

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**7 SEPTEMBER 2006**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **COUNCIL /CABINET DECISION**

**Regeneration and Transport – Lead Cabinet Member – Councillor Cook  
Environment – Lead Cabinet Member – Councillor Nelson**

#### **SECOND STOCKTON-ON-TEES LOCAL TRANSPORT PLAN, 2006 TO 2011: MAJOR SCHEME BIDS AND TEES VALLEY INITIATIVES**

1. Summary

The Second Stockton-on-Tees Local Transport Plan was submitted to the Department for Transport and the Government Office for the North East on 31 March 2006. The Plan included position statements covering two potential Major Schemes, the Tees Valley Bus Network Review and the East Billingham Transport Corridor.

This Report seeks your approval for the submission of a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport and the Government Office for the North East, and outlines the current position regarding two other emerging sub-regional transport initiatives – the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network. Finally, the Report sets out the current position regarding the East Billingham Transport Corridor, and seeks your approval for the proposed way forward.

2. Recommendations

1. The Tees Valley Joint Strategy Unit – acting on behalf of the Council and its partner authorities in the sub-region – be authorised to develop and submit a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport and the Government Office for the North East at the end of September 2006.
2. Members note the current position regarding the proposed Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network.
3. The Corporate Director for Development and Neighbourhood Services be authorised to work in partnership with the Government Office for the North East to investigate the potential for delivering the East Billingham Transport Corridor on a phased basis.

### 3. Reasons for the Recommendations

Approval of the recommendations will:

- a) Allow the Tees Valley Joint Strategy Unit to complete the preparation of the Major Scheme Business Case for the Tees Valley Bus Network Review on behalf of the Council and the other scheme partners, and to submit it to the Government Office for the North East and the Department for Transport by the end of September 2006;
- b) Allow the Council to continue to work in partnership with the Government Office for the North East to investigate the potential for delivering the East Billingham Transport Corridor on a phased basis; and
- c) Ensure that Members are fully informed about the progress made to date with regard to the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network within the sub-region.

### 4. Members' Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

**Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.**

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**SUMMARY**

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**RECOMMENDATIONS**

1. The Tees Valley Joint Strategy Unit – acting on behalf of the Council and its partner authorities in the sub-region – be authorised to develop and submit a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport and the Government Office for the North East at the end of September 2006.
2. Members note the current position regarding the proposed Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network.
3. The Corporate Director for Development and Neighbourhood Services be authorised to work in partnership with the Government Office for the North East to investigate the potential for delivering the East Billingham Transport Corridor on a phased basis.

## **DETAIL**

### **Background**

1. In accordance with my Report to your meeting on 9 February 2006 (Minute no. 1031 refers), the Second Stockton-on-Tees Local Transport Plan (LTP) was submitted to the Government Office for the North East (GO-NE) and the Department for Transport (DfT) on 31 March 2006. As well as setting out an indicative expenditure profile for schemes funded from the Council's 'Integrated Transport' and 'Structural Maintenance' block allocations over the five years from 2006/07 to 2010/11 inclusive, the Plan included position statements covering two potential Major Schemes, the Tees Valley Bus Network Review and the East Billingham Transport Corridor.
2. Since the submission of the Plan, substantial progress has been made in developing the Major Scheme business case for the Tees Valley Bus Network Review, whilst work to develop two complementary, but longer-term, Tees Valley-wide initiatives – the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network – has also progressed apace. In addition, discussions have been held with GO-NE to establish the potential for delivery of the East Billingham Transport Corridor on a phased basis.
3. Each of these initiatives is discussed in more detail below.

### **The Tees Valley Bus Network Review**

4. A recent review of the operation of the Tees Valley bus network – carried out by specialist public transport consultants the TAS Partnership on behalf of the five local authorities in the sub-region – recommended a new approach based on the adoption of a stable, hierarchical network and the development of high demand and high quality links to key centres. The main elements of the Review were:
  - A network designed to maximise bus patronage whilst maintaining accessibility and social inclusion, with a cost neutral base option and costed, prioritised incremental improvements;
  - Infrastructure and bus priority improvements;
  - Priority routes for low floor buses;
  - Improved and simplified fare and ticketing arrangements; and
  - Other marketing and information initiatives.
5. The proposed network is based on a hierarchy of services ranging from fast, frequent, high quality, commercially operated urban trunk routes to low frequency, financially supported, tertiary and rural services meeting social accessibility needs. The proposals will not only provide longer term stability within the Tees Valley bus network, but will offer a step change in public transport provision in terms of frequency, reliability, quality and convenience, based on a coordinated approach across the sub-region.
6. Details of the preferred scheme are now being finalised in partnership with the other Local Authorities within the sub-region, the Tees Valley Joint Strategy Unit (TVJSU) and the principal bus operators. A specification for the top two tiers within the hierarchical structure – designated as 'Super Core' and 'Core' routes – has been agreed, and a series of specific infrastructure proposals covering each of the identified route corridors is currently being developed. It is envisaged that the components of the scheme will be delivered through a series of Statutory Quality Partnerships, setting out the obligations of each of the partners and linking the introduction of new infrastructure to a quality and reliability threshold to be observed by existing (and potential) bus operators.

7. The Major Scheme bid is focused on the Super Core and Core Routes, which offer the most attractive alternative to the car and, consequently, the greatest potential for modal shift. By securing the stability of the commercially operated network, the Major Scheme will allow the Council and its partners to take a long-term approach to the development of the tertiary network, thereby ensuring that revenue support for socially necessary bus services is allocated as cost-effectively as possible and that Community Transport's contribution to enhancing local accessibility is maximised. **Appendix 1** to this Report sets out the elements of the Major Scheme bid in more detail.
8. The Secretary of State for Transport confirmed the North East Regional Funding Allocation (RFA) for major transport schemes over the ten years from 2006/07 to 2015/16 inclusive in an announcement made on 6 July 2006. The Tees Valley Bus Network Review has been included in an 'Indicative List' of schemes to be progressed to a stage sufficient to allow construction to start during the period between 2009/10 and 2015/16. However, it is hoped that this timetable can be brought forward, particularly as some of the schemes identified for funding within the region over the next three years are still at a relatively early stage of development.
9. Although the scheme has, provisionally, been allocated regional funding totalling £33 million, this funding is dependent on all statutory powers being secured and the submission of a supporting Major Scheme Business Case, produced in line with DfT requirements, that demonstrates that it will provide sufficient value for money. Officers from the TVJSU, which is leading on the preparation of the Business Case, met with representatives of the DfT and GO-NE on 1 August 2006 to confirm that the current proposals meet the criteria for Major Scheme funding and to agree the format for the final submission.
10. It is recommended that the TVJSU completes the preparation of the Major Scheme Business Case on behalf of the Council and the other scheme partners, and that it be submitted to GO-NE and the DfT on 29 September 2006.

### **Other Emerging Tees Valley Initiatives**

11. As well as the Tees Valley Bus Network Review, two other sub-regional transport initiatives are currently being developed – the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network. These initiatives are discussed in more detail below.

#### *The Tees Valley Metro*

12. To complement the Bus Network Review, which aims primarily to enhance access to local centres and key attractors, proposals have been developed by Tees Valley Regeneration for a high quality, fast and reliable sub-regional transport system – the Tees Valley Metro – to assist regeneration and help to avoid the transport problems that would otherwise arise as economic activity gathers pace.
13. The preferred option for the Metro would deliver:
  - A new sub-regional transit system for the Tees Valley, making more efficient use of the current rail and bus networks to better meet travel needs over the next 20 years;
  - Conversion of the Darlington to Saltburn heavy rail line to tram-train technology, resulting in increased frequency and higher quality of service (with a possible extension to a new 'park and ride' site at Nunthorpe);
  - Five new stations along the route, serving key employment sites, major regeneration areas, Durham Tees Valley Airport and, possibly, the James Cook University Hospital; and
  - Supporting heavy rail service enhancements and high frequency bus services linking into the new system, providing an enhanced frequency of connection to Hartlepool.

14. The key benefits of the proposals are:
- Higher quality, more frequent sub-regional rail services;
  - Enhanced capacity on the East Coast Main Line and TransPennine rail routes;
  - Opportunities for additional passenger and freight train services, particularly Teesport and the Northern Gateway;
  - Lower long term subsidy requirement, providing better value for money; and
  - Supporting economic regeneration and delivering a significant uplift in GVA (Gross Value Added – a key measure of local productivity).
15. Discussions have been held with the DfT and Network Rail to move the project forward through an innovative funding mechanism that requires significantly lower subsidy in the long term. The aim is to use existing committed funding within the rail network to divert to the Metro and allow capital to be raised to fund the necessary infrastructure improvements, currently valued at around £140 million.
16. The proposals will be worked up into an outline business case during the autumn of 2006, with the intention to work in partnership with DfT and Network Rail to develop the proposals further, both in terms of the Metro and in relation to wider heavy rail issues within the Tees Valley. A key part of this work will be the added value in addressing passenger and freight demand in the long term within the Tees Valley, particularly the anticipated growth of Teesport and the rise in GVA that this will bring.

*Joint Working with the Highways Agency to address Development Issues affecting the Trunk Road Network*

17. As part of the future development of the Tees Valley transport network, there is a clear need to provide high quality access to regeneration sites from the strategic (i.e. trunk) road network. At the present time, the Highways Agency's development control policy is based on examining each major planning application on an individual basis and identifying any improvements that will be required to ensure that the predicted operation of the trunk road network is 'no worse off' at a point 15 years beyond the opening of the development. This can often lead to the requirement for improvements that cannot be financially supported by a development proposal with a relatively low initial land value.
18. There is, therefore, a need to adopt a more pragmatic approach to future development proposals on the trunk road network, and the TVJSU – acting on behalf of the five Local Authorities – is currently working with the Highways Agency to address this need in two different ways.

Transport Innovation Fund Bid

19. A bid for £200,000 was submitted to the DfT in July 2006 under the second Transport Innovation Fund (TIF) 'pump priming' round, based on the need to take a coordinated view of the future transport needs of the Tees Valley in order to support the economic regeneration of the City Region. If successful, the bid provides an opportunity to examine both the role of demand management within a City Region context and the interaction between demand management and the need to overcome existing and future transport problems in order to realise wider benefits of economic regeneration and improvements in quality of life. The aim is to develop an action plan for multi-modal asset allocation of the trunk road network, embracing demand management techniques as well as identifying essential supporting infrastructure improvements to the public transport and local road networks.

20. The methodology envisaged takes an innovative approach to demand management by adopting the principle that the transport network in the Tees Valley is a valuable commodity, and that capacity should be allocated on the basis of need and the availability of alternatives as well as through fiscal measures. In this way, the Tees Valley will take a proactive role in the ongoing debate on demand management whilst developing proposals sympathetic to the nature of the network and wider local, regional and central Government aspirations.
21. Even if the TIF bid is unsuccessful, work will be undertaken in the autumn of 2006 to study the impact of demand management across the Tees Valley and to determine the public transport improvements and, possibly, secondary road network improvements (particularly in the Stockton/Middlesbrough area) that will be necessary to facilitate long-term development.

#### Development of Working Protocol Arrangements with the Highways Agency

22. In the shorter term, the TVJSU – again, acting on behalf of the five Local Authorities – is seeking to develop working protocol arrangements with the Highways Agency in order to allow more flexibility in examining future development proposals within the sub-region in parallel to the planned public transport improvements and the emerging findings from the TIF study. Such an arrangement will also allow developers to work with the Highways Agency as transport assessments are prepared, in order that these assessments are based on an agreed set of parameters for future conditions rather than entering into a protracted iteration of supporting calculations to address the Agency's concerns. It is hoped that this new arrangement will shorten the time taken to agree highway matters with the Agency.
23. It is envisaged that a Steering Group, comprising representatives from the Highways Agency and the Tees Valley Authorities, will be established to draw up this working protocol, based on arrangements that the Agency has already adopted for Objective 1 Areas.

#### **The East Billingham Transport Corridor**

24. One of the key issues to emerge from the 'Mid-Term Review' of the First LTP, carried out in 2003, was the number of heavy goods vehicles (in particular tankers carrying hazardous chemicals) using routes through residential areas of Billingham and The Clarences. This issue was subsequently highlighted by the Stockton-on-Tees Freight Quality Partnership, as well as emerging as a priority for action within the Billingham Area Transport Strategy, which forms an integral part of the Second LTP.
25. An initial feasibility study, carried out by the Council's partner consultant Arup early in 2004, confirmed that there were no existing alternative routes away from residential areas and that the most appropriate solution was the construction of a new road linking A1046 Haverton Hill Road and A1185 Seal Sands Link Road to the east of Billingham. This route was, accordingly, named the East Billingham Transport Corridor.
26. More detailed work – again carried out by Arup – to identify and develop preferred route options commenced in April 2004. A two-stage process was adopted, firstly to narrow the 11 initial route options down to five, and then – following an appraisal of the highway, transportation, environmental, economic and geotechnical issues associated with each option – down to two potential routes. These alignments were costed at between £17.2 and £17.9 million, with associated Cost:Benefit Ratios (based on a coarse assessment) of between 3.8 and 4.

27. Like the Tees Valley Bus Network Review, the East Billingham Transport Corridor was assessed in late 2005/early 2006 as part of the RFA process. However, unlike the Bus Network Review, the scheme did not emerge as a priority for funding during the period up to and including 2015/16. For this reason, discussions have been held with GO-NE to investigate alternative ways of funding the scheme over this period.
28. Although GO-NE has confirmed that the prospects for funding of either of the identified route options through the RFA process are poor, there may be potential for delivering at least part of the scheme through a phased approach, with construction of the northern section – providing a direct route between A1185 Seal Sands Link Road and the industrial areas to the east of Billingham, and valued at between £2-3 million – identified as the first priority. As there is, at present, no formal bidding process for Major Schemes costing less than £5 million, GO-NE has agreed to raise this issue directly with the DfT.
29. It is recommended that the Corporate Director for Development and Neighbourhood Services be authorised to continue to work in partnership with GO-NE to investigate the potential for delivering the scheme on a phased basis.

## FINANCIAL AND LEGAL IMPLICATIONS

### Financial

30. The Secretary of State for Transport confirmed the North East Regional Funding Allocation for major transport schemes over the ten years from 2006/07 to 2015/16 inclusive in an announcement made on 6 July 2006. The **Tees Valley Bus Network Review** has been included in an 'Indicative List' of schemes to be progressed to a stage sufficient to allow construction to start during the period between 2009/10 and 2015/16.
31. Although the scheme has, provisionally, been allocated regional funding totalling £33 million, this is dependent on all statutory powers being secured and the submission of a supporting business case, produced in line with DfT requirements, that demonstrates that it will provide sufficient value for money.
32. Like the Tees Valley Bus Network Review, the **East Billingham Transport Corridor** was assessed in late 2005/early 2006 as part of the RFA process. However, unlike the Bus Network Review, the scheme did not emerge as a priority for funding during the period up to and including 2015/16. For this reason, discussions have been held with GO-NE to investigate alternative ways of funding the scheme over this period.
33. Although GO-NE has confirmed that the prospects for funding of either of the identified route options through the RFA process are poor, there may be potential for delivering at least part of the scheme through a phased approach, with construction of the northern section – providing a direct route between A1185 Seal Sands Link Road and the industrial areas to the east of Billingham, and valued at between £2-3 million – identified as the first priority. As there is, at present, no formal bidding process for Major Schemes costing less than £5 million, GO-NE has agreed to raise this issue directly with the DfT.
34. At this stage, there are no direct financial implications for the Council associated with the **Tees Valley Metro** or **Joint Working with the Highways Agency to address Development Issues affecting the Trunk Road Network**.

### Legal

35. None.



## RISK

36. The preparation and submission of the Major Scheme Business Case for the **Tees Valley Bus Network Review** is categorised as low to medium risk. Existing management systems and daily routine activities will be sufficient to control/reduce risk.

## COMMUNITY STRATEGY IMPLICATIONS

### Economic Regeneration and Transport

37. **All four of the initiatives covered in this Report** are designed to contribute directly towards the delivery of this improvement theme, for example by improving public transport access to key regeneration sites.

### Liveability

38. Both the **Tees Valley Bus Network Review** and the **Tees Valley Metro** have been designed to encourage the use of more sustainable alternatives to the private car for journeys made within the Borough and the sub-region, thereby reducing the adverse impact of transport on the local environment.

### Children and Young People

39. By extending both the geographical coverage and the hours of operation of the public transport network, the **Tees Valley Bus Network Review** will maximise the educational opportunities available to young people resident within the Borough.

### Safer Communities

40. The agreed specifications for the Super Core and Core Routes designated within the **Tees Valley Bus Network Review** include the introduction of CCTV cameras at interchanges and key stops, thereby improving the personal security of those using the public transport network.

### Healthier Communities and Adults

41. By improving public transport access to hospitals and healthcare facilities, the **Tees Valley Bus Network Review** will contribute towards the health of the Borough's residents. In addition, the introduction of low floor vehicles and bus stops on designated Super Core and Core Routes will maximise the accessibility of the public transport network.

## CONSULTATION INCLUDING WARD COUNCILLORS

42. Consultation on the infrastructure improvements proposed on the Super Core and Core Routes designated within the **Tees Valley Bus Network Review** will be carried out following submission of the Major Scheme Business Case on 29 September 2006.
43. Progress on the **Tees Valley Metro, Joint Working with the Highways Agency to address Development Issues affecting the Trunk Road Network** and the **East Billingham Transport Corridor** will be the subject of future reports to Cabinet. These reports will include consideration of the consultation strategy to be adopted should the decision be taken to proceed with any or all of these initiatives.

**Rob Farnham**

**Local Transport Plan Manager**

**Telephone no: (01642) 526729**

**e-mail Address: [rob.farnham@stockton.gov.uk](mailto:rob.farnham@stockton.gov.uk)**

Background Papers

None.

Ward(s) and Ward Councillors

Not Ward specific.

Property Implications

None at this stage.