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**TRANSPORT FOR TEES VALLEY**

**Meeting to be held at Castlegate Quay, Moat Street, Stockton, TS18 3AZ  
at 2.00 pm on Tuesday 28 April 2009**

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**INVITEES**

Councillor Bob Cook	Stockton on Tees BC
Councillor Mary Lanigan	Redcar & Cleveland BC
Councillor David Budd	Middlesbrough BC
Councillor David Lyonette	Darlington BC
Councillor Peter Jackson	Hartlepool BC
Councillor Charles Rooney	Middlesbrough BC
Mike Robinson	Stockton on Tees BC
Simon Dale	Redcar & Cleveland BC
Richard Alty	Darlington BC
Ian Parker	Middlesbrough BC
Dave Stubbs	Hartlepool BC
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
Jonathan May	Arriva North East
Robin Knight	Stagecoach North East
Liz Smith	CBI
Adrian White	Durham County Council
Barrie Mason	North Yorkshire County Council
Nigel Astell	Tees Valley Regeneration
Penny Marshall	Government Office North East
Andrew Johnson	Government Office North East
Lee Scott	North East Sourcing Limited
John Lowther	Tees Valley Joint Strategy Unit
Jonathan Spruce	Tees Valley Joint Strategy Unit

**OBSERVERS**

**Sarah Johnson**

**Stockton on Tees Borough  
Council**

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|----|--|---------------------------|-----------------|
| 1  | APOLOGIES  |                           |                 |
| 2  | CONFLICTS OF INTEREST  |                           |                 |
| 3  | NOTES OF MEETING ON 20 JANUARY 2009  | Attached                  |                 |
| 4  | MATTERS ARISING  |                           |                 |
|    | <b>ITEMS FOR INFORMATION</b>   |                           |                 |
| 5  | PROJECT EXCEPTION REPORT   | Attached                  | Jonathan Spruce |
| 6  | REGIONAL FUNDING ADVICE ROUND 2  | Verbal                    | John Lowther    |
| 7  | RECENT GOVERNMENT CONSULTATIONS  | Verbal                    | Jonathan Spruce |
|    | <ul style="list-style-type: none"><li>• Delivering a Sustainable Transport System</li><li>• Local Transport Plan 3</li></ul> |                           |                 |
|    | <b>ITEMS FOR DISCUSSION</b>  |                           |                 |
| 8  | CITY REGION FORERUNNER PROPOSAL  | Attached                  | Linda Edworthy  |
|    | <b>ITEMS FOR PRESENTATION</b>  |                           |                 |
| 9  | A STRATEGIC RAIL PARTNERSHIP FOR THE TEES VALLEY   | Attached/<br>Presentation | Paul Salveson   |
| 10 | ANY OTHER BUSINESS   |                           |                 |

11 DATE OF NEXT MEETING(S)

- Tuesday 21 July 2009
- Tuesday 20 October 2009
- Tuesday 26 January 2010
- Tuesday 27 April 2010

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

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## TRANSPORT FOR TEES VALLEY

Meeting held at TAD Centre, Ormesby Road, Middlesbrough at 2.00pm on  
Tuesday, 20<sup>th</sup> January 2009

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### ATTENDEES

Councillor David Budd	Middlesbrough BC	Chair
Councillor David Lyonette	Darlington BC	
Councillor Charles Rooney	Middlesbrough BC	
Mike Robinson	Stockton on Tees BC	
Simon Dale	Redcar and Cleveland BC	
Dave Stubbs	Hartlepool BC	
Vanessa Gilbert	Highways Agency	
Brian Glover	Middlesbrough BC	
Alistair Smith	Hartlepool BC	
Martyn Pellew	PD Ports	
Simon Dove	One NorthEast	
Mark Wilson	One NorthEast	
Robin Knight	Stagecoach North East	
Penny Marshall	Government Office North East	
Barrie Mason	North Yorkshire County Council	
John Lowther	Tees Valley Joint Strategy Unit	
Jonathan Spruce	Tees Valley Joint Strategy Unit	
Peter Bell	Stockton on Tees BC	

### PRESENTERS

Phil Berczuk	Steer Davies Gleave
Craig Nelson	Steer Davies Gleave

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### APOLOGIES

Councillor Bob Cook	Stockton BC
Councillor Mary Lanigan	Redcar and Cleveland BC
Councillor Peter Jackson	Hartlepool BC
Ian Parker	Middlesbrough BC
Richard Whitehouse	Durham Tees Valley Airport
Jonathan May	Arriva North East
Liz Smith	CBI
Adrian White	Durham County Council
Nigel Astell	Tees Valley Regeneration
Andrew Johnson	Government Office North East
Lee Scott	North East Sourcing Limited

**1 CHAIR'S WELCOME**

The Chairman (DB) welcomed attendees to the meeting.

**2 NOTES OF THE MEETING ON 21<sup>ST</sup> OCTOBER 2008**

The minutes of the meeting held on 21<sup>st</sup> October 2008 were agreed as a true record.

**3 CONFLICTS OF INTEREST**

No conflicts of interests were declared.

**4 MATTERS ARISING**

There were no matters arising.

**5 PROJECT EXECUTION REPORT**

Members were presented with a report 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.

A meeting had been arranged with the Department for Transport on 8<sup>th</sup> January to work through a comprehensive set of responses to the latest questions on the Bus Network Improvements major scheme business case and agree a timetable for approvals.

For Tees Valley Metro, Tees Valley Regeneration and the Local Authorities had agreed to split the additional cost of finalising the draft major scheme business case for the project, with an anticipated completion date of the end of February 2009. TVR and the Local Authorities had also developed a joint delivery programme that was being used to scope out the next stages of the project with Network Rail.

The preliminary findings of the A66/A19/A174 Area Action work had been produced, and the detailed modelling phase would commence in February. In the meantime, work had started to examine regulatory and financial barriers to implementing the plan.

RESOLVED that:

1. The report be noted.
2. Members comments be noted.

## **6 REGIONAL FUNDING ADVICE ROUND 2**

**JL** updated Members on the Regional Funding Advice Round 2, and **JS** provided a specific update on transport schemes.

Having carried out a reassessment of all RFA1 schemes not legally committed to ensure that they continue to meet strategic priorities, remain value for money and were deliverable within the programme period, the Region confirmed its commitment to the schemes already included within the RFA programme.

However, the Region also appraised a number of new schemes, taking account of the emerging strategic framework for the region, sub-regional priorities, and requirements in relation to carbon and environmental impact. A list of 'provisional priorities' were identified, comprising schemes which demonstrate good strategic fit, which could proceed within the programme period and which will provide the region with flexibility to manage the programme.

This list includes an allocation of £30 million as a "contribution to Stage One of Tees Valley Metro", £15 million towards Phase 1 of the Area Action Plan and a £4 million allocation for the East Billingham Transport Corridor.

RESOLVED that the update be noted.

## **7 LOCAL TRANSPORT ACT**

Members were aware that the Local Transport Act received Royal Assent in November 2008, following an 18 month passage through the legislative procedures.

The Act had three main parts:-

It enabled local authorities to improve the quality of local bus services;

It reformed the arrangements for local transport governance in major conurbations; and

It reformed the existing legislation relating to local road pricing

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schemes.

During the Bill's passage through Parliament, the Tees Valley authorities and other partner organisations had been working together in anticipation of the Act to produce a locally-tailored response to all three parts of the Act. The rest of this report set out the response in more detail.

In summary, the response involved:-

The development of a Quality Partnership Scheme (QPS) with the principal bus operators, in line with the major bus scheme funding bid that was with Government for approval. Our QPS would follow the scope outlined in the Act and was likely to be the first multi-authority, multi-operator agreement of its type in the country.

The setting up of a non-statutory Transport Board, Transport for Tees Valley, within the new governance structure of Tees Valley Unlimited.

A new way of working with the Highways Agency to make better use of the existing strategic road network without the need for a local road pricing scheme for the foreseeable future.

RESOLVED that the report be noted.

## **8 DELIVERING A SUSTAINABLE TRANSPORT SYSTEM**

The "Delivering a Sustainable Transport System" document, published by the Department for Transport on 25 November 2008 was intended to set out how the Government would take forward transport investment beyond 2014 and how it intended to map out a new 30 year transport strategy over the next 18 months.

The report provided a short outline of the key implications of the document, and in particular its relationship to key Tees Valley priorities and the work being undertaken in the North East region on regional challenges and priorities.

Consultation on the document would be open until 27 February 2009, and a co-coordinated Tees Valley response was suggested in conclusion. It was reported that it may also be worthy of partaking in a regional response on some of the

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issues relating to the Strategic National Corridors defined within the document.

Members provided comments on the summary of the document and its implications.

RESOLVED that:

1. The report be noted.
2. Members comments on the DaSTS and its implications be noted.
3. A co-ordinated Tees Valley response to the consultation be endorsed.

## **9 CONNECT TEES VALLEY – A NEW INFORMATION PORTAL**

At the last meeting Members agreed to fund an information portal for transport in the Tees Valley. The initial work on the portal had now been completed and Phil Berczuk and Craig Nelson from Steer Davies Gleave were in attendance at the meeting to present Members with a demonstration version of the system.

Members were very impressed with the demonstration version of the portal and gave some feedback on some possible additions to the system.

RESOLVED that the presentation be received.

## **10 ANY OTHER BUSINESS**

### Strategic Rail Partnership

JS reported that the JSU and Northern Rail has commissioned a scoping study into a new strategic rail partnership, and it was intended to bring the action plan from this study to a future Board meeting.

It also was reported that Arriva Cross Country may make a timetable change regarding all services going via Leeds which would help provide a more regular frequency of service at Darlington.

**11 DATE OF NEXT MEETING(S)**

28<sup>th</sup> April 2009, venue to be confirmed.

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**Report of:** Senior Assistant Director, Joint Strategy Unit  
**Report to:** Transport for Tees Valley  
**Date:** Tuesday 28 April 2009  
**Subject:** PROJECT EXCEPTION REPORT  
**Item for:** Information

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## SUMMARY

1. This report updates Members on progress towards the three main transport projects within the City Region Business Case and MAA. It specifically focuses on reporting exceptions to the project programme and their overall impact.
2. At the time of writing, no final response has yet been received from the Department for Transport (DfT) on the disappointing response provided by DfT Officials indicating any decision will be delayed until the end of May. Any update on this position will be given at the meeting.
3. The Tees Valley Metro project has now reached an important stage in its development. At the Tees Valley Metro Project Board on 27 March, it was agreed that the draft Business Case would be complete by Easter for the purposes of undertaking a public consultation exercise in the coming months, and for opening negotiations with the Department for Transport (DfT), the starting point for which was the visit of Lord Adonis, the Parliamentary Under-Secretary of State on Friday 24 April. A verbal update on the visit will be provided at the meeting.
4. Work on the A66/A19/A174 Area Action Plan (AAP) has concentrated on agreeing development build-out profile that reflects 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 has been agreed. Work has also progressed on an innovative funding mechanism for the AAP.
5. Members are asked to note the contents of this report.

## **1. PURPOSE OF REPORT**

- 1.1 This report updates Members on progress towards the three main transport projects within the City Region Business Case and MAA. It specifically focuses on reporting exceptions to the project programme and their overall impact.
- 1.2 Members are asked to note the contents of the report.

## **2. TEES VALLEY BUS NETWORK IMPROVEMENTS**

- 2.1 Members will recall that, since the submission of the majority of the contents of a Major Scheme Business Case (MSBC) in February 2008, and additional information on scheme appraisal and modelling at the start of October 2008, the Joint Strategy Unit (JSU) has been in frequent contact with Officials at the Department for Transport (DfT) as the business case is reviewed.
- 2.2 This contact has included two meetings at the DfT and two separate submissions of further information, including a significant re-write of the Model Appraisal Report to address the DfT's questions. The Project Initiation Document (PID) required by the DfT was agreed at the Project Board meeting on 2 March and forwarded on 23 March.
- 2.3 DfT guidance on major schemes suggests a six month period should be allowed on average for a review of a complete business case and to obtain a formal response from the DfT. This six month period elapsed at the start of April, and on 3 April, an e-mail was received from the DfT which is included at the end of this report for information, mindful that Members have previously expressed a desire to write to the DfT if a decision continues to be delayed.
- 2.4 The JSU provided a response to this e-mail on 7 April, expressing disappointment at the continued delay in the announcement, and pointing out that there will inevitably be some impacts on private car users within a major public transport scheme such as this.
- 2.5 At the time of writing, no response has been received from the DfT, but a verbal update will be provided at the meeting.

## **3. TEES VALLEY METRO**

- 3.1 The Tees Valley Metro project has now reached an important stage in its development. At the Tees Valley Metro Project Board on 27 March, it was agreed that ownership of the project should now transfer to the Local Authorities.
- 3.2 It was also agreed at the Project Board that the draft Business Case would be complete by Easter. The draft Business Case sets out the strategic case for the scheme, its value for money and appraisal against central government

objectives, and outlines the delivery aspects of the scheme, in terms of governance, risk, stakeholder management and procurement. Due to leave commitments of the consultants' staff involved, the draft Business case will now be complete by the end of April.

3.3 The draft Business Case considers the Metro network (that is, between Darlington and Saltburn and between Hartlepool and Nunthorpe) as a whole, but does identify a three phase implementation programme that includes some possible 'early wins' on the existing network. These elements include:

- New platforms at Darlington and Middlesbrough stations;
- Relocation of stations at Durham Tees Valley Airport and Wilton;
- Station improvements at Eaglescliffe, Thornaby and Hartlepool;
- New James Cook University Hospital station; and
- Refurbished Class 156 rolling stock.

The overall cost estimate for these elements of the project is some £30 - 40 million (2008 prices).

3.4 The completion of this task precipitates the next stage of the work, which falls into two parts:

- A public consultation/information on the Metro proposals as they stand, as part of the process of securing Council support for the scheme across all five Boroughs, approval to submit a final business case later in 2009, and firm commitment to the 10% 'local' contribution required as part of the business case. This work will be led by the Local Authorities, working to their own timetables within the next three months, supported as necessary by the JSU.
- Pre-submission discussions with the DfT on the draft business case and the outline delivery plan approved at the end of 2008. This will follow on from the meeting with the DfT in December 2008, and will pick up more recent announcements on funding for rail improvements and possible opportunities for a more fine-grained phasing of the scheme in line with new guidance on major schemes. This work will be led by GONE and the JSU.

3.5 The starting point for the second task was the visit of Lord Adonis, the Parliamentary Under-Secretary of State on Friday 17 April. A verbal update on the visit will be provided at the meeting.

#### **4. A66/A19/A174 AREA ACTION PLAN**

- 4.1 Work on the A66/A19/A174 Area Action Plan (AAP) has concentrated on agreeing development build-out profile that reflects the current credit crunch and likely recession and also the recently submitted Housing Growth Point Programme of Development (PoD).
- 4.2 Members will recall that the initial development schedule and strategic modelling work done to date on the AAP has led to the broad agreement of the candidate schemes within each of the five year time periods, albeit based on information about likely development build-out that pre-dates the current discussions. This includes all schemes (including public transport and “smarter choices” schemes) that will reduce or manage traffic flows on the strategic highway network.
- 4.3 These schemes will form the basis for more detailed testing using micro-simulation models once an updated development schedule has been agreed. During the last few months, the Highways Agency (HA)’s consultants have been combining separate micro-simulations models already built along the A66 and A19 corridors into one model, which has not been achieved before. The base morning peak model has now been built and validated against existing network conditions at the Chief Engineers’ meeting on 6 March.
- 4.4 Work has also progressed on an innovative funding mechanism for the AAP. With the assistance of both the HA and One NorthEast, a paper outlining how the mechanism will work is currently being considered by the Chief Planning Officers. There is a need to check current planning legislation and the provisions within the upcoming Planning Bill, and the possible need to set up an independent delivery vehicle to act as ‘ringmaster’ and accountable body for the various sources of funding to determine whether the mechanism can operate in practice.
- 4.5 The HA has already commissioned specialist advice to assist this process, and minimise the risks to the AAP being undeliverable in practice, and a Tees Valley working group is being set up to consider implementation issues, led by Darlington Borough Council.
- 4.6 Finally, one of the components of the AAP, the ramp metering scheme for the A66 and A19, has been shortlisted for funding through the Community Infrastructure Fund Round 2. A full business case for the scheme will now be prepared with the Highways Agency, for submission by 22 May.

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**From:** Bob Collins [mailto:Bob.Collins@dft.gsi.gov.uk]  
**Sent:** 03 April 2009 17:12  
**To:** Jonathan Spruce  
**Cc:** Peter Apostolou  
**Subject:** Tees Valley Bus Network

John

I'm just going off on leave for two weeks but thought it was time I updated you on how things stand. With regard to the modelling John Collins has completed his assessment but I have to say that it's still right on the borderline of what we could consider acceptable. The impact on private highways users is still a major area of uncertainty. We do recognise the many points this scheme has in its favour in terms of policy and delivery but as things stand on modelling there may be some additional work that we need you to do. We will try to restrict that to what is absolutely necessary but I can't promise how extensive that will be. The economists/modellers should be having a conflagration about this next week and we will feed back to you any outcome of that via Peter.

Meanwhile there are some additional (hopefully more straightforward) questions which should be our last word on the non-modelling aspects.

#### Delivery

1. There are very few named personnel assigned within specific roles. Have people now been assigned? If we could see names that would help.
2. Linked to the above is the lack of responsibilities noted against most roles. There are some noted for the Project Director and for the Project Board as a whole but they remain high level. For instance, it would help to have responsibilities of each Project Board member, Project Assurance and Quality Manager.
3. Is it possible to provide more detail around delegated authorities, financial delegations and tolerance.
4. You said that you would be preparing corridor specific risk registers, however I don't think we've seen any. You also said that the QRA would be adjusted as necessary.

#### Financial

5. With regard to the larger items where a developer contribution is earmarked I understand that if the development does not go ahead the schemes are not needed but are the developer contributions hardwired if development does go ahead? Is there any conceivable scenario where development goes ahead but contribution is not forthcoming?
6. What is state of play with the Stockton S20 scheme? Has a decision to go ahead with the smaller scheme been taken or are there still two live scenarios and if so is there still a CPO risk?
7. The S151 letters say they are committed to meeting the minimum 10% and that the anticipated contribution is much higher. However they don't explicitly say that they are committed to meeting the higher contribution as set out in the bid? As the letters are now more than a year old is it possible to get them refreshed and clarified.

Just to give you an idea of timescales if the outcome of the modelling discussion is positive I would be aiming to get this scheme to our Investment Decision Committee on 20 May, which could mean an approval decision by the end of May. Obviously however if the modelling issues prove more intractable then that may not be possible.

I'm effectively back in the office on Tue 21 April and happy to discuss then.

Bob

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## Agenda Item 8

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**Report of:** Senior Assistant Director, Joint Strategy Unit

**Report to:** Transport for Tees Valley

**Date:** Tuesday 28 April 2009

**Subject:** CITY REGION FORERUNNER PROPOSAL

**Item for:** Discussion

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### SUMMARY

1. Government 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.
2. 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 10 February. The feedback received was very positive and encouraged us 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, nothing was considered off the table at this point. Government officials also gave a very strong steer that we needed to provide strong evidence of the impact of our proposals and that Government was very keen to see proposals that could have an impact on business and skills. The pilot potentially offers the opportunity to substantially reduce bureaucracies and create efficiency savings through simplified processes and local decision making. This will enable economic development, regeneration, housing and transport schemes to be delivered more effectively.
3. The proposals have been developed during January and February involving detailed discussions with key partners. The draft submission was considered by the TVU Executive at its meeting in February and has the support of the all partners on the Executive. The final submission was cleared by the Executive and the TVU Chair in advance of its submission to Government on 6 March 2009.
4. Attached is a briefing note which sets out the basis of the submission. The document is very large electronically and would have caused some Board Members IT problems. Therefore, an electronic copy of the full version is available on the TVU website.

5. As well as the information presented in the briefing note, Board Members' attention is drawn to Section R3b in the submission, which outlines the governance arrangements for TVU at present and moving forwards. To enable Government to give greater flexibilities to the partnership we are required to move to statutory body status. Annex 11 illustrates the potential governance arrangements for a TVU statutory body.
6. Whether or not TVU is chosen to proceed as a City Region Forerunner there are elements of the proposal that we would wish to take forward, such as improvements to the governance structure (to align areas of activity such as housing and regeneration and the further development of the Employment and Skills Board) and developing our approach to investment planning with key agencies.
7. Government will announce the successful areas (at least two) for the City Region Forerunner in the Budget announcement on 22 April 2009.
8. Members are asked to note the contents of the City Region Forerunner submission.

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**Date: 9 March 2009**

## **TEES VALLEY CITY REGION FORERUNNER PROPOSAL**

Tees Valley Unlimited (TVU) the public, private and voluntary sector partnership charged with preparing and coordinating plans to develop the area's economy has signed a "Multi Area Agreement" (MAA) with Government. The Tees Valley MAA is one of only seven partnerships across England to be signed off by Government on 14 July 2008. Since the signing in July 2008 a further three MAAs have been signed off in January 2009.

### **What next – A City Region Forerunner?**

TVU is delighted to have achieved the MAA. However, it is really only one step in a series of discussions with Government. TVU was extremely pleased to see Government's continued commitment to City Regions in the Pre Budget Report, followed by the invitation to submit a City Region Forerunner proposal.

Government wishes to agree, on a voluntary and tailored basis, a set of devolutionary proposals with local authorities in city regions (in at least two areas – to be announced in the Budget on 22 April 2009), to increase further their ability to drive economic growth and contribute to sustainable development.

The City Region Forerunner offers the potential to build on the Tees Valley MAA. It potentially offers the opportunity to substantially reduce bureaucracies and create efficiency savings through simplified processes and local decision making. This will enable economic development, regeneration, housing and transport schemes to be delivered more effectively.

### **The Tees Valley City Region Forerunner Proposal**

Tees Valley Unlimited submitted the proposals for the Tees Valley City Region Forerunner on 6 March 2009. The proposal

demonstrates that TVU is a strong, mature and robust partnership. This is evidenced by the fact that the submission was made by TVU – the five Tees Valley local authorities, the regional bodies (One NorthEast, the Homes and Communities Agency, the Learning and Skills Council, Jobcentre Plus, Business and Enterprise North East), private sector representative bodies (North East Chamber of Commerce and the CBI) and the individual private sector TVU Board members. The proposal also has the support of Government Office for the North East.

The proposal demonstrates that the area meets the City Region Forerunner Threshold Criteria and demonstrates a strong case within the Ranking Criteria. The summary of the case and proposals is detailed below.

### **Why Tees Valley City Region?**

The Tees Valley City Region area comprises the five Tees Valley local authority areas (Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees) and is a contiguous, functional economic area with real potential for delivering economic prosperity and growth. This is acknowledged in several studies and strategies, including the Northern Way and the Regional Economic Strategy as well as the Regional Spatial Strategy which aims to enable the continued acceleration in economic performance. This ambition has been demonstrated in the Tees Valley City Region Business Case and reinforced in a suite of documents which have culminated in the development of the Tees Valley Multi Area Agreement (MAA) which was signed off by Government in July 2008.

Tees Valley is one of the UK's economic powerhouses with real potential to be at the forefront of the industrial activism that is needed to fight our way out of the recession.

Tees Valley contributes £9.6 billion to the UK economy and is based on the largest integrated heavy industrial complex in the United Kingdom. We are not reliant on the financial and business services sector. We have world class sectors with real growth potential, even in the current economic conditions:

- The **petrochemical cluster** at Wilton, Billingham and Seal Sands is the largest integrated chemical complex in the United Kingdom in terms of manufacturing capacity and the second largest in Europe. It contributes £3.5 billion to the UK economy and 70,000 jobs in the UK depend on it. 60% (approx. £15 billion) of the UK chemical exports are from Tees Valley.
- The Teesside Power Station is one of the world's largest Combined Cycle Gas Turbine combined heat and power plants producing 1875 megawatts of electricity. In addition, the Biofuels Corporation operates the world's largest biodiesel plant and Ensus are constructing the Europe's largest bioethanol plant at Wilton using locally grown wheat. There is a further £4 billion of investment programmed in the next 5 years in energy, biofuels and petrochemicals.
- The Redcar **Steel** Complex, one of the three main producer sites in the UK has secured long term contracts with international partners to supply 3.4 million tonnes of slab per year for export.
- **Teesport**, the third largest port in the United Kingdom, handles 10% of all UK traffic. Oil and gas based chemicals, iron ore import, coal imports and steel exports account for 75% of its trade. Planning permission has been granted for a major deep sea container terminal of national importance. Walmart have opened and Tesco will open a major import centre employing 1000 people.
- A **strong biotechnology** sector based on Avecia and Johnson Matthey.
- A **world class engineering** design and plant maintenance industry employing over 5,000 people including companies like Cleveland Bridge, AMEC, Aker Solutions, Whessoe, Heerema, Corus Tube and K Home Engineering.

The overall ambition of TVU is to develop the Tees Valley economy faster than the UK economy, thus narrowing the gap in Gross Value Added. To achieve this business and enterprise are absolutely crucial.

TVU wants to ensure that the infrastructure is in place to enable businesses to invest, locate and grow in Tees Valley. This means ensuring that we have the right physical conditions (quality of place, modern and efficient communication networks, housing that meets today's expectations, quality town centres, public spaces and leisure and visitor facilities) and the right people (job ready, skilled employees to

meet businesses needs for now and the future and entrepreneurs to establish and grow indigenous businesses).

TVU welcomes the opportunity to discuss and work with Government to develop new and innovative approaches to supporting and developing the Tees Valley economy. We recognise that some of what we propose is difficult and challenging for Government, particularly in the current economic climate. The proposals represent new ways of working for TVU, its partners and Government.

### **Our Proposals to Government**

Our proposals are focussed on removing barriers to growth through greater efficiency and effectiveness of funding mechanisms and commissioning with developed and accountable governance arrangements.

In the short term we would wish to:

- A. establish an ongoing senior level dialogue with Government on matters relating to our aim to accelerate the economic performance of the city region and remove barriers to growth;

Manage all resources that go into economic development and regeneration, housing and transport to achieve the economic potential of Tees Valley through:

- B. having a greater level of certainty of funding;
- C. developing joint investment planning leading to a single capital programme;
- D. work towards local approval of RDA and HCA funds;
- E. having the ability to reinvest efficiency savings locally;
- F. implementing the Tees Valley Housing Market Recovery Programme.

Ensure that businesses have the necessary skills and talent to achieve their growth potential and to ensure that individuals can positively contribute to economy and have a better quality of life through:

- G. developing an Employment and Skills Board with formal powers to influence DWP contracts, moving quickly to co-commissioning contracts and Section 4 powers; and
- H. developing a Business and Enterprise Board with formal powers to influence the provision of business support in Tees Valley.

In the medium to longer term we would:

- I look to develop increased statutory responsibility for strategic transport issues; and,
- J further develop the Employment and Skills Board with devolved powers from DWP to commission activity.

### **Future Governance Arrangements**

The area already works very effectively on a voluntary collaboration basis and has delivered significant programmes for regeneration. Many of the projects within these programmes have included joint delivery with the private sector. But our ambitions for a strong working relationship with the private sector are not limited solely to the delivery of activity. They go way beyond this, by looking to build upon existing governance arrangements for the development of plans and strategies towards developing even stronger, more effective and meaningful mechanisms of business engagement. What we are striving for is a real engagement which is of benefit to both the private and public sector in all aspects of our regeneration activities.

TVU acknowledges that in order to gain some of the flexibilities from Government that it might be necessary to move to more statutory arrangements. TVU is committed to move in this direction if Government is in a position to agree and deliver some real benefits through the flexibilities, powers and functions detailed in our proposals.

We feel that we have the capacity and creativity and most importantly a desire to remove barriers and solve problems. If any area of the country is ready to test some new ways of working it is Tees Valley. We have demonstrated our long track record of joint and collaborative working, and with an economic base that is weathering the current economic challenges, believe we offer real growth opportunities for the future.

### **What we will deliver for Government**

With the flexibilities proposed in this submission we will be in a position to ensure that Tees Valley continues to be a driver of regional and national growth. We will achieve this by accelerating the pace of delivery and improvements to the infrastructure that are needed to support the growth of petrochemicals, energy, steel, the Port and port related businesses,

biotechnology and advanced engineering clusters which make Tees Valley an economic powerhouse. We will achieve significant improvements in:

- GVA, through
- increased employment,
- significant reductions in people receiving out of work benefits; and
- increasing the UKs ability to capture and grow business investment in UKplc.

In short Tees Valley should be one of Government's City Region Forerunners.

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## Agenda Item 9

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**Report of:** Senior Assistant Director, Joint Strategy Unit  
**Report to:** Transport for Tees Valley  
**Date:** Tuesday 28 April 2009  
**Subject:** A STRATEGIC RAIL PARTNERSHIP FOR THE TEES VALLEY  
**Item for:** Discussion

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### SUMMARY

1. 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 considers the question of whether there is an appetite for a Strategic Rail Partnership in the Tees Valley.
2. The work done to date includes:
  - 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.
3. The attached extract is a summary of the scoping study report and includes a summary of the draft action plan for comment by Members.
4. It is anticipated that a representative of Northern Rail will also be present at the meeting to outline the work and the next steps to establishing a new partnership.

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## **A Strategic Rail Partnership for the Tees Valley – Scoping Study Executive Summary**

In November 2008, the Tees Valley 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 considers the question of whether there is an appetite for a Strategic Rail Partnership in the Tees Valley.

The specific objectives of the study are to:

- Identify potential partners;
- Assess potential appetite for such a partnership;
- Identify the scope for strategic fit between the different potential partners;
- Describe the nature of the partnership;
- Draft an action plan for the partners to deliver; and
- Identify potential sources of funding to deliver the action plan.

The railway has played a crucial role in the development of the Tees Valley from the start of the great expansion of the railways in this country. The railway has linked, and continues to link, communities, industry, centres of commerce and the significant leisure resources that the City Region has to offer.

Whilst the network that has been bequeathed to the Tees Valley runs adjacent to many of the brownfield regeneration areas, as well as the key economic assets, station provision is based around historic patterns of demand rather than more recent patterns, or those that will arise in the future.

Just as it did in the 19<sup>th</sup> Century, the rail network can provide a spine for sustainable development across the City Region, opening up large sites and providing a reliable and quality connection between the five urban centres of the Tees Valley and the City Region's hinterland to reflect changes in travel patterns.

The development of a new way of working for rail can deliver:

- Sustainable economic development along the rail corridor;
- Greater social inclusion, with improved access to employment, education and leisure opportunities;
- Improve community well-being;
- Increased direct employment on the railway;
- Creation of new businesses at and around stations; and
- An enhanced national image for the Tees Valley City Region.

As an initial stage of the study, a more detailed review of the current situation was undertaken to identify a series of issues that would provide the impetus to look towards any new style of partnership for the Tees Valley rail network.

These cover Population and key traffic generators, Current usage and trends, Existing service pattern, Rolling stock, Integration, Ticketing, Information provision, Station facilities, and Marketing and branding.

In each of these areas, the conclusion was that, whilst there were many good initiatives being introduced and expanded across the Tees Valley network, a piecemeal approach was not necessarily achieving the impact that more co-ordinated working might.

The study also included a series of consultations on the scope of a possible partnership with a wide range of stakeholders. These consultations bring forward the strong conclusion that there is scope and interest in the development of such a partnership. The principal reasons are that:

- More people could travel by rail if the offer met their needs better and if they were more aware of the possibility;
- The train operating companies want to see growth in passenger numbers but have limited resources to achieve this in isolation;
- Travel by rail in the Tees Valley will almost inevitably mean crossing Local Authority boundaries;
- There is a growing recognition that partnership working can deliver more cost-effective solutions to issues; and
- There is a high degree of strategic fit between the potential partners.

Whilst potential partners have been approached separately, there now needs to be a coming together to form the partnership and to agree its form and function. The study proposes a voluntary agreement between the parties, with each taking responsibility for their own area and creating a part time officer to co-ordinate activities. The need for a dedicated resource has been demonstrated on other such partnerships elsewhere, where without the central person pulling it all together the partnership has not succeeded.

Finally, a draft action plan has been prepared covering areas such as Management and Governance, Communications and PR, Research and Audit, Station Facilities, Timetables and Rolling Stock, and Ticketing. Proposals are included for action over the next four years they are intended to create a step change in how the railway is perceived and the quality of facilities enjoyed finishing with a review of performance against objectives of the partnership. The attached extract from the draft action plan shows the key actions identified before the end of 2009 to establish the partnership and to deliver some perceivable outcomes, largely from existing resources.



### Management and Governance

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Finalise geographic boundaries of partnership	09	Q1		Proposed members of partnership	Definition to inform future decisions
Finalise membership of the partnership (described hereafter as Quality Rail Partnership (QRP) Steering Group and Wider Reference Group)	09	Q1		Proposed members of partnership	Definition to inform future decisions
Preparation and agreement of draft Action Plan	09	Q1	JSU	QRP Steering Group Transport for Tees Valley	Agreed Action Plan for all partners and to be used to measure progress against objectives
Prepare draft Terms of Reference for QRP Steering Group and Wider Reference Group	09	Q2	JSU	QRP Steering Group Wider Reference Group	Document that sets out agreements and protocols
Inaugural Partnership meeting	09	Q2		QRP Steering Group Wider Reference Group	Partnership established

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Agree funding and resource arrangements for Partnership	09	Q2		QRP Steering Group	Funding agreed - required to inform agreement of Action Plan that will define scope of Partnership's work
Agree where Partnership fits within other management and committee structures within Tees Valley	09	Q2	Informed by resource arrangements	QRP Steering Group and JSU	Clarity of reporting arrangements and context for activity
Identify responsible person to undertake co-ordinating role for Partnership and clarify their responsibilities (described as Manager)	09	Q3	Informed by resource arrangements	QRP Steering Group	Clear person responsible for co-ordination, communication and management of the partnership

The Scoping Study demonstrated that a strong element of co-ordination and communication is required if effective improvements are to be achieved. This is echoed by the experience of Northern Rail in establishing partnership working elsewhere. Where there is a dedicated officer for the Partnership significantly better results are achieved than where there is none.

Therefore, there is a clear, agreed need to identify sufficient funding to cover the cost of a part-time officer working an estimated two days per week in the initial stages to help establish the partnership. Again, experience elsewhere suggests that this is the minimum officer resource required to achieve the Partnership objectives. Staff resources must be a key topic at the Partnership Inception Meeting, and many of the actions rely on the appointment of a Manager before the end of 2009.

## Communications and Public Relations

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Single leaflet to promote the network, timetable and key features	09 then annually	Q3	JSU and TOCs	QRP Steering Group, Wider Reference Group, TOCs and JSU	Sufficient quantities produced of attractively designed promotional material for network, which is approved by QRP Steering Group
Distribution outlets for literature identified and agreement in place – locations to give ease of access to those who live near or use the line	09	Q3	JSU and TOCs	TOCs and JSU	Sufficient number of outlets for literature so that it is easily accessed by those most likely to use the network
Appropriate holders sourced and distributed to the outlets	09	Q3	JSU and TOCs	TOCs and JSU	Literature when distributed has stand out in its final location
Distribution arrangements in place for all literature produced through the partnership	09 then annually	Q3	Rail User Groups, current Local Authority distribution systems	TOCs, JSU and Rail User Groups	Constant, up-to-date supply of literature in all locations
Location-specific information, including map available at each of the stations both on platform	Start 09  End 10	Q3  Q2	JSU	Local Authorities and JSU	Full information about locality of rail station available to all passengers as they alight the train and on leaving the

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
and outside the station					station
Media activity to support other events associated with the network, eg signing of QRP, results of research, increase in satisfaction, etc	Ongoing from 09	Q2		QRP Steering Group and Wider Reference Group, depending on event/activity	Positive newspaper column inches about the railway increased Positive radio airtime about the railway increased
Participation in single web portal for all information about public transport in Tees Valley	09	Q3 onwards	JSU	TOCs and JSU Wider Reference Group	Fully integrated access to rail and bus information on Tees Valley that can be personalised and used for other activities eg ticket purchase
Agreement on how branding for Tees Valley public transport offer should be taken forward and used	09	Q2	JSU	Transport for Tees Valley	Decision on how and where the Connect Tees Valley branding should be used and how it can be taken forward to promote the comprehensive public transport offer that exists in the Tees Valley
Pilot for text real time information on Esk Valley line	09	Q3	TOC	TOC	Review outcome and consider potential to extend

**Research and Audit**

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Define standards required at stations in line with nationally described standards based on annual footfall at stations	09	Q3	JSU	QRP Steering Group, Wider Reference Group, TOCs and JSU	QRP Steering Group and Wider Reference Group agree a set of standards for stations
Audit of what facilities are required at which stations in order to meet formally standards agreed through the process above	09	Q3	JSU	TOCs and JSU	Definitive list of what facilities are required at which stations in order to meet required standards
Review outcome of station travel plan process	09	Q3	JSU and TOCs	QRP Steering Group Wider Reference Group	Decision on whether to undertake the process, or a revised one at other stations
Station travel plan audit undertaken at every station	09	Q4	JSU and TOCs	TOCs and JSU	Definitive list of what facilities are required at which stations in order to meet accessibility standards

### Station Facilities

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Review options to improve facilities at station by making better links with surrounding facilities eg café for waiting facilities, newsagent for ticket sales	09	Q3	Local Authorities and JSU	TOCs and JSU	Proposals for meeting facility requirements without major capital expense at stations where it cannot be justified.
LTPs of each Authority to include funding for remaining attributes at stations	09	Q4	Local Authorities and JSU	Local Authorities and JSU	Funding identified to complete process for upgrading standards at stations to meet set standards
System for reporting and checking on clearing up of vandalism reviewed and improvements implemented	09	Q2	TOCs and Station Adopters	TOCs and JSU	Reporting of vandalism streamlined to improve quality of stations

### Ticketing

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Promotion of annual ticket to employers identified by research into employers	09 then	Q3	Northern's Ticketing Manager and Local	Northern's Ticketing Manager	Increase in annual tickets sold to organisations based close to rail stations

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
based near the rail stations	ongoing		Authorities' Travel Plan Officers/ Green Travel Plan Co-ordinators		

### Timetables and Rolling Stock

Action	Target Completion		Resource	Responsibility	Outcome
	Year	Period			
Item on agenda for QRP Steering Group to explain how allocation of rolling stock works	09	Q3	TOCs and QRP Steering Group	TOCs	QRP Steering Group with good understanding of how this happens and therefore if there is anything they can do to support the process and get improved vehicles into Tees Valley
Item on agenda for QRP Steering Group to explain how timetabling works	09	Q4	TOCs and QRP Steering Group	TOCs	QRP Steering Group with good understanding of timetabling and lead times to fit in with other promotional activity and also so that any ideas or data on potential new journeys can be fed in at the appropriate times

