

## CABINET ITEM COVERING SHEET PROFORMA

### **AGENDA ITEM**

### **REPORT TO CABINET**

**3 SEPTEMBER 2009**

### **REPORT OF CORPORATE MANAGEMENT TEAM**

## **COUNCIL DECISION/CABINET DECISION**

**Regeneration & Transport – Lead Cabinet Member – Councillor R Cook**

### **TEES VALLEY TRANSPORT SCHEMES**

1. Summary

There are some major transport projects currently being developed in the Tees Valley, and within the Borough of Stockton-on-Tees, which will bring around £100m of investment into the sub-region. This report seeks to update Members on the progress of these projects, in particular the East Billingham Transport Corridor, the Tees Valley Bus Network Improvements and the Tees Valley Metro, ask Members to note the development of each scheme and to authorise Officers to pursue the preferred strategies for their delivery within the Borough.

2. Recommendations

It is recommended that:

1. Officers be authorised to proceed with the delivery of the East Billingham Transport Corridor scheme as detailed in this report and any amendments to the scheme as a result of the Environmental Impact Assessment be delegated to the Cabinet Member for Regeneration & Transport and the Head of Technical Services.
2. Officers be authorised to pursue the acquisition of land required for the delivery of the East Billingham Transport Corridor subject to any route realignment as a result of the Environmental Impact Assessment.
3. Officers be authorised to proceed with the delivery of the Tees Valley Bus Network Improvements as detailed in this report, in particular the Stockton Infrastructure Register (Appendix 2) and any amendments to the programme be delegated to the Cabinet Member for Regeneration & Transport and the Head of Technical Services.
4. Members note that further reports will be presented to Cabinet regarding the consultation strategies for each of the four transport projects, as those strategies are developed. This will include consultation with Ward Members, Town and Parish Councils and the general public.
5. Officers be authorised to proceed with the delivery of the Tees Valley Metro project as detailed in this report and any amendments to the programme be delegated to the Cabinet Member for Regeneration & Transport and the Head of Technical Services.

6. Members re-affirm the Council's commitment to the financial contributions to the Tees Valley Metro Phase 1 (Maximum of £800,000 – reducing depending on third party contributions) and Tees Valley Bus Network Improvements (maximum of £2,212,720 – reducing depending on third party contributions and not including £4,000,000 for land acquisition which was subject to previous Cabinet decision) as detailed within the report.
7. Members note that a successful Community Infrastructure Fund 2 (CIF2) bid has secured £3.975m of funding to implement traffic signal control on slip roads of the A19 and A66.

### 3. Reasons for the Recommendations/Decision(s)

Improvements to the public transport infrastructure are central to the delivery of key elements of the local transport plan and will make significant changes to the mode of travel available to the community.

The Tees Valley Bus Network Improvements are intended to not only halt the decline in bus patronage but to make positive changes to the way in which people travel to and from work and access services and facilities.

The Tees Valley Metro scheme will deliver improved facilities on the existing heavy rail network and pave the way for future improvements in frequency and quality. Again this will make positive changes to the way in which people travel to and from work and access services and facilities.

Central to these projects will be an improvement in the quality of the public transport services offered in the Tees Valley which will be measurable through the satisfaction level of passengers. Consultation programmes and publicity campaigns will raise the profile of public transport in the area and encourage modal shift towards more sustainable transport.

The East Billingham Transport Corridor will deliver improved access to the industrial areas to the east of Billingham and remove heavy goods vehicles (in particular tankers carrying hazardous chemicals) from residential areas.

### 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 (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same

purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;

- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must 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 (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

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**RECOMMENDATIONS**

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## **DETAIL**

### **East Billingham Transport Corridor (£5m of Regional Funding approved)**

#### Background

1. The East Billingham Transport Corridor (EBTC) was highlighted in the Council's Second Local Transport Plan (LTP2) as a major scheme to address the volume of HGV's (in particular tankers carrying hazardous chemicals) passing through residential areas of Billingham on route to the industrial areas to the east of the town.
2. The scheme was developed during 2004 when a feasibility study and an options report identified a preferred route alignment for a new road link to be constructed between A1046 Haverton Hill Road and A1185 Seal Sands Link Road.
3. This initial route alignment was assessed as part of the Regional Funding Allocation (RFA) process in 2005 but despite providing many benefits, the scheme did not emerge as a priority for funding. However, following discussions with Government Office for the North East (GONE) it was recommended that delivering the Northern section of the route would deliver the majority of objectives of the scheme and a subsequent business case was produced. The original route alignment with the Northern section highlighted is shown in **Appendix 1**.

#### Delivery and Next Steps

4. In July 2009 the RFA was re-profiled to bring forward smaller schemes that could be delivered in the short term in a bid to boost the economy. As part of this re-profiling £5m of funding was allocated to the EBTC to allow the scheme to be delivered by 2011.
5. The timescales involved in delivering this scheme will be challenging but achievable. The funding has been allocated over two financial years, £1m in 2009/10 and then a further £4m in 2010/11.
6. The majority of funding allocated for this financial year will be spent on land acquisition. The aim would be to achieve this through negotiations but, if this is unsuccessful, Compulsory Purchase Orders may be needed to achieve the objective.
7. As the proposed alignment of the EBTC is in the vicinity of the RSPB Saltholme Reserve and the medieval village of Cowpen Bewley, a full Environmental Impact Assessment (EIA) will need to be carried out to ensure the design and construction of the road has minimal adverse impact on the surroundings and that mitigation measures are in place. The EIA will also determine the route alignment and land acquisition required. This work will also be carried out during this financial year.
8. The majority of the funding allocated for 2010/11 will be spent on the construction of the scheme and other initiatives in the surrounding area such as environmental weight restrictions on residential roads.

9. The landowners affected by the proposed route will be identified and contacted again, both to remind them of the scheme and to canvass their views on the proposals. The vast majority of the land is owned by the Teesside Environmental Trust and leased to the RSPB.
10. Initial survey work will be carried out on site as part of the EIA process and will determine the scope of any future survey work.
11. A consultation strategy will be developed to engage with communities and stakeholders.
12. The scheme will be designed in detail following the EIA and consultation, incorporating any mitigation measures deemed necessary.
13. A formal planning application will then be submitted.

### **Tees Valley Bus Network Improvements**

**(£62m in value - £40.3m Regional provisional allocation to be confirmed end of 2009)**

#### Background

13. On 7 September 2006, Cabinet authorised the Tees Valley Joint Strategy Unit – acting on behalf of the Council and its partner Authorities in the sub-region – to develop and submit a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport (DfT). A further report in June 2008 updated Members on the progress of this scheme.
14. The proposed scheme focuses on a set of ‘Core’ Route Corridors identified as the top tiers of the hierarchical network structure proposed in the Tees Valley Bus Network Review, with the majority of the proposed Core Routes operating within the urban areas of the sub-region.
15. A comprehensive series of possible bus priority measures have been developed to alter the traffic balance in favour of buses on the identified Core Routes and help ensure consistent journey times for buses. The site-specific measures proposed within the Borough are listed in the Stockton Infrastructure Register, which is summarised in **Appendix 2**. Those schemes identified for implementation in 2010 are attached as **Appendix 3**, the remaining schemes coming forward in future years with completion by the end of 2012.
16. Other elements of the scheme include; improved passenger facilities on the Core Routes, an agreed level of service specification, fares & ticketing improvements and other complimentary measures such as Real Time Passenger Information.

#### Delivery and Next Steps

17. The scheme was approved entry into the DfT’s Local Authority Major Schemes Programme (Programme Entry) on the 23 June 2009. On granting this approval, the DfT set out the conditions that must be satisfied following Programme Entry and further work that would be required to gain the required Full Approval.
18. The further work required includes further modelling work on a small number of individual schemes, confirming the Stockton Infrastructure Register, obtaining contractor prices for Year 1 schemes and processing and implementing any Traffic Regulation Orders (TRO’s) required for Year 1 schemes. TRO’s will be processed by the Corporate Director of Law and Democracy and any objections submitted will be considered.
19. Once this additional work is complete, a revised Major Scheme Business Case will be submitted to the DfT in a bid to gain Full Approval. It is anticipated that this Business Case

will be signed off by the Tees Valley Bus Network Improvements Project Board at their meeting on 2 November 2009 and submitted to the DfT the following day.

20. A consultation strategy will be developed to engage with communities and stakeholders.
21. The DfT have suggested that they would require around 6 weeks to review the revised Business Case so a decision would be expected before Christmas 2009. Subject to approval being granted, works 'on the ground' should commence early in 2010, with completion of the scheme as a whole envisaged by the end of 2012 .

## **Tees Valley Metro (£35m in total Regional Funding - Approved)**

### Background

22. For some considerable time, there have been proposals to develop a rapid transit (Metro) system within the Tees Valley to support future regeneration aspirations. This project was included within the City Region Business Case as a key future year investment project and, in line with recent national policy; proposals have been developed for a high quality, fast and reliable rail-based solution to assist regeneration. Such a solution would help avoid the potential transport problems that can arise as economic activity gathers pace.
23. Feasibility work carried out to date has shown that the preferable option is to improve the existing heavy rail train service, whilst leaving open the possibility that more tram-like vehicles could be used at a much later date. The recommended option for improving heavy rail, now being examined in more detail, makes more efficient use of the current local rail network to better meet the travel needs.
24. On 30 August 2007, Cabinet agreed to support the Tees Valley Metro initiative, agree to the principle of contributions to the project, in kind or financially, from Stockton-on-Tees Borough Council subject to further consideration of scheme details and other partner contributions as they emerge through the development of the scheme and that a further report be presented to Cabinet and Council for the specific approvals of any commitments required from Borough Council funds.
25. The estimated local contribution required from each of the partner Councils is £800,000 for phase 1 and it is anticipated that this will be taken from LTP3 since the contribution is due after March 2011. This contribution will be reduced through any third party contributions received, for example, through Section 106 agreements (Allens West). Funding for the subsequent phases (2 & 3) needs to be identified through the Regional Funding Allocation, the new franchise for local train services, developer contributions, the Third Local Transport Plan (LTP3) and Network Rail investment plans and will be detailed in further Cabinet and Council reports for approval.

### Delivery and Next Steps

26. Despite the wider economic benefits, it is unlikely that the project would secure DfT funding in one package given major scheme funding criteria. It is therefore recommended that delivery be carried out in three phases to better attract funding, to fit in with the renewal of the franchise for Northern Rail train services in 2013 and to ensure realism in delivering such a big project. In addition, each component part of a phase is separately funded, again to help ease the funding process. A phased delivery plan also means that the benefits of each stage may be more easily assessed to help support the case for further funding.
27. Phase 1 of Metro (estimated cost £35m), scheduled for implementation between 2009 and 2012, was another scheme to benefit from the re-profiling of the RFA (as discussed in point 4) and funding has been granted for the following elements:

- a. New Platforms at Darlington and Middlesbrough Stations;
  - b. Relocation of Stations at Durham Tees Valley Airport and Wilton;
  - c. Station improvements at Eaglescliffe, Thornaby and Hartlepool;
  - d. A new station at James Cook University Hospital; and
  - e. Refurbished trains with higher levels of passenger quality and comfort than that currently used operating four times an hour between Darlington and Saltburn during the day.
28. A consultation strategy will be developed to engage with communities and stakeholders.
29. In terms of elements proposed within the Borough; the improvements to Eaglescliffe and Thornaby Stations are scheduled for implementation during 2010/11 and will consist of upgrades to the current station buildings at both locations, a new footbridge with DDA lifts at Eaglescliffe and a contribution to a new footbridge and DDA lifts at Thornaby.
30. As an investment project on Network Rail land; the Metro project has to be assessed through Network Rail's Guide to Railway Investment Projects (GRIP). This project management system has 8 stages with stage 6 being the construction stage. Currently, the majority of the component parts of the Metro project are at GRIP3. There is now a need to undertake a GRIP4 feasibility study at a cost of £1.25 million, to be obtained through the RFA programme, to prepare more detailed designs, confirm feasibility and refine cost estimates. The GRIP4 process would also include applications for planning permission where required and involves public consultation on the detail of station improvements.
31. It is anticipated that the GRIP4 process would take a maximum of 12 months meaning that any decision about whether to proceed further would be taken in summer 2010. In parallel to the engineering feasibility work contained in GRIP4, the Tees Valley Joint Strategy Unit (JSU) and train operator, Northern Rail, would lead on work to refine the benefits expected from phase 1 in terms of improved reliability, estimated increases in passengers and improved accessibility. Members would need to consider the results of this stage of the feasibility work at the time, so that an application can be made for funding to the Department for Transport for all of the phase 1 works except for those at Darlington Station which will be subject to a separate Major Scheme Business Case.

**Highways Agency Improvements to the A19 and A66  
(£4m Community Infrastructure funding approved)**

32. In March 2009, as part of the bidding process for the Community Infrastructure Fund 2 (CIF2) Hartlepool Borough Council was one of the successful authorities in the second round Growth Points to have projects short listed for further consideration at full business case stage. The full business cases have now been assessed by the Department for Communities and Local Government, the Department for Transport and the Homes and Communities Agency (HCA), and Ministers have announced which projects will receive an allocation for 2009/10 and 2010/11.
33. The Tees Valley A19(T) / A66(T) Network Management Strategy was one of the successful projects and has been granted £3.975m of funding. The principal aim of CIF2 is to support schemes that link the provision of transport infrastructure to housing. This project does this by identifying the strategic road interventions to bring forward housing growth sites across the Tees Valley that may otherwise have been difficult due to their potential impact on the network. The project will ensure the existing highway capacity is fully utilised and that traffic flows are not compromised by congestion and overloading due to additional trips from housing development.
34. The project specifically introduces traffic signals on five on-slip roads (a technique known as ramp metering) on the Tees Valley strategic road network at junctions on the A19(T)



between the A689 and the A174(T) and on the A66(T) between Teesside Park and the A1032. The scheme coverage is shown **Appendix 4**. The purpose of the signals will be to hold traffic on slip roads and release them in packages that are better able to join the main carriageway increasing the effectiveness of the road network and reducing congestion and accident risks.

## **FINANCIAL IMPLICATIONS**

34. Any budgets required for these projects have already been identified through current programmes such as the Local Transport Plan Capital Programme.
35. The Interim Regional Transport Board (IRTB) has submitted a funding programme (RFA) to the Department for Transport (DfT) that contains the elements of Phase 1 of the Metro project separately as well as the East Billingham Transport Corridor. This has been done to expedite the funding process since the evaluation process is simplified for schemes costing £5m or less. The DfT accepted the amended regional programme in their letter of 22nd July.
36. The latest cost estimate prepared by Network Rail for Phase 1 of Metro is £31.2m (2009 prices) which, with the addition of an allowance for project risks means that the total is £33.9m. The estimated maximum local contribution required from each of the partner Councils is £800,000 for phase 1 and it is anticipated that this will be taken from LTP3 since the contribution is due after March 2011. This contribution will be reduced through any third party contributions received, for example, through Section 106 agreements (Allens West).
37. The latest cost estimate for the East Billingham Transport Corridor is £4.379m (2008 prices). Originally it had been envisaged that the Council would need to fund 10% of this scheme, however, the funding agreed as part of the RFA process now covers the scheme cost entirely.
38. The cost of the Tees Valley Bus Network Improvements is currently estimated at £62.416m, of which the DfT will contribute £40.361m. The remainder will be local contributions from the partner Council's consisting of LTP funding and third party contributions. The majority of the local contributions are towards infrastructure schemes and are detailed in Appendix 2 for schemes specific to the Borough. The rest of the local contribution will be towards other measures and will total £340,000 per partner Council.

## **LEGAL IMPLICATIONS**

39. All the legal implications for these projects are summarised below and will be dealt with by Legal Services.
40. Land acquisition will be required for the East Billingham Transport Corridor and some individual schemes within the Tees Valley Bus Network Improvements. Compulsory Purchase Orders may also be required.
41. For the Tees Valley Bus Network Improvements, Traffic Regulation Orders associated with the individual schemes in the Stockton Infrastructure Register will be processed and implemented between 2009 and 2012. Any objections received will be considered by the Head of Technical Services in consultation with the Cabinet Member for Regeneration and Transport.

## **RISK ASSESSMENT**

42. The activities flowing from the recommendations contained within this Report are categorised as medium risk. Existing management systems and daily routine activities will be sufficient to control and reduce risk.

### East Billingham Transport Corridor

43. The Environmental Impact Assessment may reveal issues that provide a risk. Initial environmental surveys will give more clarity to this risk.

44. Planning Permission will need to be sought for this scheme and there is a risk that this will be refused. Any major objections to the scheme will also provide a risk.
45. The scheme also requires the acquisition of land and, if negotiations fail, there is the possibility of a Compulsory Purchase Order. Again, this could provide a risk to the project being delivered to time and budget.

#### Tees Valley Bus Network Improvements

46. Effective management of risk will be crucial to the successful delivery of the scheme. For this reason, the Major Scheme Business Case includes both a Strategic and a Project Risk Register, identifying all of the potential risks to delivery together with the mitigation measures necessary to address them. Risk assessments of individual schemes will be carried out as necessary.

#### Tees Valley Metro

47. In taking up the DfT's offer that under £5 million projects can be fast-tracked without the need to go through the full DfT appraisal procedures, scheme promoters accept that they will bear any overspends on these projects should they arise.
48. The GRIP Stage 4 work will give far more clarity on the costs of these elements, and the Council will have the opportunity to review its commitment to proceed with some or all elements of Metro Phase 1 if costs increase above the current budget.
49. Also, should these elements increase significantly in cost, scheme promoters need to recognise that they may need to adhere to DfT's appraisal requirements for major schemes, and hence require a full major scheme business case.

### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

The proposed schemes will contribute to the 'Ambitions for the Future' of the Sustainable Communities Strategy under the following 'Core Improvement Themes':

#### Economic Regeneration and Transport

*Ambition: Improved transport networks* – all of the schemes in this report will improve the transport networks within the Borough by improving local bus services and accessibility, helping to reduce congestion, promoting modal shift to public transport and increasing linkages to the rest of the Tees Valley and beyond.

#### Healthier Communities and Adults

*Ambition: Improved access to health services* – The Tees Valley Bus Network Improvements and the Tees Valley Metro will both help to improve access to healthcare facilities by enhancing the public transport network in the Borough.

The proposed schemes will also contribute to the 'Ambitions for the Future' of the Sustainable Communities Strategy under the following 'Supporting Themes':

#### Older Adults

*Ambition: Real choice, control and equal access to facilities and services* - The Tees Valley Bus Network Improvements and the Tees Valley Metro will both help to improve access to key services for older people and help to overcome some barriers they may currently experience.

### **EQUALITIES IMPACT ASSESSMENT**

This report is not subject to an Equality Impact Assessment because it does not involve a new policy, strategy or change in the delivery of a service.

## CONSULTATION INCLUDING WARD/COUNCILLORS

As stated earlier within this Report, it is intended to undertake publicity campaigns for all of the schemes discussed in this report. There will also be detailed consultations carried out with the following:

- a. All wards and Ward Councillors.
- b. Area Transport Strategy Steering Groups.
- c. Local Residents.
- d. Landowners.

The overriding priority to emerge from the consultation carried out during preparation of the Second Stockton-on-Tees Local Transport Plan, which covers the five-year period from 2006 to 2011, was the need to improve both the quality and coverage of the bus network within the Borough. Regular updates on the scheme have been given to the four Area Transport Strategy Steering Groups, whilst presentations have also been made to the Economic Regeneration & Transport and Environment Thematic Partnerships and the four Area Partnership Boards of Stockton Renaissance. The Major Scheme Business Case was also covered in some detail at the Tees Valley Bus Users' Forum and the Stockton-on-Tees Bus Users Forum.

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### Background Papers

Appendices.

Report to Cabinet, 7 September 2006 (Minute No. 521 refers) - TV Bus Network Improvements

Report to Cabinet, 30 August 2007 – TV Metro

Report to Cabinet, 19 June 2008 – TV Bus Network Improvements

Ward(s) and Ward Councillors: All

### Property

#### East Billingham Transport Corridor

Land acquisition will be required for this scheme but the scope of this is yet to be determined. All land acquired will be included in the Property Register.

#### Tees Valley Bus Network Improvements

All of the proposed schemes in the Stockton Infrastructure Register can be accommodated within the existing highway boundary, with the exception of Scheme Ref. S10 (Southern Gateway). The land assembly associated with this scheme was considered by Cabinet on 20 December 2007 (Minute No. CAB 112/07 refers).

#### Tees Valley Metro

The proposed scheme can be accommodated within the existing highway boundary.