



Heads of Terms Agreement – Tees Valley Quality Partnership Scheme

Introduction

Central to transport in the Tees Valley is the bus network, which despite declining patronage remains the most important public transport mode in the City Region, in terms of number of passengers carried and kilometres covered.

Buses are key to providing accessibility to the main centres and increasingly for ensuring sustainable access to regeneration areas and new developments. However, with increasing car ownership (from a base well below the national average) there is pressure on maintaining the current levels of accessibility in the face of an increasing funding gap between network operating costs and passenger revenue and the real threat that increasing congestion will mean longer journey times and more unreliability for bus services than at present.

If the increasingly negative image of the bus network within the Tees Valley continues, it will be much harder for Members, Officer and the bus operators to promote buses as a viable alternative to the private car. Reversing the negative image and the patronage decline requires a concerted and co-ordinated effort by all Partners to help develop a transport network that is 'fit for purpose' for an economically regenerated and successful City Region.

The Partners

The key partners involved in delivering a better and more sustainable bus service for the Tees Valley are:

- Transport for Tees Valley;
- Darlington Borough Council;
- Hartlepool Borough Council;
- Middlesbrough Council;
- Redcar & Cleveland Borough Council;
- Stockton-on-Tees Borough Council;
- Tees Valley Joint Strategy Unit (JSU);
- Arriva North East;

- Stagecoach North East; and
- Leven Valley Coaches.

The Partners recognise the importance of the Department for Transport (DfT) and Government Office for the North East (GONE) as facilitators of much of the funding for bus services and will work and involve these organisations in the achievement of the objectives of the partnership.

Due to current bus service operations, the Partners will also work with colleagues in County Durham and North Yorkshire to ensure that benefits will accrue along the length of every bus route.

Partnership Area

To ensure that future interventions seek to provide benefits over the whole of the Tees Valley City Region network, all bus services within the City Region are included within this Agreement, even those that cross current administrative boundaries. However, the characteristics of these bus services differ across the network, and so through a review of the operation of the Tees Valley bus network undertaken in 2004, together with subsequent work on service patterns and sustainable networks, a hierarchy of bus services has been derived as follows:

- **Core Commercial Network** – this was defined in the Bus Network Review, and recent network changes have been focused on creating these as sustainable commercial networks; barring natural evolution as markets expand and change, these now form a solid and stable platform on which to build patronage growth.
- **Secondary Commercial Network** – these services augment the Core Commercial routes, and are likely to remain relatively stable, although natural evolution will occur as new markets are opened up in line with the regeneration proposals.
- **Tertiary and Rural Networks** – these are often services that have been showing passenger decline over a number of years and are not necessarily sustainable, sometimes failing to cover the direct operating costs associated with them; it is necessary to consider new and innovative ways of serving the demand that is currently satisfied by these services, together with any further demand in the future.

Partnership Objectives

As included within the Partnership Protocol agreed in May 2007, the overall objective is to:

“Develop a better and more sustainable bus service for the people of the Tees Valley”

This should help support the objectives of the City Region Transport Strategy and help deliver the targets set on patronage growth and reduction in private car use within the Local Authorities' Second Local Transport Plans (LTPs).

The specific outputs to be pursued to provide the outcome of a viable alternative to private car use include:

- Reduced journey times for buses, demonstrating measurable and passenger perceivable improvements against current timetables and a positive comparison with the equivalent car journey;
- Improved reliability, punctuality and information to inspire confidence in the service amongst the travelling public, both present and future;
- Maintenance of a stable network of services to further underpin passenger confidence;
- Commitment to sustained investment across the public and private sectors providing high quality vehicles and infrastructure across the City Region; and
- Establishment of a dedicated set of indicators and targets by which the performance of all parties will be measured, together with an agreed penalty regime applicable to all parties to ensure delivery of those targets.

Implementation

Implementation of this Agreement will be taken forward through the following channels:

- A major scheme bid for the Core Commercial network that will be supported by an appropriate binding agreement, such as a Statutory Quality Partnership (SQP) agreement – this bid will include specified improvements across the various corridors and an outline investment plan for additional vehicle investment and new standards of customer service;
- Ongoing work to address identified problems on the Secondary Commercial network, supported by the roll out of ticketing, information and marketing initiatives developed through the major scheme bid, fleet renewals to provide an increase in vehicle quality and the provision of new services to serve new markets as regeneration gathers pace; and
- A review of the operation of the Tertiary and Rural networks to establish the most cost effective way of serving and developing these important markets.

In particular, the Partners will agree a programme of works on a corridor-by-corridor basis across the Partnership Area to be implemented over the lifetime of the Agreement.

The Partnership will be deemed to be in existence at the moment of signing, but it is recognised that it will take a number of years to bring the full benefits to all geographical areas.

Partner Responsibilities

Each of the Partners has a key set of responsibilities, as described below.

- Transport for Tees Valley
 - Provide strategic leadership in the delivery of a transport network that is 'fit for purpose' across the City Region; and
 - Ensure that transport schemes within the overall City Region Investment Plan are brought forward and delivered on time and to budget.
- Local Authorities
 - Commitment to, and introduction of, a series of bus priority measures along the key corridors;
 - Enforcement of the above measures and the decriminalised parking regime within each Authority;
 - Implementation of the policies set out in the Second LTPs to better manage and reduce the levels of private car traffic in the urban centres and on approach corridors;
 - Substantive upgrade of all bus stop facilities;
 - Development and maintenance of all aspects of bus station facilities through the City Region;
 - Facilitating reduced journey times and improved punctuality and reliability on individual corridors; and
 - Recognition of, and commitment to, the role of public transport in the economy of the City Region, and the need to develop quality of access to facilities within the urban centres.
- Tees Valley JSU
 - Co-ordinate and manage the partnership;
 - Prepare required business cases and funding plans to draw possible funds into the City Region; and

- Take a lead in developing complementary measures that can be rolled out across the network, such as information, branding, marketing and ticketing initiatives.
- Bus Operators
 - Provision of a network for the top two categories of the above hierarchy to minimum frequency levels on individual services;
 - Limit service changes for the top two tiers of the hierarchy to no more than two times per year, barring a clearly defined set of exceptional circumstances;
 - Use of high quality, easy access vehicles that contribute to emerging DfT emissions targets;
 - Introduction of technology to allow buses to be included in the real time information system and to take advantage of selective vehicle detection;
 - Achieving reduced journey times and improved punctuality and reliability on individual corridors;
 - Target levels of performance through benchmarking;
 - Agreement and commitment to the achievement of modal shift targets arising from increased passenger growth;
 - Commitment to fares increases being linked to an agreed mechanism;
 - Commitment to the application of the standards for vehicle cleanliness, information, staff training and customer service agreed by the Partners to any secured service let within the Partnership Area;
 - Work with the Authorities to develop new technologies for ticketing to reduce dwell times at stops;
 - Work with the Authorities to develop a more sustainable network for the third tier of the hierarchy through an innovative means of service delivery; and
 - Provision of financial/performance monitoring information in accord with the agreed reporting framework.

Monitoring

In order to provide an effective mechanism for monitoring the performance of the Agreement, a series of outputs and outcomes will be developed to measure delivery in the following areas:

- Overall partnership objective;

- Quantified targets in terms of patronage growth and reliability;
- Quantified targets in terms of journey time reductions on individual corridors;
- Quantified targets in terms of reducing existing delays on individual corridors;
- Quantified targets in terms of bus user satisfaction; and
- Contribution to the delivery of other targets included within the Second LTPs.

The partnership will be overseen by a Stakeholder Board that will review performance, determine any penalties where necessary and ensure that all parties are working towards future delivery targets.

Penalties

All parties agree that, in order to maintain momentum and encourage commitment and delivery, failure to meet objectives by any or all of the Partners will be subject to the imposition of a penalty regime.

Imposition of any aspect of the penalty regime will be to achieve the following:

- Refocus the Partners on the required outputs;
- Ensure delivery of the required standards on the ground; and
- Manifest itself in the form of additional benefits to customers.

Caveats

This Agreement is founded on an assessment of the current circumstances and an agreed belief between the Partners that through joint working in an open fashion, substantial benefits can accrue to all current and future bus users across the Tees Valley.

In particular, achievement of the Partnership Objectives is subject to:

- Receiving all necessary funding approvals;
- Emerging legislation (particularly the forthcoming Local Transport Bill);
- Third party land acquisition;
- Securing all necessary legal and planning approvals;
- Competition issues;
- Ongoing application of the Bus Service Operators Grant; and
- An agreed concessionary fares settlement

It is also recognised that the impact of the Tees Valley Metro proposal will be significant in terms of the future operation of the bus network in the Tees Valley, hence, should this scheme, or a similar project, be implemented during the lifetime of this Agreement, the terms and conditions will be subject to renegotiation.

Signed

	Darlington Borough Council
	Hartlepool Borough Council
	Middlesbrough Council
	Redcar & Cleveland Borough Council
	Stockton-on-Tees Borough Council
	Arriva North East
	Stagecoach North East
	Leven Valley Coaches
	Transport for Tees Valley
	Tees Valley Joint Strategy Unit

Date