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**SECOND DARLINGTON LOCAL TRANSPORT PLAN, 2006 TO 2011:  
TEES VALLEY INITIATIVES**

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**Responsible Cabinet Member - Councillor Nick Wallis, Highways and Transport Portfolio**

**Responsible Director - John Buxton, Director of Development and Environment**

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**Purpose of Report**

1. This Report seeks approval for the submission of a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport (DfT) and the Government Office for the North East (GO-NE), 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.

**Information and Analysis**

**Background**

2. The Second Darlington Local Transport Plan was submitted to the Department for Transport and the Government Office for the North East in March 2006, following Council approval. The Plan included a position statement covering a potential Major Scheme, the Tees Valley Bus Network Review
3. Since the submission of the Second Local Transport 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.
4. Each of these initiatives is discussed in more detail below.

**The Tees Valley Bus Network Review**

5. The Tees Valley bus network is in long-term decline. Passenger numbers, whilst still high (at over 40 million per annum), have been haemorrhaging and operating costs are increasing at approximately three times the rate of inflation, sometimes exacerbated by traffic congestion and limited, often poorly enforced, priority measures. This has translated into unreliable operation and regular fare increases, resulting in further patronage decline. The consequence is an unstable, shrinking network with an increasing requirement for subsidy.

6. Government policy places the bus at the forefront of local public transport provision, with demanding targets for growth, and this is reflected in the recent Second Local Transport Plan (LTP) submissions across the Tees Valley and the emerging Regional Spatial Strategy (RSS). Although there are long-term proposals to develop a Tees Valley Metro, the bus will remain the predominant public transport mode within the sub-region. Without an effective bus network offering a viable and attractive alternative to the private car, the regeneration of the Tees Valley may be constrained by congestion.
7. In view of this, the Tees Valley Joint Strategy Unit (TVJSU), acting on behalf of the five Local Authorities and with the cooperation of the bus operators, commissioned specialist public transport consultants the TAS Partnership to determine the network best suited to reversing the long-term patronage decline and enabling future enhancement measures to be coordinated and targeted to maximise their impact.
8. The Review 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) A network designed to maximise bus patronage whilst maintaining accessibility and social inclusion, with a cost neutral base option and costed, prioritised incremental improvements;
  - (b) Infrastructure and bus priority improvements;
  - (c) Priority routes for low floor buses;
  - (d) Improved and simplified fare and ticketing arrangements; and
  - (e) Other marketing and information initiatives.
9. 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.
10. 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.
11. 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, and so the greatest potential to help tackle congestion. 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 rest of the 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.

12. 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.
13. 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.
14. 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. If this submission is successful, the scheme would achieve 'programme entry' status, allowing more detailed proposals to be worked up into a full application for 'conditional approval'.

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

15. 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***

16. 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.
17. The preferred option for the Metro would deliver:
  - (a) 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;
  - (b) 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);
  - (c) Five new stations along the route, serving key employment sites, major regeneration areas, East Darlington, Durham Tees Valley Airport and, possibly, the James Cook University Hospital; and

- (d) Supporting heavy rail service enhancements and high frequency bus services linking into the new system, providing an enhanced frequency of connection to Hartlepool.

18. The key benefits of the proposals are:

- (a) Higher quality, more frequent sub-regional rail services;
- (b) Enhanced capacity on the East Coast Main Line and TransPennine rail routes;
- (c) Opportunities for additional passenger and freight train services, particularly Teesport and the Northern Gateway;
- (d) Lower long term subsidy requirement, providing better value for money; and
- (e) Supporting economic regeneration and delivering a significant uplift in GVA (Gross Value Added – a key measure of local productivity).

19. 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.

20. 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***

21. 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.

22. 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**

23. 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 options for overcoming existing and future transport problems in order to realise wider

benefits of economic regeneration and improvements in quality of life. The study would help in researching the implications of options for tackling congestion and facilitating economic growth. No direct funding is required from the Council for this study, funding being provided through TVJSU and other partners.

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

24. 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.
25. 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.

### **Outcome of Consultation**

26. Consultation with bus operators has indicated support for the Tees Valley Bus Network Review. Consultation with others affected would take place as specific proposals were developed.

### **Financial Implications**

27. 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.
28. 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. Should the Business Case be accepted, the scheme would then be worked up in more detail and the financial implications for individual local authorities considered. A further submission for scheme approval would then need to be made and this would be brought to Cabinet for consideration at that stage.
29. 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 Implications**

30. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

31. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect. Consideration would be given to crime and disorder matters in the design of specific proposals.

## **Council Policy Framework**

32. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

33. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

## **Recommendation**

34. It is recommended that :-
- (a) 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.
  - (b) 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.

## **Reasons**

35. The recommendations are supported by the following reasons :-
- (a) The Bus Network Review addresses fundamental issues with regard to bus service provision in Darlington and, if successful, would provide substantial funding to improve accessibility and help tackle traffic congestion, in line with the objectives of the Second Darlington Local Transport Plan.
  - (b) Continuing work on other Tees Valley initiatives address key transport and economic objectives in the Second Local Transport Plan.

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**Background Papers**

Report to Tees Valley Joint Strategy Committee, August 2006, Tees Valley Bus Network Review.

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