
TEES VALLEY BUS NETWORK IMPROVEMENT

Responsible Cabinet Member - Councillor David Lyonette, Transport Portfolio
Responsible Director – Richard Alty, Assistant Chief Executive (Regeneration)

Purpose of Report

1. To update members on the Tees Valley Bus Network Improvement major scheme bid and seek approval for submission of a bid for funding from the Department for Transport.

Information and Analysis

Context

2. During the preparation of the Second Local Transport Plan (2LTP) in 2005 and the early part of 2006 Darlington Borough Council, working in partnership with the four other Tees Valley Authorities, agreed a common position that set out the sub-regional context for the work of each Plan until 2011. This position was based on the transport aspects of Accessibility Planning - removing the barriers to people having work, health care, leisure and other opportunities underpins the reasoning behind proposals designed to transform the economic performance of the Tees Valley sub-region sustainably. One such proposal was the need to improve sub-regional links by bus.
3. Buses are key to providing accessibility to the main centres. They are also increasingly vital in 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.
4. Making such improvements to local bus services forms part of a wider set of proposals, including making the most of the sub-regional trunk road network and introducing Metro style operation on the Darlington to Saltburn railway line. Together, all these proposals are now being branded as Tees Valley Connect.
5. Realisation of the project would result in a hierarchy of bus services, from fast, frequent, high quality urban routes, operated commercially by local bus operators to tertiary routes operated as supported bus services where patronage does not justify commercial operation. In Darlington the schemes will also contribute substantial improvements to general traffic flow.

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6. At a meeting of Cabinet on 5 June 2007, Members agreed to support the principle of the physical infrastructure proposed in Darlington contained in the outline business case to the Department for Transport (DfT). These actions included making major improvements to key junctions such as that between North Road and Whessoe Road with the aim of making this traffic signal controlled junction operate more efficiently, thus reducing delay for local bus services and general traffic.
7. Since June 2007, further work has been undertaken by the Tees Valley Joint Strategy Unit (TVJSU) in consultation with Council officers and bus operators in refining cost estimate, developing proposals for supporting measures such as standards of punctuality and preparing a governance proposal for delivery of the project. In the course of this work, it has become apparent that the budgeted scheme costs need to be reduced if the project is to remain good value for money, and thus be favourably received by Government. There is also more detail on the supporting measures that members need to be aware of and make decisions upon.
8. The continuing development of the scheme has shown that a new approach whereby corridors are improved and combined service frequencies increased (eg along North Road from the town centre to Harrowgate Hill) realises much of the benefit at a lower cost, than the previous approach based on individual routes. This is because service frequency can be combined along common sections of route to provide many users with a better service.
9. In addition to the work above, Arriva North East have purchased the business of Stagecoach in Darlington since the date of the previous report. Arriva is working with the Council in preparing a new bus network for the town for introduction this year. Whilst details have yet to be finalised, it is currently anticipated that the infrastructure schemes detailed in this report will still be relevant. Further amendments to the schedule of schemes will be recommended to Cabinet should this prove not to be the case.
10. If agreed by the DfT (submission in February 2008 should mean that approval would be made by late spring), the bid proposals would see up to £7.452m being made available by the DfT for improvements within Darlington between 2008 and 2011.

Amendments to physical infrastructure

11. At the Cabinet meeting in June, Members agreed to a list of physical schemes. This list was based on an initial analysis of the most effective methods of reducing journey times for bus users and increasing travel time reliability. In Darlington, these benefits also accrue to general traffic in many instances since many roads have insufficient roadspace for bus lanes without widespread road widening. The most obvious example of this is the proposed improvement of the junction between North Road, Whessoe Road and Cleveland Street, which will improve general traffic along North Road.
12. Subsequent analysis of bus journey times by the TVJSU has shown the importance of incremental savings along the course of a bus route. Whilst each saving may not amount to much, the net effect overall is essential to the justification of investment by each bus operator on a route, since it minimises the investment required for the level of service desired so increasing the commercial case for a better service to the user. As an example, over 6 minutes per average hour could be saved on a return journey on service 23 from Whinfield to Skerne Park. This saving matters, since it could reduce the number of buses

required to achieve a given frequency of service. The cost of each vehicle required to meet the desired frequency is approximately £80,000 per annum and this cost has to be recovered from fares to justify the investment. The time savings generated by the improvements, mean that additional frequency can be added to this (and other services) without requiring more vehicles. Currently, the round trip from Whinfield to Skerne Park takes up to 1 hour and 25 minutes, so the expected time saving is approximately equal to an additional journey per hour using the same number of buses as now. The priority list of schemes has been revised in the light of this kind of detailed analysis.

13. In developing the detail of each scheme to a level acceptable for a bid to DfT for funding, it became apparent that scheme costs were far in excess of the provisional £35.5m Regional Funding Allocation (RFA) granted by the Interim Regional Transport Board. At that time, costs were in the order of £52m across the sub-region. At a meeting in December, a revised schedule of schemes was proposed resulting in a new total of £45.5m. Whilst this total is still in excess of the RFA, the TVJSU are of the view that a total of around £40m will still be favourably received by Government, since the cost is below the percentage increase that requires the submission of a new assessment before funding decisions may be made. It is important that a funding application is made as soon as is possible, since the provisional RFA may not be available in later years, due to increased competition from other schemes in the region. The benefit cost ratio is currently 2.2:1 and it would still be acceptable for a £40m total bid.
14. Further discussions with Arriva have resulted in them asking for further time savings along North Road to achieve a 3.5 minute saving in each average hour for service 23 (the saving would also benefit other services). The provision of further bus priority measures on North Road is not currently within the major scheme bid, since any time savings were going to be achieved through the improvement of the North Road/Whessoe Road junction, and is therefore not considered by this report. It is suggested that consideration is given to Arriva's request, with any other improvements for general traffic on North Road, as part of the forthcoming decision on the Second Local Transport Plan programme for 2008/11 in March. Arriva have also requested the provision of an enhanced scheme (no D2) to widen and reduce the vertical level changes in the Church Row/Market Place area. This is because low floor buses ground on the road surface, despite travelling at low speed. Arriva are unwilling to convert service 23 to low floor operation for this reason, until scheme D2 and schemes D31/33 (replacement of road humps on Clifton Road and Skerne Park) have been implemented.
15. It will be necessary to review the list of schemes in the sub-region again prior to the submission of the bid, since a sum of around £5m may have to be further removed from the funding request, either by deletion of schemes throughout the sub-region, or by reductions to the extent of schemes to reduce their budget cost. Members' are thus asked to approve the list of schemes (**Appendix 1**) in priority order of their contribution to time savings, and delegate the finalisation of the bid documents to the Assistant Chief Executive (Regeneration) in consultation with the Cabinet Member with the Transport Portfolio. This approach is considered necessary to meet the timescale for securing the provisional RFA (see above). In addition, the TVJSU propose developing the detail of the supporting measures (see below) in parallel with the bid submission, and these matters would be referred back to Cabinet for approval.

Possible supporting measures

16. The DfT have made it clear that they expect all partners in receipt of funding to maximise the benefits obtained through formal commitments over scheme delivery, maintenance, enforcement and operation of bus services. It is currently proposed that these commitments would be expressed via a Statutory Quality Bus Partnership containing a set of commitments, a penalty regime for failing to deliver and a monitoring process. The TVJSU have prepared a heads of terms agreement which is to be submitted with the bid (**Appendix 2**) and explanatory text (**Appendix 3**).
17. Whilst the detail of the supporting measures has still be proposed and approved by Cabinet; Members' attention is drawn to example initial proposals (contained in the Business Case documentation) that a) the Council provides limited financial support where required for the operation of commercial routes at increased service frequencies and b) that there is a penalty regime operated by the Project Board for failure to achieve outputs. If approved, these proposals would have an implication for the supported bus service budget and Civil Parking Enforcement. These are matters of detail that will need to be explored in more depth over the next few months, before Members consider them as part of the proposed Statutory Bus Quality Partnership.

Costs

18. In approving the list of schemes shown in **Appendix 1**, the Council would be applying for funding of £7.452m from the Department of Transport. It would also be offering to use already secured developer contributions and funding from the Second Local Transport Plan (LTP) for existing proposals (some still to be approved), to provide a local contribution of £1.028m (12% of total). In terms of design costs, the Council has already committed the sum of £100,820 from its own LTP resources and would need to commit further funds to progress schemes to implementation. The Council can apply for reimbursement of 50% of eligible preparatory costs under the major scheme bid process.
19. Further costs associated with the possible supporting measures will be identified within subsequent reports dealing with these proposals.

Risks to Delivery

20. As with any project of this cost and number of participating organisations, there are risks that could stop the full achievement of some of the objectives unless carefully managed. Major risks previously highlighted for Members' attention (Report 5 June 2007) are:-
 - (a) Failure to receive all or part of DfT funding.
 - (b) Failure to deliver local funding or schemes.
 - (c) Disagreement over sub-regional priorities.
21. The relevant paragraphs from this previous report are attached in **Appendix 4** for Members' information. The proposed heads of terms agreement for a Statutory Bus Quality Partnership (see discussion above) is part of the process for dealing with this risk. If approved, it would bind all signatories into delivering agreed actions three months after

completion of improvements to an individual corridor.

22. The bid contains its own risk strategy which will be audited by consultants working for the DfT.

Legal Implications

23. 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

24. 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.

Council Policy Framework

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

Decision Deadline

26. For the purpose of the 'call-in' procedure, this does represent an urgent matter for the reasons contained in the report concerning timescale.

Key Decisions

27. This report is a key decision, since Tees Valley Connect schemes will be significant in terms of their effects on communities living or working in all wards in the Borough, as both residents and other people respond to the changes in local bus services.

Recommendation

28. It is recommended that Members approve:
 - (a) The list of infrastructure schemes as shown in **Appendix 1**, in priority order of time saving benefits, for inclusion in the bid submission to the Department of Transport.
 - (b) That Assistant Chief Executive (Regeneration), in consultation with the Cabinet Member with responsibility for Transport be authorised to make final adjustments to the infrastructure schemes submitted in the bid.

Reasons

29. The recommendations are supported by the following reason :

- (a) To permit the submission of the full business case for the Tees Valley Bus Network Improvement major scheme in February 2007.
- (b) To permit final adjustments to the submission, so that the total cost of the bid remains within the financial limits set out in funding guidance.

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Background Papers

Tees Valley Bus Network Improvements Business Case (volumes 1 to 5), TVJSU 2008

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