

TRANSPORT FOR TEES VALLEY

**Meeting to be held at Castlegate Quay, Moat Street, Stockton, TS18 3AZ
at 2.00pm on Tuesday 21 July 2009**

INVITEES

Councillor Peter Jackson	Hartlepool BC	Chair
Councillor David Lyonette	Darlington BC	
Councillor Charles Rooney	Middlesbrough BC	
Councillor David Budd	Middlesbrough BC	
Councillor Mary Lanigan	Redcar & Cleveland BC	
Councillor Bob Cook	Stockton on Tees BC	
Richard Alty	Darlington BC	
Dave Stubbs	Hartlepool BC	
Brian Glover	Middlesbrough BC	
Simon Dale	Redcar & Cleveland BC	
Mike Robinson	Stockton on Tees BC	
Richard Buckley	Tees Valley Regeneration	
Vanessa Gilbert	Highways Agency	
Nigel Cay	Network Rail	
Martyn Pellew	PD Ports	
Richard Whitehouse	Durham Tees Valley Airport	
Simon Dove	One NorthEast	
Mark Wilson	One NorthEast	
Penny Marshall	Government Office North East	
Andrew Johnson	Government Office North East	
David Marshall	Association of North East Councils	
Jonathan May	Arriva North East	
Robin Knight	Stagecoach North East	
Matt Beaton	Northern Rail	
Ross Smith	North East Chamber of Commerce	
Liz Mayes	CBI	
Adrian White	Durham County Council	
Barrie Mason	North Yorkshire County Council	
Stephan Macfarlane	DfT	

John Lowther
Jonathan Spruce

Tees Valley Joint Strategy Unit
Tees Valley Joint Strategy Unit

OBSERVERS

Sarah Johnson

Stockton on Tees BC

PRESENTERS

Tom Bridges
Steve Payne

Arup
Tees Valley Joint Strategy Unit

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|---|---|---------------------------|-----------------------------|
| 1 | APOLOGIES | | |
| 2 | CONFLICTS OF INTEREST | | |
| 3 | NOTES OF MEETING ON 28 APRIL 2009 | Attached | |
| 4 | MATTERS ARISING | | |
| | • Regional Funding Advice Round 2 | Attached | Jonathan Spruce |
| | • Strategic Rail Partnership | Verbal | |
| | • Community Infrastructure Fund | verbal | |
| | <i>ITEMS FOR INFORMATION</i> | | |
| 5 | TEES VALLEY BUS NETWORK IMPROVEMENTS | Attached | Jonathan Spruce |
| 6 | DURHAM TEES VALLEY AIRPORT | Attached | John Lowther |
| | <i>ITEMS FOR PRESENTATION</i> | | |
| 7 | DELIVERING A SUSTAINABLE TRANSPORT SYSTEM | Attached/
Presentation | Mark Wilson/
Tom Bridges |
| 8 | LOCAL TRANSPORT PLAN 3 | Attached/
Presentation | Steve Payne |
| 9 | ANY OTHER BUSINESS | | |

10 DATE OF NEXT MEETING(S)

- Tuesday 20 October 2009
- Tuesday 26 January 2010
- Tuesday 27 April 2010

Meetings to be held at 2pm – venue to be confirmed

TRANSPORT FOR TEES VALLEY

**Castlegate Quay, Moat Street, Stockton on Tees at
2.00pm on Tuesday, 28th April 2009**

ATTENDEES

Councillor David Lyonette	Darlington BC	Chair
Councillor Charles Rooney	Middlesbrough BC	
Mike Robinson	Stockton on Tees BC	
Simon Dale	Redcar and Cleveland BC	
John Anderson	Darlington BC	
Dave Stubbs	Hartlepool BC	
Nigel Cay	Network Rail	
Robin Knight	Stagecoach North East	
Barrie Mason	North Yorkshire County Council	
Penny Marshall	Government Office North East	
Andrew Johnson	Government Office North East	
Brian Glover	Middlesbrough BC	
Harris Harvey	Durham County Council	
Neal McCay	Durham County Council	
John Lowther	Tees Valley Joint Strategy Unit	
Jonathan Spruce	Tees Valley Joint Strategy Unit	

APOLOGIES

Councillor Bob Cook	Stockton on Tees BC
Councillor Mary Lanigan	Redcar and Cleveland BC
Councillor Peter Jackson	Hartlepool BC
Councillor David Budd	Middlesbrough BC
Vanessa Gilbert	Highways Agency
Martyn Pellew	PD Ports
Richard Whitehouse	Durham Tees Valley Airport
Simon Dove	One NorthEast

1 CHAIR'S WELCOME

The Chairman (DL) welcomed attendees to the meeting.

2 NOTES OF THE MEETING ON 20th January 2009

The minutes of the meeting held on 20th January 2009 were agreed as a true record.

3 CONFLICTS OF INTEREST

There were no conflicts of interest.

4 MATTERS ARISING

Connect Tees Valley – A New Information Portal

JS updated Members with regard the Connect Tees Valley – A New Information Portal. The Connect Tees Valley Information Portal went live on 23rd March 2009. The second stage was now being discussed that would include Blackberry, mobile phones and cross boundary facilities.

5 PROJECT EXCEPTION REPORT

Members were presented with a report that updated Members on progress towards the three main transport projects within the City Region Business Case and MAA. It specifically focused on reporting exceptions to the project programme and their overall impact.

With regard the Tees Valley Bus Network Improvements no further correspondence had been received from the Department for Transport (DfT) on the disappointing response provided by DfT Officials indicating any decision would be delayed until the end of May 2009.

JS detailed some of the further questions that had been received from the DfT. Members felt that if the scheme was not presented to the DfT Investment Committee on 20th May 2009 then a letter should be sent from TVU outlining the frustration that the scheme had not been progressed. **AJ** volunteered to speak to Bob Collins at the DfT to try and clarify the situation.

The Tees Valley Metro project had reached an important stage in its development. At the Tees Valley Metro Project Board on

27 March 2009, it was agreed that the draft Business Case would be completed by Easter for the purposes of undertaking a public consultation exercise in the coming months, and for opening negotiations with the DfT, the starting point for which was the visit of Lord Adonis, the Parliamentary Under-Secretary of State on Friday 17th April. At the visit Lord Adonis requested that the JSU send him a letter outlining the issues of the Tees Valley Metro project and that Officers from the JSU meet with him in London.

It was reported that there was progress being made towards a regional smart card scheme. Nexus were leading on the scheme and the JSU were preparing using elements of the bus network major scheme to secure funding for the Tees Valley's contribution to the scheme. The Tees Valley authorities were being asked for an 'in principle' commitment to support the scheme at this stage.

Work on the A66/A19/A174 Area Action Plan (AAP) had concentrated on agreeing development build-out profile that reflected the current credit crunch and likely recession, with more detailed testing of the preliminary schemes within the AAP, using micro-simulation models, to proceed once an updated development schedule had been agreed. Work had also progressed on an innovative funding mechanism for the AAP. **JS** reported that with regard the ramp metering scheme the JSU now had 6 weeks to prepare a business case.

RESOLVED that:

1. The update be noted.
2. If the Tees Valley Network Improvements scheme is not presented to the DfT Investment Committee on 20th May 2009 then a letter should be sent from TVU outlining their frustration that the scheme had not been progressed.

6 REGIONAL FUNDING ADVICE (RFA) ROUND 2

The final advice and guidance had been received on 28th February 2009. It was reported that part of the advice was non compliant in certain aspects and it would have to be reprofiled, focusing on the four large A19 schemes. An Officer working group had been established to look at the re-profiling. It was reported that 6 regional priorities for RFA Round 2 had also been confirmed if funding becomes available. **AJ** reported that he would circulate information from the RFA Board. **AJ** also reported the programme did not include £33 million that could

still be allocated to the two Tees Valley schemes.

RESOLVED that the update be noted.

**7 RECENT GOVERNMENT CONSULTATION:-
DELIVERING A SUSTAINABLE TRANSPORT SYSTEM
LOCAL TRANSPORT PLAN (LTP) 3**

JS reported that Government were seeking to set priorities 2014 – 2019. An outline work programme would have to be submitted by the end of June 2009 on behalf of the Region, and the Tees Valley was represented on the Sounding Board for this work. The LTP 3 guidance was very non prescriptive.

RESOLVED that the update be noted.

8 CITY REGION FORERUNNER SUBMISSION

It was reported that Government had wrote to all upper tier Chief Executives in England on 22 December 2008 inviting them to submit proposals to become a City Region Forerunner, as announced in the Pre-Budget Report in November 2008.

Tees Valley Unlimited (TVU) submitted to Government an Expression of Interest in becoming one of a City Region Forerunner to build on the Multi Area Agreement and officers from TVU attended a workshop with Government on 10th February. The feedback received was very positive and encouraged TVU to develop all the proposals. It was stated that whilst some issues, such as the long term funding commitment, were very difficult, particularly in the current economic climate. Government officials gave a very strong steer that TVU needed to provide strong evidence of the impact of the proposals and that Government was very keen to see proposals that could have an impact on business and skills. The pilot potentially offered the opportunity to substantially reduce bureaucracies and create efficiency savings through simplified processes and local decision making. This would enable economic development, regeneration, housing and transport schemes to be delivered more effectively.

JL outlined that the Tees Valley bid had not been successful. Members believed that the Tees Valley bid could have

delivered the greatest economic impact and that the decision should be challenged as the Tees Valley had been given a clear indication that the Tees Valley bid would be successful. Members felt that the TVU should continue the good work it had already started and not be disheartened.

RESOLVED that the report be noted.

9 A STRATEGIC RAIL PARTNERSHIP FOR THE TEES VALLEY

Members were presented with a report that outlined that in November 2008, the Joint Strategy Unit and Northern Rail jointly commissioned a scoping study into the potential for a rail partnership to cover the Tees Valley. The study considered the question of whether there was an appetite for a Strategic Rail Partnership in the Tees Valley.

The work that had been done to date included:-

* Interviews with stakeholders held in November/ December 2008;

* Workshop held in January 2009 to present initial findings and seek views on scope and benefits of a new partnership;

* Preparation of a draft scoping study report and a draft three year action plan.

Attached to the report extract was a summary of the scoping study report and includes a summary of the draft action plan.

RESOLVED that the report be noted.

11 ANY OTHER BUSINESS

Heathrow Flights

JL reported that BMI had withdrawn their Heathrow flights from Durham Tees Valley Airport. BMI had announced that they had taken this course of action due to the fact that BAA were charging the same landing charge at Heathrow for a large aircraft as they were for a small aircraft. **JL** had asked BAA to come up with a solution to the problem and for a full review of the landing charges. **JL** was also involving the Northern Way

in the situation and pursuing the possibility of getting a subsidy from Government. **JL** reported that One NorthEast would be producing a scoping report on the situation and that would be completed at the end of May 2009. **JL** would also be attending a meeting at Westminster on 14th May 2009 where he would be able to ask Ministers questions on the situation. There was also a House of Commons Select Committee Review and **JL** may be asked to go and give evidence.

RESOLVED that the update be noted.

12 DATE OF THE NEXT MEETING(S)

Tuesday, 21st July 2009

Tuesday, 20th October 2009

Tuesday, 26th January 2010

Tuesday, 27th April 2010

Meetings to be held at 2pm – venue to be confirmed.

Introduction

1. Tees Valley Unlimited (TVU) Board Members should act impartially and should not use their position on TVU to further their personal or private interests. It is therefore good practice to have, and One NorthEast requires, TVU to have a set of clear procedures for dealing with any conflicts of interest, which may occur during business, whether at the Leadership Board, the Executive or the Sub Boards.
2. The purpose of this note is to advise TVU Board Members what is meant by a “conflict of interest” and to set out procedures for dealing with such conflicts if they occur.
3. Board Members, who are also elected members or co-opted members of one of the Tees Valley Local Authorities, will have signed an undertaking to adhere to a Model Code of Conduct, issued under section 50 of the Local Government Act 2000, and adopted by their authority. Within that Code are requirements relating to the declaration and registration of personal non-prejudicial and personal/prejudicial interests. Local Authority members should have regard to all the requirements of the Model Code when representing their authority on TVU Boards.

Definition

4. A conflict may be defined as an interest in any TVU business which relates to or is likely to affect the financial, commercial, professional or personal interests of an individual member, their relatives, close associates, employer, any firm in which they are a partner, any company of which they are Directors, or the organisation they are representing on TVU.
5. An example of a conflict of interest could be a business representative influencing a decision that will be of financial benefit to that member's business or another business that they have an interest in.
6. The responsibility for declaring an interest and for withdrawal from the meeting room and not improperly influencing a decision on a partnership matter rests with the individual Board Members.

Basic Principles

7. In conducting its business, TVU requires all partner organisations, and their representatives, to act in the overall interests of TVU and its schemes.
8. Partners should accept a collective responsibility for the effective delivery of the funding programmes, which over-rides any individual interests (corporate or personal).
9. Partners should declare an interest when involved with partnership business and act at all times in good faith, in the best interest of the schemes and the local area.

Procedures

10. In conducting TVU business, the following procedures will be applied:
 - (i) A standing item, regarding conflicts of interest, will be included on each agenda at the start of TVU meetings. All members should declare the existence and nature of any interests at this point. Details of the declaration will be recorded in the Board's minutes. If members arrive part way through a meeting they should declare any interest at the start of the relevant item or as soon as it becomes apparent that they have an interest;
 - (ii) TVU will maintain a register of such declared interests, detailing the nature and extent of such an interest;
 - (iii) Where a conflict of interest occurs, the Board member should withdraw from the meeting room whilst the relevant business is being considered / determined and, must not vote or otherwise improperly influence decisions on that business;
 - (iv) In respect of collective decisions, such as partnership quarterly grant claims or the approval of annual delivery plans, partnership members should consider the issues in respect of the *other* elements of the schemes and not their own projects or interests. *In practice, this means that within the context of an overall scheme decision, members should vet each other's claim or submission.*

In the case of Local Authority Board Members they should consider whether they have a personal non-prejudicial or personal/prejudicial interest in any matter, as defined in the Model Code of Conduct for Local Authority Members. Where a member has a prejudicial interest in a matter they should leave the meeting room and must take no part in the discussion or voting on the business concerned.

If partnership members require further advice on conflicts of interest, they should contact **Linda Edworthy, Senior Assistant Director (Corporate Support) at the Tees Valley Joint Strategy Unit (01642) 264908.**

Report of: Senior Assistant Director, Joint Strategy Unit

Report to: Transport for Tees Valley

Date: Tuesday 21 July 2009

Subject: MATTERS ARISING: Regional Funding Advice Round 2

Item for: Information

1. Members may recall at the last meeting a verbal report indicating that the Region had been advised by the Department for Transport (DfT) that the transport element of its Regional Funding Advice (RFA) submission in February 2009 was seen to be non-compliant with the guidance on 20% allowable over-programming over both the 2006 – 2016 and 2009 – 2019 periods. The programme therefore needed to be revised.
2. The Regional Minister had also noted when receiving the submission that some £30 million of the total available within the over-programming guidelines had not been allocated to projects, and in these fiscal circumstances, it was felt that, when revising the programme to make it compliant, this should be rectified.
3. The Regional Minister himself chaired the meeting of the Interim Regional Transport Board (IRTB) on 29 May at which a revised RFA programme was developed. Attached to this report is the letter from the Minister to the members of the IRTB thanking them for providing updated advice that addresses both of these points.
4. The revised programme is also attached at the end of this report, but the key points to note are as follows:
 - The revised programme is fully compliant with DfT's 20% over-programming limit, over both RFA1 and RFA2 periods;
 - All of the available funding has been allocated;
 - Quick wins are secured by “top-slicing” some £40 million of the available funding and allocating this to the Integrated Transport (IT) block allocations across the Region in two parts - £10 million for general transport expenditure to be determined by the Local Authorities and £30 million for named, sub-£5 million discrete projects as per the revised programme, all for spend within the next three financial years;

- The allocation of £40 million in this way is intended to safeguard against a repeat of the 30%+ underspend experienced in two of the first three years of RFA1, 2006/07 and 2008/09;
 - The projects identified for early delivery are those submitted by regional partners and for which there is a realistic chance of progression; and
 - The £10 million general transport expenditure has been allocated to the IT blocks across the Region in the same proportions as per the original allocations.
5. For the Tees Valley, this provides direct funding for four elements of the first phase of Tees Valley Metro (the three new stations at Durham Tees Valley Airport, James Cook University Hospital and Wilton together with an enhancement package for Eaglescliffe, Thornaby, Middlesbrough and Hartlepool), as well as a first phase of the East Billingham Transport Corridor.
 6. The other element of Metro Phase 1, Darlington Station upgrade project, has been included in the major scheme pool because of its estimated cost (£9.4 million), as well as the potential significant benefits for regional rail travel and the prospects for early delivery through partnership working with Network Rail.
 7. In taking up the DfT offer that sub-£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. Also, should these projects increase significantly in cost, scheme promoters recognise that they may need to adhere to DfT's appraisal requirements for major schemes costing more than £5 million.
 8. Additionally, any revenue implications associated with rail projects and any consequential impacts on franchises will be issues for promoters to resolve, but this is not expected to be an issue with Metro Phase 1, as no increase in frequency is planned, other than that which may ordinarily be delivered through the existing franchise.
 9. All North East Authorities are looking to use the £10 million allocated to "general transport expenditure" to contribute towards the development of a regional smart ticketing initiative, and further discussions on the mechanism for delivering this will be held through the Association of North East Councils.
 10. The other outcome of the IRTB meeting was that the investment programme will continue to be closely monitored and adjustments recommended by the Region to DfT as necessary. If, after further development work, it is shown that the early wins are not achievable then the Region will look again at alternative options.
 11. To this end, the Region confirmed its RFA list of "provisional priority" schemes as follows:

	<u>£m</u>
Tees Valley Area Action Plan	15.0
East Durham Link Road (Phase 2)	11.0
South East Northumberland Public Transport Corridor	33.5
A1 Dualling (part)	40.0

12. Members are asked to note the contents of this report.

Originator: Jonathan Spruce

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Rt Hon Nick Brown MP

Minister for the North East
and Chief Whip

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26 June 2009

To IRTB Members and Observers,

I had the pleasure of chairing the North East Interim Regional Transport Board's (IRTB) most recent meeting on 29th May 2009 for a discussion of the transport component of the region's Regional Funding Advice (RFA2) submission. The draft minutes and details of the final proposal are attached here for your information.

As with the first round of RFA, the region had made excellent progress in agreeing its programme and provisional priorities - reaching consensus on some difficult issues. The discussion, therefore, focused on addressing two remaining challenges:

- Ensuring that the programme was compliant with the Department for Transport's (DfT) spending profile
- Ensuring that in these difficult economic times the region had substantive plans to spend its allocation in the next two years (two of the last three years had under-spends in excess of 33%)

The conclusions we reached were:

1) The A19 corridor remains a top strategic priority for the region. However, the proposed junction upgrades, as with all major schemes of this nature, have a substantial lead-in time before work can start on the ground. The Highways Agency (HA) confirmed that the current development timescales reflect reality and there is no scope to bring the priority schemes forward.

2) To achieve compliance with the available budget the start dates for some of the A19 schemes have been put back or profiled over a longer period. This was in the context of some interim work being undertaken to improve the capacity of the junctions on the A19 that will maintain the level of service over the next few years. In addition, I have undertaken to discuss with DfT colleagues how we can maintain momentum on the development of the A19 schemes so that they are ready to progress at the earliest opportunity should there be delays or slippage to other elements of the programme.

3) The IRTB also agreed that we needed to find a way of rapidly delivering some of the provisional priority schemes that were ready to go and could be taken forward quickly, bringing immediate benefits to the region and ensuring spend over the next two years.

4) To achieve this the IRTB agreed that some of the less expensive priority schemes should be progressed over the next two years by transferring around £40m from the total RFA budget to Local Authorities' Integrated Transport Block Funding as part of the Local Transport Plan process.

5) We also discussed the challenge of progressing another of our strategic regional routes, the A1 North of Newcastle. Again, I undertook to gain a clearer understanding of the options for phasing some of the proposed work and discussing with DfT how we can progress the development issues of such an approach.

I would like to thank the IRTB for the informed debate, the valuable contributions made and the ability to provide advice on difficult issues.

By way of information, I also attach a copy of the speech given by the Secretary of State for Transport, Andrew Adonis, to the Transport Times Conference held on 24 June 2009, that sets out his transport manifesto.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Brown". The signature is written in a cursive style with a small arrow pointing to the top of the 'i' in "Nick".

NICK BROWN

	SCHEME	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total (06/07 - 18/19)
Fully approved	Chilton Bypass*	0.30													0.3
	South Stockton Link Road*	0.20	0.40												0.6
	Stephenson's Link*	0.60	0.90	0.10											1.6
	Scotswood Road*	2.80	0.80	0.20	0.20	0.20									4.2
	Durham Park & Ride*														0.0
	Eldon Square*	5.70	1.50												7.2
	Pegswood Bypass*	2.70	0.30	0.20											3.2
	Sunderland Southern Radial*	8.62	2.40												11.0
	A66 Long Newton*		7.00	1.14											8.1
	Wheatley Hill to Bowburn		6.10	4.40											10.5
	A69 Haydon Bridge Bypass	3.20	15.80	11.80	0.10										30.9
	Darlington ETC	2.20	6.20	2.80											11.2
	North Middlesbrough			8.80	3.40										12.2
Programme Entry or Conditional Approval	A1056 Northern Gateway					5.62	3.90								9.5
	Metro Reinvigoration Phase 1			0.15	7.29	5.56									13.0
	Sunderland Central Route						1.20	4.70	9.30						15.2
	Sunderland Strategic Transport Corridor							25.59	45.00	27.40					98.0
Pre Programme Entry	A19 Seaton Burn **	0.60	0.60	0.30	1.20				0.61	2.21	2.27	7.80	15.60	7.74	38.9
	A19 Testos **	1.20	1.00	0.60	1.00	1.40	1.80	16.20	20.10	10.70					54.0
	Orpheus Phase 1				0.53	7.20	7.78								15.5
	Orpheus Phase 2						7.45	7.45							14.9
	Morpeth Northern Bypass				0.21	0.21	0.62		12.50	20.37	1.40	0.60			35.9
	Darlington Station Upgrade				1.30	4.80	3.30								9.4
	Tees Valley Bus Network				15.31	14.72	10.30								40.3
	A19 Coast Road **			0.30	0.90		1.46	3.87	3.14	23.47	55.54	48.39			137.1
	A19 Moor Farm **			0.20	0.10			0.20	1.10	1.10	2.40	2.20	6.48	40.95	54.7
Top -sliced to ITB	Tyne & Wear				5.40										5.4
	Tees Valley				2.20										2.2
	Northumberland				0.90										0.9
	Durham				1.50										1.5
Top-sliced for Major-Minors	Transit 15					2.50	2.50								5.0
	SE Northumberland PT Impts. (part)				1.00	0.50									1.5
	East Billingham Transport Corridor				1.00	4.00									5.0
	Wilton International Station					1.00	4.00								5.0
	Tees Valley Station Upgrades				1.50	3.40									4.9
	James Cook Hospital Station					1.00	3.20								4.2
	DTVA Station					1.00	4.00							5.0	
AMOUNT SOUGHT BY SCHEME SPONSORS (RFA1)		28.1	43.0	31.0	45.0	53.1	51.5	58.0	91.8	85.3	61.6				548.4
RFA1 POT		43.0	43.0	44.0	45.0	45.0	46.0	47.0	47.0	48.0	49.0				457.0
% OVER / UNDER SPEND ON RFA1 POT		-35%	0%	-30%	0%	18%	12%	23%	95%	78%	26%				20%
AMOUNT SOUGHT BY SCHEME SPONSORS (RFA2)					45.0	53.1	51.5	58.0	91.8	85.3	61.6	59.0	22.1	48.7	576.0
RFA2 POT					45.0	45.0	46.0	47.0	47.0	48.0	49.0	50.0	51.0	52.0	480.0
% OVER / UNDER SPEND ON RFA2 POT					0%	18%	12%	23%	95%	78%	26%	18%	-57%	-6%	20%

Report of: Senior Assistant Director, Joint Strategy Unit
Report to: Transport for Tees Valley
Date: Tuesday 21 July 2009
Subject: TEES VALLEY BUS NETWORK IMPROVEMENTS
Item for: Information

SUMMARY

13. This report updates Members on progress of the Bus Network Improvements major scheme.
14. On 23 June 2009, the Minister of State for Transport, Sadiq Khan, announced that the Tees Valley Bus Network Improvements project had been granted Programme Entry status by the Department for Transport (DfT).
3. The total funding package is around £60 million, of which £40 million is being provided by the DfT, and the remainder by the Tees Valley Local Authorities and private sector contributions. It will be spent on infrastructure to improve bus journey times and reliability, better passenger facilities at and around bus stops and interchanges, and on new information displays, both static and electronic.
4. The project covers all corridors across the Tees Valley on which the core commercial services operating during the daytime between Mondays and Saturdays either is at, or will be at, a minimum of six services per hour, fixed for a minimum period of five years. The list of corridors included within the project is shown in the first table at the end of this report, broken down by Borough.
5. The types of measures to be implemented on these corridors include:
 - **Bus Priority Infrastructure:** a comprehensive series of bus priority measures implemented to alter the traffic balance in favour of buses, including bus lanes, bus only turns at junctions and use of selective vehicle detection (SVD) to give priority to buses at traffic signals;
 - **Passenger Facilities:** all bus stops on the selected corridors will fulfil a set of benchmarks, including passenger shelters, raised kerbs for improved access, better lighting and CCTV coverage;

- **Service Specification and Vehicles:** an extension of the existing hours of operation with consistent evening and Sunday services, regular even headways across all designated services, with newer, accessible, high quality specification vehicles; and,
 - **Complementary Measures:** measures such as high quality accessible information and real time journey information (screens at stops, on-line, on-board and SMS messaging) to help deliver a 'whole journey' concept aimed at encouraging bus use for all types of journeys at all times.
6. The services included within the project are shown in the second table at the end of this report, again broken down by Borough.
7. Having gained entry into the Government's forward programme, there is a need to secure Full Approval for the project within the next six months. The DfT announcement includes an expectation that an updated business case, meeting the criteria for Full Approval, will be submitted within the next six months. In order to secure the Government funding, an updated business case is required that demonstrates more detailed modelling of the benefits of the agreed measures, as well as some market testing of the cost estimates included within the original bid, and a confirmation of the final cost estimates and expected contributions.
8. Therefore, the next steps within the project will be to:
- develop the schemes within the early part of the revised infrastructure schedule to obtain supplier prices;
 - obtain the necessary traffic orders to implement the measures planned within the first year of the project; and,
 - work with the Joint Strategy Unit and bus operators to confirm the anticipated benefits for the corridors.
9. There will also be more local consultation on the proposals for each of the corridors later in 2009, with the aim of substantial work starting early next year, assuming final Government approval, and completion of work on all of the corridors planned for mid-2012.
10. Members are asked to note the contents of this report.

Originator: Jonathan Spruce

Contact Tel: 01642 264840

E-mail: jonathan.spruce@teesvalley-jsu.gov.uk

List of Corridors included within the Project at Present

Darlington	Hartlepool
<ul style="list-style-type: none"> • Clifton Road • Corporation Road/Brinkburn Road • Haughton Road • Neasham Road • North Road • Woodland Road • Yarm Road 	<ul style="list-style-type: none"> • Brenda Road • Marina Way/Cleveland Road • Raby Road • Stockton Road • York Road
Middlesbrough	Redcar & Cleveland
<ul style="list-style-type: none"> • Acklam Road • Cargo Fleet Lane • The Greenway • Marton Road • Newport Road/Stockton Road • Overdale Road 	<ul style="list-style-type: none"> • Middlesbrough Road • Ormesby Road/Eston Road • Normanby Road • West Dyke Road
Stockton-on-Tees	
<ul style="list-style-type: none"> • Bowesfield Lane • Bishopton Road • Durham Road • Middlesbrough Road • Norton Road/Billingham Road • Oxbridge Lane • Yarm Road 	

List of Services included within the Project at Present

Darlington	Hartlepool
<ul style="list-style-type: none"> • 2 • 4 • 5/5A/7/7A/8 • 9 • 10 • 11 • 13A/13B • 14 	<ul style="list-style-type: none"> • 1/1A • 6 • 7/7A • 36
Middlesbrough	Redcar & Cleveland
<ul style="list-style-type: none"> • 11 • 12 • 17/17A/17B/17C • 27/27A • 36/37/38 • 56/65/65A/X56 • 63 • 64/64A 	<ul style="list-style-type: none"> • 63 • 64/64A • 65/65A/X56
Stockton-on-Tees	
<ul style="list-style-type: none"> • 7 • 15 • 17/17A/17B • 36/37/38 • 52 • 58 • 59 • 61 • X6 	

Report of: Director, Joint Strategy Unit
Report to: Transport for Tees Valley
Date: Tuesday 21 July 2009
Subject: DURHAM TEES VALLEY AIRPORT
Item for: Information

SUMMARY

1. In response to the recent consultation on Reforming the Framework for the Economic Regulation for UK Airports, the Joint Strategy Unit prepared the attached submission on behalf of the Local Authorities.
2. In summary, the response rejects totally the proposals and arguments put forward in the proposed regulatory framework justifying the lack of any proposals for the maintenance of regional connectivity to Heathrow, an issue that has been raised by Members previously.
3. Discussions are continuing with the Regional Minister and his counterparts in Yorkshire and Humber and the South West, as well as through The Northern Way to try to form a coalition of similar views on regional airport connectivity in an attempt to signal to Government the consequences of the current regulatory framework to regional airports and the clear need for change.
4. Members are asked to note the contents of this report.

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RESPONSE FROM TEES VALLEY UNLIMITED TO THE DEPARTMENT FOR TRANSPORT'S CONSULTATION REPORT – REFORMING THE FRAMEWORK FOR THE ECONOMIC REGULATION OF UK AIRPORTS

1.0 Introduction

- 1.1 This report is prepared by the Tees Valley Joint Strategy Unit on behalf of Tees Valley Unlimited, a partnership comprising the five Tees Valley Local Authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton on Tees and the private sector in the Tees Valley.
- 1.2 This response rejects totally the proposals and arguments put forward in paras. 4.46 to 4.48 of the proposed regulatory framework justifying the lack of any proposals in the proposed regulatory framework for the maintenance of regional connectivity to Heathrow. We do not accept that the crowding out of regional services from a capacity constrained Heathrow has not had an adverse impact on the regions nor do we think the maintenance of connectivity to Schiphol is an adequate alternative. Finally, the Public Service Obligation process is so bureaucratic that it is difficult to use and in any event only deals with the safeguarding of slots not the landing charge issue which unfairly discriminates against the regional flights.

2.0 The Importance of the Heathrow Link to the Tees Valley Economy

- 2.1 The economy of the Tees Valley is based on the largest integrated process industrial complex in the UK based on petrochemicals, energy/renewable energy/biofuels, steel making, a port which is the third largest in the UK and a world class advanced engineering industry based on the design, construction and maintenance of petrochemical plants, steel works, power stations and major infrastructures such as bridges. In addition the region has in the Wilton Centre, Europe's largest non-military private sector research centre. The petrochemical industry alone contributes £3.5 billion to the UK economy and 70,000 jobs in the UK depend on it.
- 2.2 To give an example of the world scale of this industry the Saudi Basic Industries Corporation (SABIC) is constructing the world's largest low density polyethylene plant at Wilton, an investment of £200 million. The Biofuels Corporation operate the world's largest biodiesel plant at Seal Sands and ENSUS are currently constructing the world's largest bioethanol plant. In addition, there is an expected pipeline of £4 billion in renewable energy plants, biofuel plants and advanced engineering.
- 2.3 It is important to recognise that the integrated chemical complex formally in the ownership of ICI is now owned by 26 separate multi-national companies such as SABIC, Dow, Huntsman, Avecia, Johnson Matthey, Growhow for whom air connections to these plants are important. For the world class advanced engineering companies such as AMEC, Whessoe, Aker Kvaerner, Cleveland Bridge, K Home Engineering, our links to international markets are vital.

- 2.4 To a region like the Tees Valley the proximity of an airport with links to international hubs like Heathrow is absolutely vital to the future growth of an economy which depends on future investment by global industries and which has a global market for its products. The announcement of the withdrawal of the service from Durham Tees Valley to Heathrow has had a detrimental effect on the competitiveness of the Tees Valley economy in world markets.
- 2.5 In 2007 the service was used by 88,000 passengers of which about half were travelling to points beyond Heathrow i.e. interlinking with other services. The route is heavily used by business passengers (60%). 24% of passengers were interlinking with other services at Heathrow for business purposes.
- 2.6 In April 2008, the Tees Valley Joint Strategy Unit commissioned York Aviation to carry out an economic assessment of the impact of the withdrawal of the Durham Tees Valley – Heathrow service. This study shows:
- Across all passenger segments the withdrawal of the service is estimated to have resulted in additional costs to passengers using the service of about £2.3 million in 2007;
 - The great majority of these losses are borne by Tees Valley residents who would incur as a result of closure around £1.5 million of additional time and fare costs in 2007;
 - Tees Valley business users would have been particularly disadvantaged as the result of the withdrawal of the service facing additional costs of around £1.4 million per annum; largely because of additional time costs by users currently interlinking at Heathrow and by higher fare costs on point to point travel, primarily relating to the cost of rail fares versus air costs.
- 2.7 In short there is estimated to be an extra additional cost of £1.4 million year to Tees Valley businesses as a result of the loss of the Heathrow flight.
- 3.0 Why regulation is necessary
- 3.1 The key factor in BMI's decision to terminate the Heathrow flight is charging policy at Heathrow. At most hub airports around the world domestic and short haul services happily co-exist with long haul networks. Landing charges are based on the take off weight of the plane with smaller aircraft having lower landing charges than larger aircraft. At Heathrow landing charges are the same regardless of the size of the aircraft. At Heathrow the airport is operating at capacity. Airlines make more money from long haul flights than short haul flights and therefore are keen to use scarce slots for these flights. Consequently the market strength of Heathrow mitigates against regional connectivity.
- 3.2 For BAA a key driver of its financial performance is its ability to maximise ancillary revenues from areas such as retail or catering. Central to achieving

this is maximising passenger throughput at the airport. It is, therefore, in the interests of BAA to encourage larger aircraft to operate from the airport at the expense of smaller aircraft, considering that it has extremely limited opportunities to grow the number of aircraft movements.

- 3.3 The charging structure at Heathrow before the recent increase reflected these incentives. For example, a 49 seater Embraer RJ145 from Durham Tees Valley cost each passenger £12.76p in landing charges compared to £8.68p for an Airbus A330. The recent charges have made this differential much worse. Hence the rise in charges has a substantially greater impact on operating margins for short haul services which combined with the substantial incentive for airlines at Heathrow to switch slots to long haul services has resulted in the loss of the Heathrow – Durham Tees Valley flight.
- 3.4 In response to these pressures BMI puts pressure on regional airports to reduce landing charges. Because of the importance of these flights landing charges are reduced to a low level at regional airports. There is now no scope for further reductions. Consequently increases in landing charges at Heathrow make regional airports less profitable.
- 3.5 The argument the Government makes against regulation is that the capacity of Heathrow is constrained and the prime concern is to ensure that there are as many connections from Heathrow to the rest of the world as possible.
- 3.6 The consequence of the market conditions is that despite Heathrow being one of the best connected airports in the world, businesses in the Tees Valley can no longer travel via Heathrow to world markets. In other words through its failure to regulate to retain regional connectivity into Heathrow the Government discriminates against businesses in the Tees Valley or the North of England generally in favour of a business who wants to travel from Barcelona to New York via Heathrow. In other words a major national economic asset such as Heathrow is not available to half the country. No other country in the world would allow such a situation to happen. Government PSA Target 7 is to improve the economic performance of all English regions and reduce the gap in economic growth rates between regions. How can this be achieved if Government disadvantages peripheral regions with world class industrial sectors, if they fail to regulate airports to safeguard links to regional airports.
- 3.7 There are now only 6 regional airports served from Heathrow – Belfast, Manchester, Glasgow, Newcastle, Edinburgh and Aberdeen. Whole areas of the UK (Teesside, Yorkshire, the SW, Wales) cannot access Heathrow and are directly disadvantaged by the failure to regulate to protect regional flights and their economies disadvantaged as a result by their inability to gain access to world markets through a major national asset namely Heathrow.
- 4.0 Why the alternatives are not acceptable
- 4.1 The draft regulatory framework states that “the crowding out of regional services from capacity constrained Heathrow is unlikely to have an adverse

impact on the regions providing regional connectivity is maintained via alternative airports e.g. Schiphol.” The problem with Schiphol is that its connectivity to Australasia is non-existent and the connectivity to the Middle East is reduced by 45%, 27% to Asia and 31% to North America compared to Heathrow. There is also pressure in the long term on these airports to limit their capacity which could reduce connectivity to the regions. What country in the world would deliberately encourage its nationals to use another country’s airport as a hub.

- 4.2 The draft regulatory framework suggests that the answer is a Public Service Obligation. There are three problems with this proposal. First it is a bureaucratic process which takes considerable time to go through the processes. Second, if successful it only secures the slots. Thirdly, the problem is the landing charge system at Heathrow which discriminates against regional flights. So if a subsidy is needed to pay for the landing charges, the cost is not borne by the DfT which is the department of Government responsible for regulating airports but by local authorities or regional agencies such as Regional Development Agencies whose prime purpose is not to subsidise landing charges at Heathrow. That is why no region has ever successfully pursued a Public Service Obligation to Heathrow.
- 4.3 There is the long term potential of both the third Heathrow runway and high speed rail links. Judging by the experience of the Channel Tunnel, high speed rail links are 15 to 20 years away and the third runway is 10 years away at least. It does not solve the problem of access to Heathrow now.
- 5.0 What should the Government do?
- 5.1 Heathrow Airport is a major national asset. Unfortunately large parts of the United Kingdom such as the Tees Valley, South Wales, the South West and Yorkshire cannot access Heathrow by air because the capacity constraints at Heathrow and the economic model used to fund Heathrow make it difficult for regional flights to be maintained. To ensure access to Heathrow from peripheral regions and to help their economy develop, Government should regulate to retain regional flights to Heathrow. In addition to the existing 6 airports, a minimum of 3 return flights a day should be allowed from Durham Tees Valley, Leeds Bradford, Plymouth/Newquay, Cardiff and Exeter. This would require 15 slots a day which would retain regional connectivity to the peripheral regions of the United Kingdom. In the context of an international airport like Heathrow this is less than 1% of the capacity of the airport. The Government also needs to discuss with BAA and the airlines a commercial tariff which would enable these flights to take place based on the take off weight of the aircraft. We believe the Government should amend the regulatory framework in the interests of all the United Kingdom to improve regional accessibility into Heathrow. The regions expect the Government to ensure Heathrow can be used by the whole of the United Kingdom not just those within 100 miles of Heathrow.

5.2 The Northern Way in their submission make four proposals that we fully support. They are:

- **Duties of regulator:** We suggest that that CAA should be given a general duty to promote access to air services throughout the United Kingdom from London Heathrow in support of the Government's commitment to promote regional growth in PSA Agreement 7.
- **Charges differential for domestic air services:** Using the above duty, and recognising that the economic benefits of domestic services contribute to meeting the Government's wider policy agenda and that this externality is not currently reflected in the airline's financial benefits, at price regulated airports, the regulation should be used to promote a differential in the level of airport charges for domestic services compared to international services under the overall average yield price cap.
- **Direction of DfT to CAA:** We support the ability of the Secretary of State to give direction to the regulator. This is an important tool for shaping the regulatory regime to support insofar as possible Government's wider policy goals, including those related to regional economic development. To avoid the risk of excessive interference from Government we suggest that any draft directions should be published and subject to consultation through an open process.
- **Slot allocation and designation as Public Service Operations:** We would encourage the United Kingdom Government to consider the case for PSO air services on the same basis as other European Member States, taking into account both the social as well as financial benefits of the air services. We consider the potential for air services from London Heathrow to Northern Airports should be further investigated for slot protection through being designated as Public Service Operations.

Report of: Senior Assistant Director, Joint Strategy Unit

Report to: Transport for Tees Valley

Date: Tuesday 21 July 2009

Subject: DELIVERING A SUSTAINABLE TRANSPORT SYSTEM

Item for: Discussion

SUMMARY

1. Members will recall at the last meeting the discussion around the City Region's response to "Delivering a Sustainable Transport System" (DaSTS), the Government's response to the Eddington and Stern reports, and the means by which the Government intends to set a long term transport strategy, as well as determine investment priorities in the 2014 to 2019 period.
2. The attached briefing note from One NorthEast (ONE) was tabled at the last Interim Regional Transport Board meeting and gives a succinct summary of the DaSTS process and its aims and objectives.
3. At the end of June, the Region submitted its work programme in accord with Stage 1 of the process outlined in the note. This will determine the work required within the North East over the next two years to feed into the scheme prioritisation exercise beyond 2014 and the longer term transport strategy.
4. Consultants Arup were commissioned by ONE to lead the preparation of the North East's response, with the clear brief to draw on many of the existing sources of evidence as to the Region's challenges and priorities, primarily two reports agreed by the Region within the last 12 months.
5. The work has been undertaken in a very compressed timescale and has been overseen by a Regional Sounding Board whose membership is outlined in Annex 2 to the note. The Tees Valley was represented at almost all meetings of the Sounding Board (through the Joint Strategy Unit) and provided detailed comments on all drafts of the work programme as it was developed.
6. There was also a regional stakeholder event in Newcastle on 10 June to which representatives of the Tees Valley were invited. A number of Board Members attended the event.

7. The conclusions of the work programme put forward a number of key studies that were required by the Region to inform Stages 2 to 4 of the DaSTS work, including:
 - A transport futures package, covering issues such as climate change, integrated land use planning and smarter choices;
 - A joint study with the DfT around the North – South Strategic National Corridor 10, including the A1, A19, East Coast Main Line, short sea shipping routes, rail freight movements and the need for high speed rail links;
 - A study of trans Pennine connections, emphasising the importance of the northern connections via the A66, A69 and Tyne Valley rail line to the Region;
 - A study of connectivity between the two city regions, by both road and rail;
 - Detailed accessibility work within the two city regions, building on the investment planning work already undertaken as part of the RFA and MAA processes; and
 - A study of improving rural accessibility, focused on Durham and Northumberland.
8. Given that the work programme recognises the need to develop work further on the Tees Valley's internal accessibility, the connections with the Tyne & Wear City Region, as well as continuing to work with the Highways Agency to develop improvements for the A66 and A19, it was considered that the work programme encompassed the requirements to develop the Tees Valley's case within DaSTS.
9. Critically, it allocates a significant proportion of the regional allocation for development funds to the Tees Valley to undertake new data collection in order to update the existing multi-modal and micro-simulation transport models, which should offset some of the issues recently experienced with the DfT through appraisal of major schemes. The proposed work programme is also attached to this report.
10. A representative of both ONE and Arup will be present at the meeting to give a short presentation of the DaSTS process for the North East and stimulate discussion around the future work programme.

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Briefing Note

Subject:

Delivering a Sustainable Transport System:

Report of: Mark Wilson (Transport Manager)

For:

Date:

Summary:

This paper describes the Delivering a Sustainable Transport System (DaSTS) process and the associated duties incumbent upon the region. It outlines key milestones in the DaSTS process and the relationship that DaSTS has with the development of an Integrated Regional Strategy. The current arrangements for project management, governance and accountability and stakeholder involvement are also detailed.

Background/context:

The Delivering a Sustainable Transport System process is a joint responsibility between national government and regions. The DaSTS process is designed to lead to a transport white paper in 2012 setting out DfT's investment priorities post 2014. At a regional level it is best seen as the transport element of Single Regional Strategy, managed by Department for Transport as opposed to DCLG/BERR. Unlike the rest of single strategy the DaSTS process is already formally underway, and the region has received guidance from DfT as to how to proceed. DfT outlined their proposed approach to long-term transport planning in Towards a Sustainable Transport System (TaSTS), which was published in October 2007 in response to the Eddington Study and the Stern Review. DaSTS was published on 25th November. The aim of DaSTS is to explain how the Department are putting TaSTS into action in a way that both tackles immediate problems and also shapes the transport system to meet longer term challenges, such as climate change, that are critical for prosperity. DaSTS also sets the DfT's investment plans to 2014 with a focus on making best use of existing networks, combined with a targeted programme of improvements to address capacity, reliability and safety in congested areas ;notably "high value international gateway schemes".

Key Points:

- The **DfT** are leading work on the **national and international networks**;
- In parallel with the DfT work, the **regions** will be in the lead for generating options on the **city and regional network** (as defined in the main DaSTS consultation document);
- The work will build on the progress that regions have already made in developing Regional Funding Advice (RFA) and regional strategies. It will also support regions' work as they develop their integrated regional strategies (IRS);
- The end product from regions in 2012 will be an approved programme with priorities for funding in each year from 2014 - 19, along with less detailed proposals for 2019 - 24, within the context of a 30 year strategic plan, the strategy will also require an analysis of the impact of the proposals on each DaSTS goal (See Appendix one);
- The DfT will facilitate cross-network and cross regional cooperation to ensure that the overall programme of work is coherent and maximises benefits at the regional, national and international levels;

-
- In line with RFA guidance, regions will be asked to work together on strategic issues, rather than local issues.

The proposed timetable and process for going forward:

Stage 1: Agreeing strategic priorities and work programme (by end of June 2009)

- Regions should agree the process of how identifying, considering and selecting regional options will be led. In all cases this will include the RDA and the Leaders' Board or other key regional representative bodies for local authorities. The Highways Agency, Network Rail and relevant sub-regional bodies will also need to be involved when appropriate.
- Regions will develop an outline work programme and governance arrangements in liaison with the DfT to ensure that interaction with work on national networks and in other regions is picked up.
- Regions will identify which challenges are the most urgent to develop a work programme that is achievable within the resources available. The Department will support regions in developing an evidence base for this work, engaging in joint study work where impacts are across networks as required. The agreed priorities will be submitted to DfT by end of June 2009.
- In parallel, the DfT, led by The National Network Strategy Group will determine the strategic priorities on the key national corridors and international gateways.
- The Department will respond to the region's priorities by the end of July 2009
- Regions will then set up the necessary regional and sub-regional governance to carry out option generation.

Before June 2009 DfT have indicated that £40k is available for help in developing strategic priorities and a work programme. This is a similar amount as has traditionally been made available for development of regional transport advice via the RFA process. – This money will need to be spent in advance by partners and recouped via invoicing from DfT.

Stage 2: Option Generation (by December 2010)

- August 2009 - December 2010, regions will generate a wide range of affordable and deliverable options (both capital and revenue), reflecting the five DaSTS goals
- Key assumptions, such as the Government's commitment in the Climate Change Bill to reduce greenhouse gas emissions by at least 80 % by 2050 will need to be built into this work.

£1 million a year for two years for each region has been made available by DfT to assist in this process. It has been confirmed that DfT expect a regional contribution of approximately 25% to this options generation funding. This will mean £1.25m per-annum rather than £750k with a regional contribution of £250k. – It will be necessary to determine where this regional contribution will be sourced from. It is not compulsory for regions to take all £1m.

Stage 3: Sifting and packaging options (by December 2011)

- Regions will sift the options according a range of criteria including: Department's goals and challenges; Strategic needs of the region; Deliverability; Value for money; Fit with the existing regional programme and strategies and with wider government priorities (e.g. housing).
- By December 2011, regions will submit a finalised programme with priorities for funding in each year from 2014 - 19, along with less detailed proposals for 2019 - 24, within the context of a 30

year strategic plan. The programme will be based upon indicative financial assumptions provided by the Department. These are likely to be in line with the existing distribution of RFA.

Stage 4: Deciding an overall programme (2012)

- During the first half of 2012, the Department will appraise regional packages and the overall balance of investment across regions and networks. The Department intends to allow regions to consider trade-offs between national and regional network investment as part of this process.
- Regions which submit a package of options that delivers clear and significant benefits across the five Departmental transport goals, which enjoys strong support within the region and which provides realistic delivery plans should be in a good position to have their programmes approved.
- The Department will publish a White Paper containing its programme of investment in 2012.

Project Management:

Currently the DaSTS process is being led by ONE via a monthly “Sounding Board” of stakeholders. (See Appendix two.) The board has had three meetings so far. The 40k contribution from DfT has been used to appoint consultants ARUP to assist in the development of a work programme template for submission to DfT in June. Day to day project management, production of papers for Sounding Board and communication with DfT and other stakeholders is being led by the Transport Policy team at ONE.

Consultants have been appointed to address transport related “evidence gaps” identified by the recent JMP study; *North East Transport Priorities Evidence Review*.

Whilst currently there is enough in-house officer resource (augmented by consultancy support) to deliver the expectations of DfT in the period up to June, it is unlikely that this will be the case in the latter stages of DfT’s timeline.

Governance and Stakeholder Involvement:

Currently whilst new regional governance arrangements are being brokered, Sounding Board reports jointly to Interim Regional Transport Board and to Regional Strategy Development Group with papers ultimately being taken to meetings of the Leaders’ and RDA boards. A process of engagement with the sub-regional decision making bodies has been brokered via Sounding Board and reports/presentations are being made available to any regional transport meetings that require them.

A regional stakeholder workshop for members and stakeholders is planned for early June in order to inform the process. This workshop is being developed jointly with ANEC and attendance informed via consultation with Sounding Board members.

Annex One

The five broad goals of transport, set out in *DaSTS* are:

- To **support** national **economic** competitiveness and **growth**, by delivering reliable and efficient transport networks;
- To reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of **tackling climate change**;
- To **contribute to better safety security and health** and longer life-expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health;
- To **promote** greater **equality of opportunity** for all citizens, with the desired outcome of achieving a fairer society;
- To **improve quality of life** for transport users and non-transport users, and to promote a **healthy natural environment**.

Annex Two:

Sounding Board Membership

- Jim Darlington (ONE – Chief Planner) – **Chair**
- Mark Wilson (ONE – Transport Manager)
- Simon Dove (ONE – Transport Policy Senior Specialist)
- Fiona Gough (GO-NE Deputy Regional Director – Environment)
- Andrew Johnson (GO-NE Head of Transport)
- Hilary Knox (ANEC – Deputy Chief Executive)
- James Ramsbotham (Chief Executive – North East Chamber of Commerce)
- Liz Mayes (CBI North East – Assistant Regional Director)
- Dave Marshall (ANEC – Transport Manager)
- Jonathan Spruce (Tees Valley Joint Strategy Unit – Senior Assistant Director)
- David Laux (Northumberland Council – Divisional Director for Highways and Transportation)
- Adrian White (Durham Council Head of Transport and Highways)
- Harvey Emms (Newcastle City Council –Director of Strategic Housing, Planning and Transportation)
- Toby Hughes (Nexus – Head of Strategy)
- Graeme Warren (Environment Agency – Strategy Manager)
- Stephen McFarlane (Regional and Local Transport: DfT)

Proposed ¹ Work Programme - North East Region		2009		2010		2011				Total Cost of Study	DfT Funding Required (NE DaSTS)	Regional Funding Contribution (ONE/ANEC)	DfT Funding Required (National)	
		Q4	Q1	Q2	Interim Report		Final Report							
					Q3	Q4	Q1	Q2	Q3	Q4				
1.0 Thematic Studies											£1,100,000	£825,000	£275,000	£0
1.1	Transport Futures Package	Mitigation and how to generate solutions to facilitate modal shift and energy efficiency									£600,000	£450,000	£150,000	£0
1.2	Modelling	Contribution towards ensuring compliance of regional models to DfT's satisfaction									£300,000	£225,000	£75,000	£0
1.3	Capacity & Project Management	To include a Policy Officer to maintain key linkages and an analyst/modeller									£200,000	£150,000	£50,000	£0
2.0 National / Joint Studies with the DfT											£720,000	£360,000	£90,000	£270,000
2.1	Strategic North-South Connectivity ²	Effective utilisation of road and rail corridors including links to Scotland and the south and High Speed rail options.									£400,000	£200,000	£50,000	£150,000
2.2	Transpennine connections ³	Adding into the DfT study to cover northern road and rail connections plus access to NE ports									£200,000	£80,000	£20,000	£100,000
2.3	National Freight Mode Shift Study	Increasing the role of rail and linking to ports									£120,000	£80,000	£20,000	£20,000
3.0 Cities and Regional Network Studies											£650,000	£400,000	£150,000	£100,000
3.1	Transport and the Economy	Investigation in to the level of economic advantage to the North East of providing improved linkages to the rest of the UK									£75,000	£50,000	£25,000	£0
3.2	Tees Valley City Region Transport: Connectivity and Accessibility	Accessibility to include LTP3 strategy development work and access to housing Growth Points									£175,000	£125,000	£50,000	£0
3.3	Tyne & Wear City Region Transport: Connectivity and Accessibility ⁴	Accessibility to include LTP3 strategy development work and access to housing Growth Points									£275,000	£125,000	£50,000	£100,000
3.4	Links between the City Regions	Roads – respective roles of the A1 & A19, A19/A66 stress point in Middlesbrough, Rail – Durham Coast / Leamside Line									£100,000	£75,000	£25,000	£0
3.5	Rural Study	Role of transport in the changing functional and economic roles of key settlements									£100,000	£75,000	£25,000	£0
TOTAL											£2,470,000	£1,585,000	£515,000	£370,000

Notes: 1. Initial proposals for the work programme, subject to further discussion with the DfT

2. Estimated total study cost

3. The region wants to be part of a Transpennine study and to contribute to a study led by the DfT that would consider north Transpennine routes alongside the principal route

4. The study costs for the two city region studies are the same, apart from an assumed additional contribution of £100k from the DfT to look at the A1

Report of: Senior Assistant Director, Joint Strategy Unit

Report to: Transport for Tees Valley

Date: Tuesday 21 July 2009

Subject: LOCAL TRANSPORT PLAN 3

Item for: Discussion

SUMMARY

1. Members will recall at the last meeting, the Joint Strategy Unit indicated that the process of preparing the Third Local Transport Plan (LTP3), covering the period from 2011 to 2016, had begun with a consultation on the draft LTP guidance from the Department for Transport (DfT).
2. Since the meeting, the Local Authorities have been considering the scope, content and format of LTP3, given that the DfT is not intending to issue prescriptive guidance as it did previously, that LTP3 will no longer be a 'bidding' document – indicative block allocations up to 2019 have already been provided – and that there will no longer be any formal monitoring of LTPs.
3. A key theme within the development of LTP3 in the Tees Valley will be joint working between the five Local Authorities wherever possible. Whilst this worked well for LTP2, certain lessons have been learnt and through joint priorities, methodologies and combined use of funding it is hoped that closer joint working can be achieved developing LTP3. This will help to deliver efficiencies and provide a stronger co-ordinated voice for the City Region. To facilitate this, an LTP3 Joint Working Group has been established with representation from the Authorities and the JSU.
4. The framework diagram below shows the agreed split of responsibilities with the JSU leading on the development of the City Region Transport Strategy and the five Authorities leading on the development of their individual LTP3s. The rest of this report discusses the main elements of this framework in further detail.

Tees Valley LTP3 Framework

City Region Transport Strategy 2011-2021
Context City Region Business Case, Tees Valley Climate Change Strategy, Regional Spatial Strategy, etc. Updated sub-regional demographics
DaSTS Table of challenges - summarising their sub-regional priority
Implementation Plan Sub-regional schemes - RFA table / Area Action Plan
Local Transport Plan 2011-2016 (x5)
Strategic Introduction Summary of City Region Transport Strategy
Context Community Strategies, Local Development Frameworks, etc.
DaSTS Table of challenges - summarising their local priority
Implementation Plan Summary of sub-regional schemes Local Schemes

5. The new LTP3 guidance will allow the time horizon of LTP3 to be at the discretion of the Local Authorities producing them. It has been agreed that the longer term strategy should be in line with the City Region Business Case and current Regional Spatial Strategy, as well as Local Development Frameworks. Therefore the new City Region Transport Strategy will cover the period from 2011-2021. The five LTPs will cover a shorter period from 2011-16 to reflect the funding commitments from the Government, the links to Community Strategies, and the shorter timescales associated with planning local improvement measures.
6. It has been agreed that the City Region Business Case, due to be updated by the end of 2009, will set the context for the new City Region Transport Strategy. The context for the individual LTPs will be set by the City Region Transport Strategy and the Authorities' individual Sustainable Community Strategies and Local Area Agreements.
7. The DaSTS response discussed within Item 7 of the agenda will be integral to the development of the LTPs within the City Region. They replace the Shared Priorities of LTP2 and will form part of a 'golden thread' from the City Region Transport Strategy down through the five LTPs and five Local Implementation Plans.

8. DaSTS sets out five goals for transport to:
 - Reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change;
 - Support national economic competitiveness and growth, by delivering reliable and efficient transport networks;
 - Promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society;
 - Contribute to better safety, security and health and longer life expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health; and
 - Improve quality of life for transport users and non-transport users, and to promote a healthy natural environment.
9. Underneath these five goals there are sixteen city and regional network challenges, which it has been agreed cover transport objectives at both the City Region and local transport level. Over the coming weeks one of the first tasks for developing LTP3 within the Tees Valley will be to establish whether each of the sixteen challenges are a City Regional priority, a local priority or both.
10. The implementation plan within the City Region Transport Strategy will be based upon the RFA investment programme, the Tees Valley Area Action Plan and any emerging local schemes that can be delivered at a sub-regional level (eg UTMC). The implementation plans within the five LTPs will be based around the priorities for investment identified through the Authorities' Strategic Community Strategies and consultation processes.
11. During the development of their LTP2s, the Tees Valley Local Authorities consulted upon their strategies independently. In order to undertake this process more efficiently and produce results that are comparable and can be combined across the City Region, the LTP3 Working Group will attempt to produce a standard consultation format. It would be designed so that it could be used independently by each of the Local Authorities through their normal consultation channels.
12. It would also allow joint consultation with consultees such as the Environment Agency, the Highways Agency, bus operators, rail operators, North Yorkshire County Council, Durham County Council, etc. The Authorities are still likely to undertake initial consultation on local priorities independently. The Strategic Environment Assessment and Equality Impact Assessment processes will also be undertaken at a local level.

13. Once the priorities and implementation plans have been finalised at both a strategic and local level, delivery mechanisms will be developed. Agreement of the governance will be based upon what can be delivered at a City Region level, by more than one LA in partnership, by a lead authority on behalf of other Authorities, or individually.
14. Also at this stage, the working group will determine what can be monitored at a City Regional level or in partnership. There will be no LTP specific reporting of progress as in previous years, however progress towards transport outcomes will be recorded through the Comprehensive Area Assessment Indicators. The Local Authorities will continue to monitor outcomes other than these indicators to ensure effective delivery.
15. The JSU in conjunction with the five Local Authorities will aim to complete the first draft of the City Region Strategy by the beginning of 2010. The Authorities will aim to produce an early draft of the front sections of their LTP3s (as shown in the table above) shortly after, subject to their initial consultation requirements. These initial drafts will then inform the development of governance, monitoring and consultation arrangements, which will in turn inform the final draft LTP3s by the beginning of 2011.
16. During the meeting, a short presentation will be given by the Transport Strategy Team of the JSU to outline the intended way forward with LTP3 and respond to any questions on the current way forward.

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Directions to Castlegate Quay Watersport Centre, Chandlers Wharf.

Approaching from Middlesbrough/A19 Northbound

From the A19/A1130 interchange, take the A1130 (Acklam Rd) towards Thornaby. Follow signs for Stockton town centre. Straight on at the traffic lights. At the roundabout turn left into Mandale Rd. At the next roundabout go straight on into George St. Keeping to the right hand lane, follow the road round to the right, and at the traffic lights turn left into Bridge Rd. After crossing Victoria Bridge, turn right into Chandlers Wharf at the Burger King sign. Cut across the car park to the river. Turn left and the Centre is directly ahead of you.

Approaching from Darlington/A66

From the A66, take the A135 turn off, signposted Stockton (West)/Yarm. Follow the signs for A135/Stockton. Go straight on at two sets of traffic lights. At the 3rd set of traffic lights turn right (into Yarm Lane) following signs for Stockton town centre. Go straight on at the next traffic lights. Turn right at the first roundabout and at the next roundabout go straight on but immediately fork left (signposted Middlesbrough/A66), and then take first left at the Burger King sign, into Chandlers Wharf. Cut across the car park to the river. Turn left and the Centre is directly ahead of you.

Approaching from Hartlepool/A19 Southbound

From the A19, take the Haverton Hill/A1046 turn off . At the bottom of the slip road, turn right at the roundabout, following signs for A1046/Stockton. Go straight on at traffic lights and a roundabout. Keep following signs for A1046, forking left at the next roundabout, left at the traffic lights, and following the S bent round to the right. Go straight on at the next traffic lights (signposted Darlington/A66) onto the Riverside Rd. Go under the Princess of Wales bridge. Pass Joe Rigatoni's on your left hand side and take the next left hand turn, just after Atkinson's Builder Centre, (before the traffic lights) into Chandler's Wharf. The Centre is at the bottom of the road.



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