

Connecting the Tees Valley: The Case for Investment in the Tees Valley Bus Network



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ARUP



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Summary

The planned economic regeneration of the sub-region means that the Tees Valley in the next 10 years will undergo a period of significant change in transport demand and pattern of movement. To respond to this and take advantage of the opportunities offered by our key economic assets, we have been developing long term proposals for our sub-regional transport network.

Government policy places the bus at the forefront of local public transport provision, with demanding targets for growth, and this is reflected in the recent Second Local Transport Plan submissions and the Regional Spatial Strategy. Although the Tees Valley bus network is in long term decline, passenger numbers are still high (at over 40 million per annum), and the bus will remain the predominant public transport mode within the Tees Valley. This decline needs to be seen in the context of a declining population within the Tees Valley and growth in car ownership, starting from a below average base.

Given our aspirations, our public transport network must facilitate trips between the current and future residential areas, and our local centres and key economic assets, and also trips to and from these locations from outside the sub-region. We cannot have a situation where the capacity and integrity of the transport system hinders the development of the economic performance of the Tees Valley.

Although it is anticipated that the recent introduction of free concessionary travel will help arrest the long term decline in passenger numbers, this is offset by bus operating costs increasing at over three times the rate of inflation. Increasing traffic congestion and limited, often poorly enforced, bus priority measures are reducing bus speeds and adding to operating costs. This leads to unreliable operation and regular fare increases, resulting in further patronage decline. The consequence is an unstable, shrinking, network with an increasing requirement for subsidy, and we need to break out of this circle of decline.

Following earlier work in 2004/05 to determine the network best suited to reversing the long term patronage decline and enabling future enhancement measures to be coordinated and targeted to maximise their impact, our future proposals have been developed into a package of measures aimed at improving the whole journey, known as the **Tees Valley Bus Network Improvements**. It comprises the following elements:

- A network to maximise bus patronage whilst maintaining accessibility and social inclusion, with a cost neutral base option and costed, prioritised incremental service improvements;
- Infrastructure and bus priority improvements with an implementation strategy;
- Enhanced passenger facilities and waiting environment
- Priority routes for low floor buses of a consistently high quality;
- Fare and ticketing improvements (and simplification);
- Other marketing and information initiatives.

The proposals offer significant potential benefits to users, non-users and transport providers, to offset the capital and operating costs of implementation. Anticipated journey time benefits will reduce operating costs and make bus journeys more competitive with the car, thereby attracting passengers back to the bus. Significant improvements to the network, including service frequency and consistency across an extended core operating period will improve accessibility and customer confidence. Quality enhancements will improve the whole journey experience, and the overall package will make it easier to access, use and understand the bus network as a viable alternative to other modes.

The proposals cover key urban services in each of the five Tees Valley Authorities and have the support of the principal bus operators. The scheme will be delivered through one or more Statutory Quality Partnership schemes and supporting Voluntary Quality Partnership Agreements. This will enable sustainable delivery of the required improvements and ensures significant local investment from the public and private sector partners, as well as providing an ongoing legacy of targeted investment across the network.

The majority of funding for the scheme is being sought from HM Treasury via a Major Scheme Business Case submission to the Department for Transport. Local contributions are being made in the form of Local Transport Plan (LTP) funding through the Integrated Transport block allocation. In addition, the principal bus operators are committed to providing new vehicles through the partnership, and developer contributions will be sought.

The first order estimate shows the total cost of the proposals to be around £37.2 million (2006 prices). £33.2 million has provisionally been allocated to the proposals through the recent Regional Funding Allocation process. The local contributions described above currently total £4 million from LTP funding alone.

The proposals demonstrate a strong financial performance over the 60 year appraisal period. The principal user benefits will accrue as journey time savings from the impact of bus priority and other infrastructure measures on in-vehicle journey time and increased frequency, which reduces average waiting time. A number of other initiatives, notably the move to cashless boarding, and improved access to bus stops, will significantly reduce stop delays, again enhancing journey time improvements and encouraging mode shift.

The current estimates show a Cost : Benefit Ratio in excess of 1.5:1, which indicates that the proposals represent at least a medium Value for Money, based on HM Treasury designations.

In July 2006, the Government published the proposals in the RFA 'Indicative list of schemes from 2009/10 to 2015/16', however, it is hoped that this timetable can be brought forward. Indeed, the preferred programme for delivery assumes a project start in April 2008 and completion by April 2011. This programme also seeks to ensure that the works are complete by the end of the Second LTP period.

We firmly believe, therefore, that there is an overwhelming case for support the next stage of the development of the Tees Valley Bus Network Improvements up to submission of a Full Business Case in July 2007.

1. Background

- 1.1. The polycentric nature of the Tees Valley City Region with locally centred economies, a high level of intra-Borough movements, and a low level of inter-Borough trips, has resulted historically in a strong east – west axis of movement, principally between Stockton, Middlesbrough and Redcar & Cleveland. Darlington and Hartlepool have some links to Stockton, but more pronounced links to the neighbouring authorities of North Yorkshire and County Durham than to other Tees Valley Authorities within the City Region.
- 1.2. The lack of a single dominant commercial centre makes it more difficult in the Tees Valley than it is elsewhere to create and sustain viable public transport networks. In turn this makes it increasingly difficult to meet the Government's twin objectives of increasing public transport patronage and optimising accessibility levels. This has led to an over reliance on the use of the private car for many trips. As a result, congestion on the local and trunk road networks continues to increase and this could ultimately stifle economic growth. The Highways Agency is already issuing Article 14 Directions in the Tees Valley for major regeneration proposals such as Durham Tees Valley Airport and Victoria Harbour.
- 1.3. The Tees Valley City Region Development Programme (CRDP), published in May 2005, was prepared in response to the Northern Way Growth Strategy, which was launched in 2004 with the aim of reducing the £29 billion output gap between the North and the rest of the UK. The strategy sets out the need to accelerate economic growth across the North through working together on 10 investment priorities, and includes the Tees Valley as one of eight City Regions intended to drive the increased rate of economic growth.
- 1.4. The CRDP, updated in September 2006, identifies our key economic assets within the Tees Valley – our chemicals industry, energy, Teesport, Durham Tees Valley Airport and our two universities, and sets out our vision for regeneration in the City Region. It focuses on developing these key economic assets and enhancing our urban competitiveness through investing in our urban centres and their immediate surroundings to improve the quality of place.
- 1.5. The CRDP and the Regional Spatial Strategy (RSS) strongly advocate the provision of new housing and economic development sites in brownfield locations within existing urban areas. This includes a concentration along the River Tees and close to the key east – west A66 corridor and the Darlington to Saltburn rail corridor. Major mixed-use regeneration sites currently under development in the Tees Valley are located in central areas of Darlington, Hartlepool, Middlesbrough and Stockton. This policy will reverse recent trends in the Tees Valley which has seen significant numbers of people moving out from inner urban areas to the fringes of the sub-region.
- 1.6. The planned economic regeneration means that the Tees Valley in the next 10 years will undergo a period of significant change in transport demand and patterns of movement, in part as a result of changes to development and land use reflecting key corridors and areas of economic activity, and also due to a greater focus on key centres.

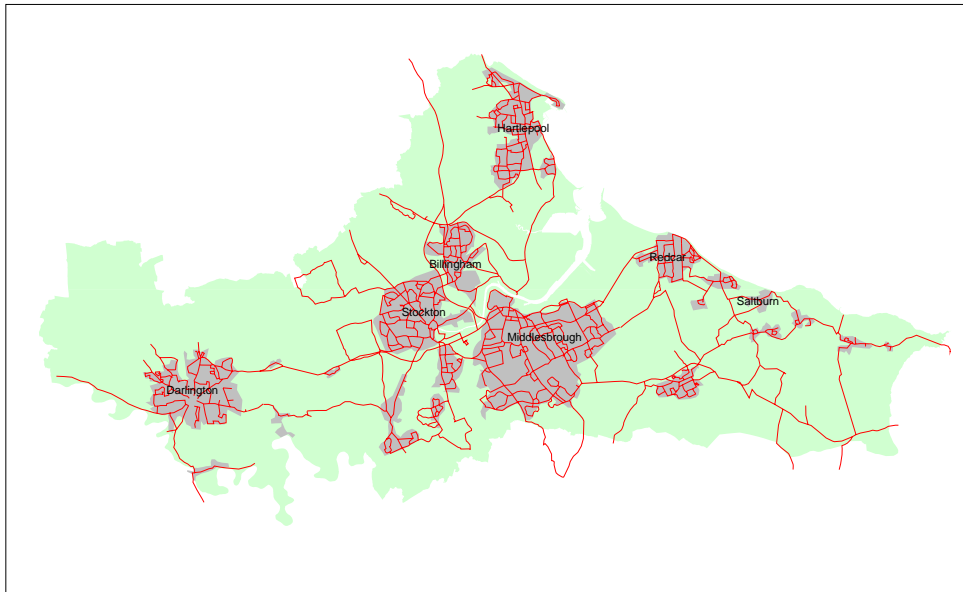
- 1.7. Given the importance of transport in supporting growth objectives, we cannot have a situation where the capacity and quality of the transport system hinders the development of the economic performance of the Tees Valley. To realise the economic and social regeneration aspirations of the Tees Valley as set out in the CRDP will require a co-ordinated approach to transport infrastructure provision and operation across all modes to ensure that the future movement needs are catered for.
- 1.8. Our work to date has led to the emergence of “**Connecting the Tees Valley**”, a sustainable transport strategy for the City Region, the key elements of which are outlined in the CRDP and the complementary Business Case.
- 1.9. The aims of “Connecting the Tees Valley” are to provide a transport network that:
 - Supports, rather than inhibits, economic growth, and delivers agglomeration benefits;
 - Facilitates sustainable development and contributes to reducing CO₂ emissions;
 - Meets the movement needs of our residents, workers and visitors;
 - Operates across all modes and boundaries;
 - Recognises the assets that we have and allows us to use these assets in the most efficient manner possible;
 - Has a clear and accountable structure for the delivery of services.
- 1.10. Of vital importance to delivering the appropriate transport network envisaged within “Connecting the Tees Valley” is the bus network, and the work done alongside the CRDP and the Business Case has identified that investment in the Tees Valley bus network will help address some of the barriers to economic growth.
- 1.11. This document presents the case for investing in the bus network within the Tees Valley. It sets out:
 - A brief description of the bus transport network in the Tees Valley, and how this relates to our wider transport problems and objectives;
 - A description of our bus network improvement proposals;
 - A summary of the costs for the improvements and potential funding mechanisms;
 - An outline of the associated benefits of the Tees Valley Bus Network Improvements;
 - A brief discussion on delivering the improvements, and its alignment with national, pan-regional, regional and sub-regional policy.
- 1.12. This document is intended to be entirely complementary to the CRDP, Business Case, Investment Strategy and represents a summary of the wider business case that has been prepared for the Tees Valley Bus Network Improvements by the Tees Valley Joint Strategy Unit (JSU), on behalf of the

Tees Valley Local Authorities. It is commended to the DfT as a clear coherent strategy for overcoming some of the problems of connectivity within the Tees Valley and a programme for offering long term value for money with regard to ongoing transport investment.

2. Tees Valley Bus Network

- 2.1. The bus network serving the Tees Valley is shown in Figure 1 below, indicating good coverage across our urban areas, but reduced coverage in East Cleveland and between our urban centres.

Figure 1: Bus Network in the Tees Valley

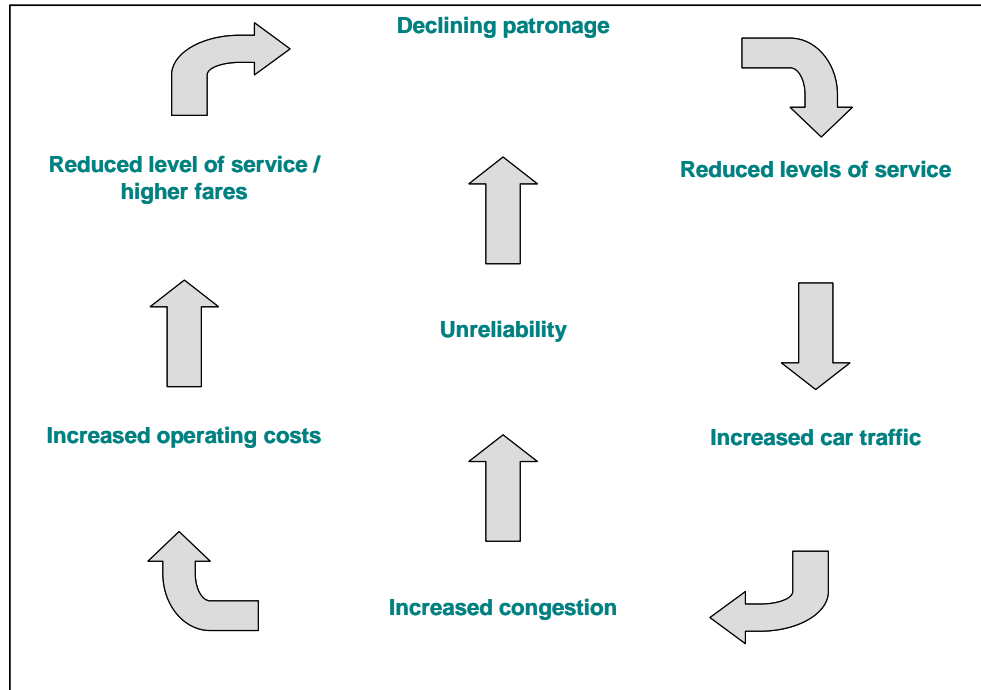


- 2.2. The bus network across the Tees Valley is not particularly well co-ordinated between the five Authorities, resulting from a history of piecemeal development over time. Stagecoach and Arriva operate express bus networks between the main population centres in the Tees Valley and external destinations. However, the attractiveness of these services is constrained by weak marketing, poor service quality, inconsistent geographic coverage and poor co-ordination between services. There is also a lack of priority afforded to buses on the highway network and the consequent variable reliability due to congestion.
- 2.3. The Tees Valley bus network is in long term decline. Passenger numbers, whilst still high (at over 40 million per annum), are falling at a faster rate than in other areas, despite the recent introduction of free concessionary travel and substantial network changes. Bus operating costs are increasing at above three times the rate of inflation. Escalating traffic congestion and limited, often poorly enforced, priority measures have increased operator costs on top of wage and fuel price increases. This translates into unreliable operation and regular fare increases, resulting in a further decline in passenger numbers. The

consequence is an unstable, shrinking, network, leading to increased pressure on authorities to fill gaps in the network through providing subsidised services.

- 2.4. This creates a circle of decline, as shown in Figure 2 below, and the retrenchment to a limited core daytime commercial network is almost complete.

Figure 2: Circle of Decline in the Bus Network



- 2.5. The need to break out of this decline is of paramount importance. Notwithstanding the development of the rail network planned in parallel, the bus will remain the predominant public transport mode within the Tees Valley. Without an effective network offering a viable alternative to the private car, the regeneration of the Tees Valley may be compromised by congestion. The Highways Agency is already issuing Article 14 Directions in the Tees Valley for major regeneration proposals such as Durham Tees Valley Airport and Victoria Harbour.

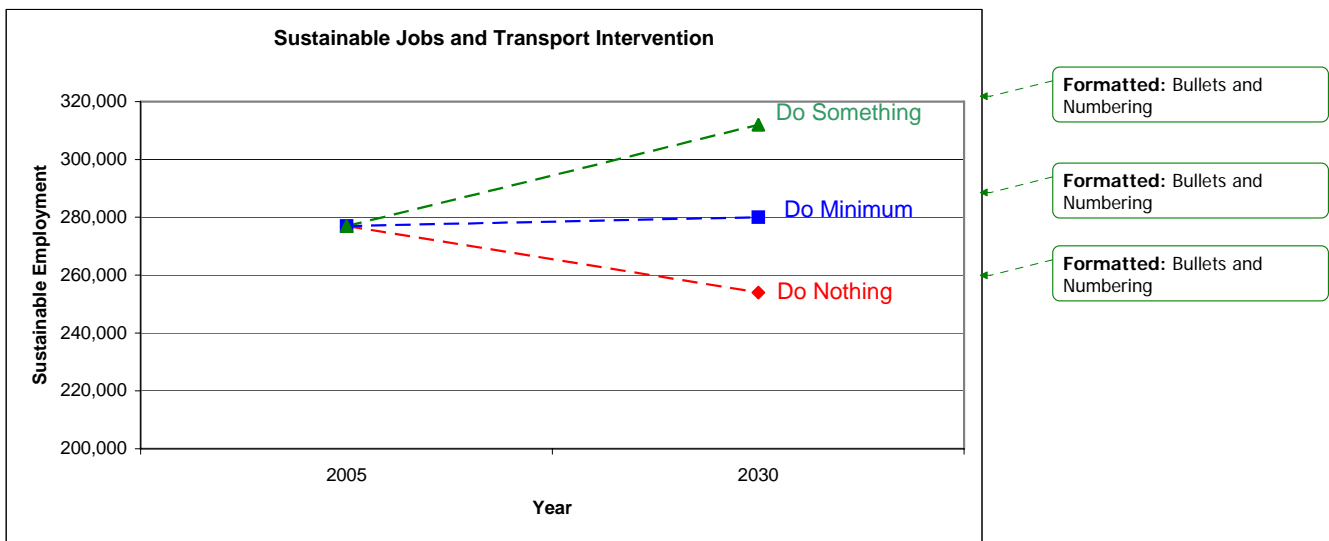
3. The Issues Facing the Tees Valley

- 3.1. The existing Tees Valley sub-regional transport network currently does not deliver a reliable, high quality and cost effective transport system to support planned economic growth in the City Region. The particular problems faced are:
- Worsening highway congestion affecting key junctions and radial corridors, particularly through increasing car ownership levels;

- Conflicts between strategic and local traffic on the trunk road network;
- Current sub-regional rail services are not car-competitive, with limited potential to attract new passengers that would increase rail mode share;
- A continuing reduction in the extent of a commercially operated bus network;
- Several ‘pinch points’ within the sub-regional network, which add to bus service delays and reliability problems, potentially impacting on the ability to achieve the desired regeneration levels;
- Changing travel demand patterns (resulting from long term sustainable economic regeneration priorities) that no longer match the infrastructure or services provided.

3.2. Figure 3 below shows how transport interventions will influence the sub-regional employment aspirations. The lower line indicates what will happen if things stay as they are, which shows that doing nothing is not an option for the Tees Valley, with employment provision declining if the transport network remained as it is now, and growing congestion preventing development aspirations from being realised. The central line indicates what will happen with the current LTP interventions and committed expenditure by Network Rail and the Highways Agency. They will facilitate a slight increase in the number of jobs, through the provision of sustainable alternatives but not the step change aspired to by the CDRP. The highest line indicates the aspirations of the regeneration agenda, which will not be achieved without significant sub-regional transport interventions, providing future year capacity across all modes that reflect future movement patterns.

Figure 3: Regeneration Impact of Future Transport Investment



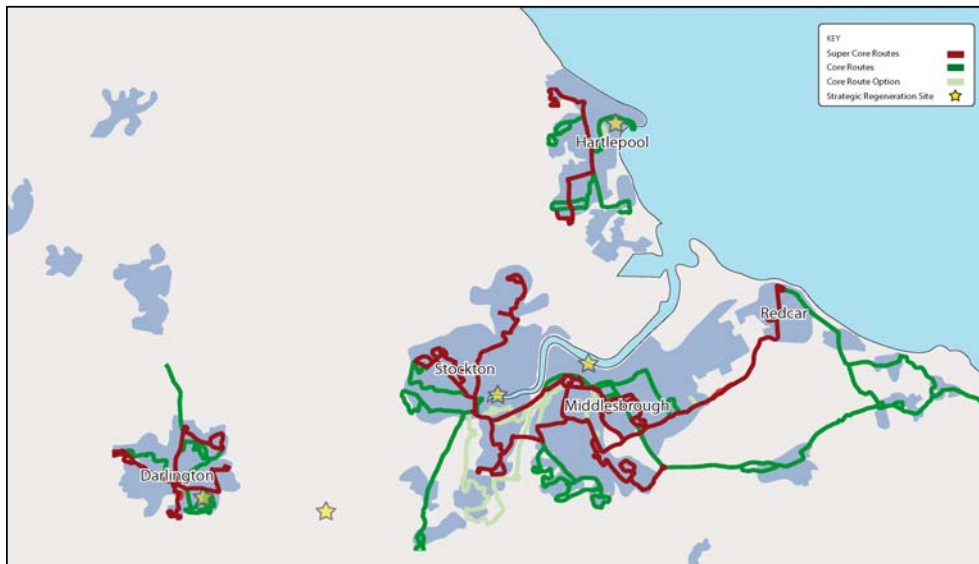
- 3.3. Although we do not pre-suppose that all of the proposed development will be allowed without network improvements, the challenge for the Tees Valley as it commences its regeneration cycle is to minimise the increase in private vehicle trips. We do not wish to see economic growth slowed or strangled by congestion. We wish to improve public transport at the start of the regeneration process to engender a virtuous cycle in which it is able to accommodate the anticipated increased demand for travel.
- 3.4. In short, we need to improve our sub-regional connectivity to respond to the changing patterns of movement, address existing and future problems and support the economic regeneration of the City Region. Investment in the bus network is crucial as we believe that bus plays the most important role in supporting sub-regional and regional connectivity by facilitating trips between the current and future residential areas, and our local centres and key economic assets, and also trips to and from these locations from outside the sub-region.

4. Tees Valley Bus Network Proposals

- 4.1. In view of the need to address the circle of decline, the JSU, on behalf of the five Local Authorities and with the co-operation of the bus operators, commissioned consultants in November 2004 to examine the bus network. They were tasked with determining the network best suited to reversing the long term patronage decline and enabling future enhancement measures to be coordinated and targeted to maximise their impact.
- 4.2. The Tees Valley Bus Network Review, as reported in May 2005, proposed a revised network based on a hierarchy of services ranging from fast, frequent and high quality, commercially operated, urban trunk routes (Super Core) to low frequency, financially supported, Tertiary and Rural services meeting social accessibility needs. The recently introduced 'Viva Tees Valley' network is Arriva's interpretation of this approach. The Stagecoach network had already moved towards this concept and further changes, on the scale of those introduced by Arriva, are considered unlikely.
- 4.3. The key recommendation was for a major package of focused, co-ordinated investment. This has led to the development of a Local Transport Plan Major Scheme Business Case (MSBC) Funding Bid to the DfT to bring about a step change in the quality of the bus network. This work has been led by the JSU, in partnership with the five Authorities and the principal bus operators, supported by Arup.
- 4.4. The MSBC focuses on those routes in the top two tiers of the hierarchical network, offering the most effective alternative to the car and consequently the greatest potential for modal shift. The routes proposed for development are largely within the urban areas of the Tees Valley, supported by selected inter-urban links that complement, rather than compete with, other rail-based proposals.
- 4.5. The routes selected within each designation are set out in the table, and illustrated in Figure 4, overleaf.

Corridor	Operator	Existing Service(s)
Super Core Routes		
Clavering – Hart Station – Hartlepool – Fens Estate	Stagecoach	6
Thornaby – Stockton – Ragworth – Roseworth	Arriva	15/15B
Middlesbrough – Linthorpe – Thornaby	Arriva	17/17A/17B
Skerne Park – Darlington – Whinbush	Arriva	23
Red Hall – Darlington – Branksome	Stagecoach	25
Netherfields – Middlesbrough – Marton	Arriva	27/27A
Park End – Middlesbrough – Stockton	Stagecoach	36-38
Stockton – Norton – Billingham – Low Grange	Stagecoach	52
Stockton – Hardwick/North Tees Hospital	Stagecoach	58
Middlesbrough – Eston – Redcar	Arriva	63
Core Routes - Darlington		
Firthmoor – Darlington – Houghton Road – Whinfield	Stagecoach / Arriva	20/21
Darlington – Minors Crescent	Arriva	22
Firthmoor – Darlington – North Road – Springfield	Stagecoach	24
Darlington – Newton Aycliffe	Arriva	Assorted
Core Routes - Harlepool		
Throston Grange – University Hospital – Hartlepool – Seaton Carew	Stagecoach	1/1A
Middlegate – Hartlepool – Owton Manor	Stagecoach	7/7A
Core Routes - Teesside		
Stockton – Yarm	Arriva	7
Middlesbrough – Thornhill – Coulby Newham	Stagecoach	11
Middlesbrough – Coulby Newham	Stagecoach	12
Stockton – Elm Tree – University Hospital of North Tees	Stagecoach	59
Stockton – Fairfield – Elton Park	Stagecoach	61
Middlesbrough – South Bank – Eston	Arriva	64/64A
Middlesbrough - Redcar - Marske – Skelton/Saltburn – Brotton – Loftus	Arriva	65/65A/X56
Middlesbrough - Guisborough – Loftus	Arriva	X3/X4
Stockton – Ingleby Barwick – Middlesbrough – James Cook Hospital	Arriva	X6

Figure 4: Tees Valley Bus Network Improvements



- 4.6. A series of infrastructure proposals have been developed for each of the routes, based on an agreed set of specifications developed from the initial recommendations of a set of 'standards' for each route category. For Super Core routes, the specification consists of the following elements (the provision for Core services will be slightly less comprehensive in some cases):

Bus Priority and Route Management Measures

- 4.7. Comprehensive bus priority measures will be implemented to alter the traffic balance in favour of buses. These will include:
- A clearway approach, with consistent traffic signs and road markings, to assist reliability and deliver an operating speed of 21 mph (16 mph for Core routes);
 - Priority lanes, with consistent hours of operation and extensive segregation, including new links and infrastructure where necessary;
 - Bus gates or priority at all signalised junctions;
 - A review of waiting and loading restrictions to minimise their impact and deliver alternatives where possible;
 - Improved alignments for buses to access stops, where parking is an issue;
 - Comprehensive enforcement, with self enforcement where possible;
 - Real time Automatic Vehicle Location and monitoring.

Bus Stops and Interchanges

- 4.8. Bus stop locations will be reviewed to ensure they are in the optimum location for their catchment and to maximise the facilities that can be provided. They will meet a number of benchmarks, including:
- Route branding;
 - A location identifier and code for receiving departures by text message;
 - An illuminated shelter;
 - Timetables and service numbers;
 - Real time information at key locations;
 - 24 hour Bus Stop Clearways;
 - A wheelchair accessible, obstruction free, boarding and alighting zone;
 - Standard kerb heights to accommodate low floor buses;
 - Clearly defined pedestrian routes and crossing points with tactile paving and dropped kerbs;
 - A maintenance agreement with an obligation to meet prescribed standards.

4.9. Key interchange points, such as the town centres, will benefit from the above features along with information points and closed circuit television (CCTV) amongst other facilities, depending upon their importance.

Service

4.10. The services, backed up by comprehensive, high quality, accessible information, will offer:

- A minimum operating day of 0700 to 2330, 6 days a week;
- A minimum frequency of 8 buses per hour (6 per hour on Core routes) at even headways, 0700 to 1800, Monday to Saturday;
- Fully commercial operation, after an initial period to build sustainable patronage;
- A reliable, robust operation with service withdrawals limited to the immediate aftermath of a vehicle breakdown;
- New state-of-the-art vehicles meeting the latest emission standards;
- Fully low floor buses with on-board CCTV;
- A simple, zonal based, fares structure using technology to minimise boarding times and remove the driver from transactions.

4.11. The actual proposals, broken down by hierarchy, Local Authority and principal bus operator, are shown in summary tables in the MSBC.

4.12. An outline Statutory Quality Partnership (SQP) has also been developed to ensure that the benefits of the improvements are supported by operators over a significant period of time, and that the integrity of their complementary investment is maintained. The detail of this SQP will be developed within the next stage of the project.

5. Costs and Funding

5.1. Each element of the MSBC specification has been costed on a route-by-route basis. This includes the cost of infrastructure, service enhancements, vehicles and complementary measures. The first order estimate shows the total cost of the proposals to be around £37.2 million (2006 prices), including a risk allowance.

5.2. £33.2 million has provisionally been allocated to the proposals through the recent Regional Funding Allocation (RFA) process. In July 2006, the Government published the Scheme in the RFA 'Indicative list of schemes from 2009/10 to 2015/16'. However, it is hoped that this timetable can be brought forward, particularly as some of the schemes listed for funding within the next three years, subject to approval, are perhaps less well developed.

5.3. The rules governing Major Schemes require that some of the funding be sourced locally. For the capital and Quantified Risk Assessment (QRA) elements, this must be at least 10%. This local contribution will supply the difference between the total cost and the funding allocated through the RFA.

- 5.4. Suitable contributions could come largely from the bus operators through the investment in vehicles and training, and the costs of operating the enhanced levels of service, which underpin the proposals. Further local commitments will be the use of LTP Integrated Transport block allocation and developer funds already allocated to specific corridors. The local contributions currently secured total £4 million from LTP funding alone.
- 5.5. The list of infrastructure measures identified includes a significant amount of investment for each authority area. This includes some high cost items (major highway infrastructure and interchange works) and lower cost route improvement works (minor junction improvements, bus stop improvements and traffic management works). The opportunity to bring the implementation of these measures forward potentially allows all works to be completed within the Second LTP period. This will maximise the opportunity for integration with other Maintenance and Integrated Transport Block expenditure.
- 5.6. In addition to capital costs there are also direct operating costs associated with the scheme. These arise as a result of increasing the frequency of operation and extending the period over which given service levels are provided. However, the improvement in journey times means that these additional operating costs are offset by a reduced vehicle requirement in peak periods, which means that the fleet required to operate certain routes may be reduced. This is an important impact and direct benefit of the associated investment in infrastructure.

6. Benefits

- 6.1. As well as the capital costs, patronage increases and other benefits can be attributed to each enhancement measure based on experience elsewhere, supplemented and reinforced by modelling. This has enabled a Cost : Benefit Ratio (CBR) to be calculated and optimised, if necessary by removing features that add little value.
- 6.2. The main benefits can be categorised as follows:
 - User benefits;
 - Non-user benefits;
 - Operator benefits;
 - Wider economic benefits.
- 6.3. The principal user benefits will accrue as journey time savings from the impact of bus priority and other infrastructure measures on in-vehicle journey time and increased frequency, which reduces average waiting time. A number of other initiatives, notably the move to cashless boarding, and improved access to bus stops, will significantly reduce stop delays, again enhancing journey time improvements. Furthermore there may be a small reduction in the time spent interchanging in certain locations.

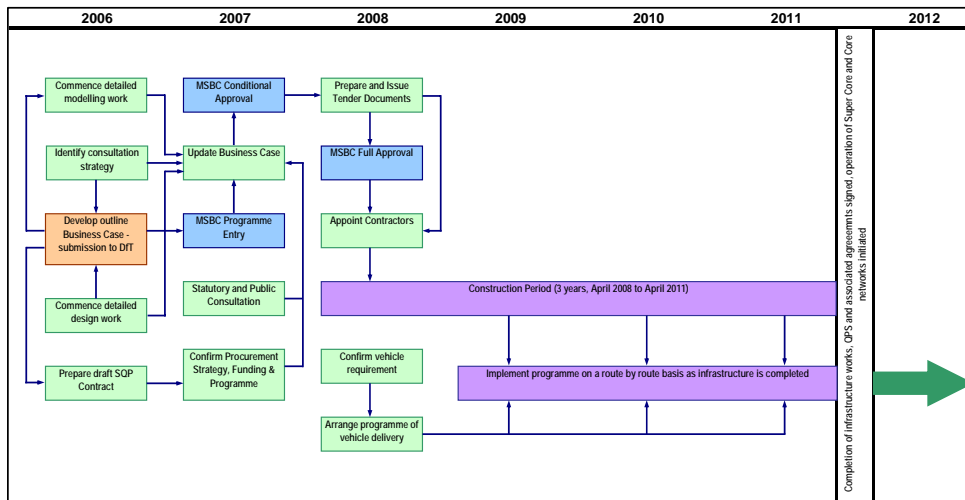
- 6.4. Added to the direct journey time benefits are the quality improvements that will reduce the relative cost of waiting for public transport. Research shows that this is valued more highly than in-vehicle time so the enhancements to the stop environment will provide valuable benefits.
- 6.5. The enhancement of services, in particular providing frequency improvements for the evening and weekend, and offering a standard timetable for key parts of the day also provide direct accessibility and journey time benefits in some segments of the market.
- 6.6. The impact of these improvements should be to make the bus more attractive and carry an increased proportion of overall demand. As well as the corresponding increase in fare revenue from this extra demand the transfer of some of these trips from car has non-user benefits through environmental, safety and de-congestion benefits.
- 6.7. Bus operators will achieve benefits in the same way as passengers, through the direct impact of reduced journey times. These will allow the increased service frequencies to be operated with the same or possibly less vehicles in some cases, allowing a reduction in the number of vehicles used. Operators will also achieve revenue benefits to offset any operating cost increases and capital expenditure.
- 6.8. The proposals generate a strong financial and economic performance. The current estimates show a CBR in excess of 1.5:1, which indicates that the proposals represent at least a medium Value for Money assessment, based on HM Treasury designations. This CBR will be refined as more detailed outputs from the Tees Valley Multi Modal Model become available.
- 6.9. As well as the direct impacts on transport users and operators, it is likely that wider economic benefits will result from the investment. These will take the form of increased economic activity in the main centres, greater access to employment and services thereby increasing choice, and the potential to realise suppressed or planned growth or stimulate further economic growth.
- 6.10. The results of the 2006 Teesside Town Centre Study have been used to examine the economic impact of public transport and to give an indicative assessment of the retail benefits which would be gained from increased bus use in the Tees Valley resulting from the proposals.
- 6.11. Using the average spend per trip and frequency of visits to town for car and bus users, it is possible to make a broad estimate of average spend per year per person. Bus users tend to spend 7% more than car users per year, which emphasises the wider importance of improving the bus network in the region and helping to increase the economic vitality of the centres.
- 6.12. As part of our proposals for a fully integrated transport network, the Tees Valley Bus Network Improvements will provide significant accessibility and social inclusion benefits, linking to our skills and worklessness proposals allied to the economic regeneration of the Tees Valley. The network will ensure that people from across the Tees Valley have an efficient transport network to access the new jobs being created.

6.13. Finally, the provision of an effective public transport alternative will allow the Tees Valley to pursue a strategy of selective demand management to maintain the integrity of the trunk road network whilst facilitating regeneration. The delivery of the proposed rail improvements will also contribute to these objectives.

7. Delivery of the Proposals and Policy Fit

7.1. A draft timescale for implementing the Tees Valley Bus Network Improvements has been developed as shown in Figure 5 below.

Figure 5: Outline Tees Valley Bus Network Improvements Delivery Programme



7.2. The original RFA provision of £33million identified a capital expenditure profile of four years from 2009/10 onwards. Because of the work already undertaken to develop this Major Scheme, the support and partnership approach adopted and the scope of infrastructure measures envisaged, it should be possible to deliver the proposed improvements within a shorter timescale, and to start work earlier.

7.3. As a consequence the preferred programme for delivery assumes a project start in April 2008 and completion by April 2011. This programme acknowledges that some supporting measures may be progressed in advance of the main implementation programme through Second LTP expenditure. It also seeks to ensure that the works are complete by the end of the Second LTP period. A detailed construction programme will be developed to support the next stage of the MSBC.

7.4. The approach to procuring the proposals through SQPs will ensure the continued investment of both the private and public sector in the future development of the Tees Valley bus network. This will help to extend the benefits from the Super Core and Core services to support the wider network and promote a sustainable future for bus.

- 7.5. In addition to the specific bus proposals, the CRDP examines new governance structures to ensure that a strong sub-regional strategy on transport is developed and implemented. This is particularly important with the need to manage the proposed bus and rail improvements. Unlike metropolitan areas, there is no Passenger Transport Executive in the Tees Valley, which offers the benefit of developing a new governance structure based largely on existing working relationships.
- 7.6. The suggested arrangement is to form a new body – provisionally titled Transport for Tees Valley (TTV), based on the governance arrangements put in place in London and Edinburgh. The new body would be directly accountable to the new wider governance arrangements of a Tees Valley Metropolitan Economic Partnership (Tees Valley Unlimited) being examined as part of the DCLG Business Case.
- 7.7. The Board of TTV would involve cabinet members from Local Authorities and the private and public sectors where appropriate. This could include the Highways Agency and Network Rail, as well as key partners in delivering transport improvements across the City Region, such as the principal bus operators.
- 7.8. TTV would be responsible for preparing the MSBC and taking forward the design, finding the funding for implementing the Bus Network Improvements, the SQP(s), the letting of contracts for subsidised bus services and developing concessionary fare schemes for young people. It would also be responsible for coordinating the implementation of transport resources delegated through the Transport Innovation Fund and the RFA processes. Once the Tees Valley Metro rail proposals have been progressed to a suitable degree, TTV would examine options for operating the system and become the contracting authority.
- 7.9. As much of the work on the sub-regional improvements is leading towards first stage business case submissions in October 2006 and confirmed bids for funding in July 2007, there is a need to establish such governance arrangements at the earliest opportunity. Using an evolutionary approach, based around existing working relationships, it is envisaged that TTV will be operational by April 2007.
- 7.10. As well as the CRDP, the Tees Valley Bus Network Improvements are fully in accord with the objectives and investment programmes identified for transport within sub-regional, regional and national policies.
- 7.11. The Tees Valley Authorities' **Second Local Transport Plans** (LTPs) were submitted in March 2006, and contained the core objective relating to buses:
“To address the decline in bus use and provide a stable and sustainable network that meets passenger demands and avoids the rapid growth in car usage currently being experienced in areas with more vibrant economies.”
- 7.12. **“View: Shaping the North East”**, the Draft of the **Regional Spatial Strategy** (RSS) for the North East, was submitted to the Secretary of State in July 2005, and considered at an Examination in Public (EiP) in Spring 2006. The EiP Panel Report was published in August 2006.

7.13. The **Regional Transport Strategy** (RTS) was contained within the Draft RSS. The EiP Panel Report broadly supported the RTS, and concluded that future reviews of the RTS should:

“a). be more spatially focused on improvements to corridors of movement, rather than individual schemes, and should identify how improvements will contribute to economic and social objectives;

b). give greater emphasis to the contribution that demand management and bus and light rail operations can make to the strategy.”

7.14. Recommendation 9.6 of the EiP states that Policy 52 of the RTS should be amended to read:

“Regional and city regional strategies will be prepared to support the development of a ‘Core and Feeder’ public transport system focused on a network of key interchanges.”

Both of these endorse the approach taken to public transport improvements in the Tees Valley, particularly the way in which we have developed the bus network proposals.

7.15. More importantly, the **Transport White Paper**, published in July 2004 states that the DfT wishes to see:

“Bus services that are reliable, flexible and convenient for more local needs”,

and also:

“shared decision-making with regional and local stakeholders to ensure transport decisions are integrated with land use and economic strategies.”

7.16. The Tees Valley Bus Network Improvements follow directly the context of the White Paper.

8. Conclusions

8.1. The need to invest in the sub-regional transport system of the Tees Valley is clear, even if the City Region is to maintain its current level of economic performance. In order to realise our economic potential, the case for investing in our sub-regional transport system, across all modes, is even stronger. We cannot have a situation where the capacity and quality of the transport system hinders the development of the economic performance of the Tees Valley.

8.2. Although the Tees Valley bus network is in long term decline, passenger numbers are still high (at over 40 million per annum), and the bus will remain the predominant public transport mode within the Tees Valley. Investment in the bus network is crucial as the bus plays the most important role in supporting sub-regional and regional connectivity by facilitating trips between the current and future residential areas, and our local centres and key economic assets, and also trips to and from these locations from outside the sub-region.

8.3. The Tees Valley Bus Network Improvements have been developed to address these issues and turn a circle of decline into a circle of growth within the Tees

Valley. The proposals offer significant potential benefits to users, non-users and transport providers, to offset the capital and operating costs of implementation. Anticipated journey time benefits will reduce operating costs and make bus journeys more competitive with car, thereby attracting passengers back to the bus. Significant improvements to the network, including service frequency and consistency across an extended core operating period will improve accessibility and customer confidence. Quality enhancements will improve the whole journey experience, and the overall package will make it easier to access, use and understand the bus network as a viable alternative to other modes.

- 8.4. The proposals cover key urban services in each of the five Tees Valley Authorities and have the support of the principal bus operators. The scheme will be delivered through one or more Statutory Quality Partnership schemes and supporting Voluntary Quality Partnership Agreements. This will enable sustainable delivery of the required improvements and ensures significant local investment from the public and private sector partners.
- 8.5. The first order estimate shows the total cost of the proposals to be around £37.2 million (2006 prices). £33.2 million has provisionally been allocated to the proposals through the recent Regional Funding Allocation process. Local contributions will supply the difference between the total cost and the funding allocated through the RFA, and currently total £4 million from LTP funding alone.
- 8.6. The proposals demonstrate a strong financial performance over the 60 year appraisal period. The current estimates show a Cost : Benefit Ratio in excess of 1.5:1, which indicates that the proposals represent at least a medium Value for Money assessment, based on HM Treasury designations.
- 8.7. We firmly believe, therefore, that there is an overwhelming case for support the next stage of the development of the Tees Valley Bus Network Improvements up to submission of a Full Business Case in July 2007. In view of this, and the significant benefits of the proposals, we ask that the DfT grant the Tees Valley Bus Network Improvements the status of 'Programme Entry' to allow the more detailed work to proceed in the necessary timescales.

