funded schemes given the longer timescale involved, it was agreed the proposed funding for the scheme would be transferred to this Department.

By transferring the monies to DfT this would have helped ensure that the scheme could have been undertaken without having to complete the construction by March 2011. However, by virtue of the transfer, the funding now has to be managed within the Department's capital major scheme programme.

The announcement made by the Secretary of State on 26 October announced the outcome of the Spending Review on transport investment, as it affects the Norwich Northern Distributor Road. This scheme has been placed in the "Development Pool". For this purpose the Distributor Road and the Postwick Hub scheme are being treated as one scheme. It will now be for Norfolk CC to submit a joint best and final funding bid and also consider the scope of the scheme, its cost and lower cost alternatives. The promoters who can make the best case are the most likely to receive funding, which will be confirmed by the end of 2011.

In September 2010, Ministers announced that they have called for a Public Inquiry to be held into the Postwick Hub Slip Road Orders. A date for the Inquiry was deferred until the outcome of the Spending Review but it has been agreed that this can now be taken forward. However no final decision will be taken by the Secretary of State until funding for the scheme has been re-considered after best and final funding bids have been accepted.

You also asked for the total cost of the 22 schemes listed in the Development Pool and also about schemes within the Pre-Qualification Pool.

The £600m committed is those schemes under construction plus Conditional Approval's (CA), but the funding for the CA schemes is not yet confirmed.

The £300m for the Supported Pool is a rough estimate because it will be dependent on the final funding bids from Local Authorities.

The funding available for the Development Pool will be what is left of the £1.5bn once you have taken the committed funding, the CA schemes (once final funding has been agreed), and the Supported Group depending on the best and final funding bids. Therefore we would expect it to be at least £600m but it could be more.

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Zone D/04
Ashdown House
Sedlescombe Road North
Hastings
East Sussex TN37 7GA
E-mail: FOI-Advice-Team-DFT@dft.gsi.gov.uk

Please see the attached details of DfT's complaints procedure and your right to complain to the Information Commissioner – **at Annex A** to this letter.

If you have any queries about this letter, please contact me. Please remember to quote the reference number above in any future communications.

I hope this is helpful.

Yours sincerely,

Steve Berry

**Steve Berry
RLMP Division
Department for Transport**

Your right to complain to DfT and the Information Commissioner

You have the right to complain within two calendar months of the date of this letter about the way in which your request for information was handled and/or about the decision not to disclose all or part of the information requested. In addition a complaint can be made that DfT has not complied with its FOI publication scheme.

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If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF