

## Tees Valley Combined Authority Transport Committee Agenda

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**Date:** Tuesday, 26<sup>th</sup> June, 2018 at 10am

**Venue:** Meeting Room 1, Cavendish House, Teesdale Business Park,  
Stockton-on-Tees, TS17 6QY

### **Membership:**

Councillor Bill Dixon - Chair (Leader of Darlington Borough Council)

Councillor Nick Wallis (Darlington Borough Council)

Councillor Kevin Cranney (Hartlepool Borough Council)

Councillor Lewis Young (Middlesbrough Council)

Councillor Bob Norton (Redcar and Cleveland Borough Council)

Councillor Mike Smith (Stockton-on-Tees Borough Council)

### **AGENDA**

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes of the Meeting held on 26<sup>th</sup> March, 2018**  
Minutes attached
4. **Rail Update**  
Attached
5. **Buses Paper Partnership Work**  
Attached
6. **Buses Paper Franchising Exploration**  
Attached
7. **Urban Traffic Management & Control Centre (UTMC) Update**  
Attached

## Tees Valley Combined Authority Transport Committee Agenda

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- 8. Any Other Business**
- 9. Date of the Next Meeting**

TBC

## Tees Valley Combined Authority Transport Committee Agenda

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### **Members of the Public - Rights to Attend Meeting**

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: Sarah Brackenborough on 01642 524423 – [sarah.brackenborough@teesvalley-ca.gov.uk](mailto:sarah.brackenborough@teesvalley-ca.gov.uk)

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## **Tees Valley Combined Authority Declaration of Interests Procedures**

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Local Enterprise Partnership Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

### **Personal Interests**

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
  - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
    - i. a member of your family;
    - ii. any person with whom you have a close association;
    - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
    - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
    - v. any body as described in paragraph 3 b) i) and ii) below.
  - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
    - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
    - ii. any body which:
      - exercises functions of a public nature;
      - is directed to charitable purposes;
      - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

### **Declarations of interest relating to the Councils' commercial role**

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

### **Procedures for Declaring Interests**

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

#### **Register of Interests**

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

#### **Declaration of Interests at Meetings**

7. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before

leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

**Sensitive Information**

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

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## TEES VALLEY TRANSPORT COMMITTEE

**Meeting held at Cavendish House**

**2pm on Monday 26<sup>th</sup> March, 2018**

These minutes are in draft form until approved at the next Transport Committee meeting and are therefore subject to amendments.

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### ATTENDEES

#### Members

Councillor Bill Dixon (Chair)	Leader of Darlington Borough Council	DBC
Councillor Lewis Young	Middlesbrough Council	MBC
Councillor Bob Norton	Redcar & Cleveland Borough Council	R&CBC
Councillor Nick Wallis	Darlington Borough Council	DBC

#### Apologies for absence

Councillor Kevin Cranney	Hartlepool Borough Council	HBC
Councillor Mike Smith	Stockton-on-Tees Borough Council	SBC

#### Officers

Ada Burns	Chief Executive of Darlington Borough Council	DBC
Richard McGuckin	Stockton-On-Tees Borough Council	SBC
Mark Ladyman	Redcar & Cleveland Borough Council	R&CBC
Sally Henry	Tees Valley Combined Authority	TVCA
Mark Wilson	Tees Valley Combined Authority	TVCA
Chris O'Keeffe	Tees Valley Combined Authority	TVCA

**TVTC APOLOGIES**

**8/17** As above

**TVTC DECLARATIONS OF INTEREST**

**9/17** None

**TVTC MINUTES OF THE MEETING HELD ON 5<sup>TH</sup> SEPTEMBER, 2017**

**10/17**

Minutes of the meeting held on 5<sup>th</sup> September, 2017 were approved.

**TVTC TEES VALLEY STRATEGIC TRANSPORT PLAN**

**11/17**

Members were provided with a presentation which updated them on the Strategic Transport Plan and 5 supporting “daughter” documents. Copies of the Strategic Transport Plan and supporting documents were tabled. Mark Wilson advised that he is available over the coming month to brief members on an individual basis if requested.

The Committee were advised that it is proposed that the Combined Authority consult on the plan with the public and key stakeholders between May and August 2018 through an event within each local authority and an online and paper-based questionnaire.

Subject to agreement of the draft documents by the Cabinet on 28<sup>th</sup> March, it is proposed to format and design the documents and then consult on the Strategy between May and August 2018. Key stakeholders and the public will be able to view the documents on the Combined Authority’s website and at selected locations. There will also be a launch event plus a roadshow held within each of the local authorities. Stakeholders will be given the opportunity to comment on the Strategy through an online questionnaire and the normal postal and email channels. The Transport Plan and its supporting documents will be finalised for publication during April and an appropriate foreword agreed with the Mayor and Chair of the Transport committee prior to the release for consultation.

Informed by the findings of the consultation process, the final Strategic Transport Plan will be published during autumn 2018.

Members were given the opportunity to make comment and ask questions and these could be summarised as follows:-

1. Members enquired as to whether it was wise to hold the consultation during the holiday period and suggested moving it

to September.

2. Members enquired as to progress reviewing the options for Bus Services, contained within the Bus Services Act. A paper will be developed for a future Transport Committee outlining progress to date. Members discussed the potential for an informal sub-group of the Committee to discuss bus issues.
3. Members enquired about the £59m Transforming Cities Fund and were advised that this is a 4 year allocation and that the Assurance Framework will be used to bring forward Business Cases
4. Members commented on the pipeline of road schemes as it was felt that the plan was very generic and short on specifics. They were advised that the pipeline is not included in the plan as they have not been fully developed at this stage.
5. Committee members asked whether consultation will include young people and were advised that focus groups are being established and that the Combined Authority Comms Team will be made aware.
6. Members asked about how success of the Plan is measured and were advised that whilst specific targets have not been made, there will be an Annual Monitoring Report.
7. Members suggested that a shorter, Executive Summary would be useful for the public consultation as it would be easier for non-transport policy experts to understand.

RESOLVED that:-

- i. The Transport Committee note the work to develop the Combined Authority's first ever statutory Strategic Transport Plan.

**12/17 ANY OTHER BUSINESS**

None

**TVTC DATE OF THE NEXT MEETING**

**13/17** TBC

## AGENDA ITEM 4

### REPORT TO THE TEES VALLEY COMBINED AUTHORITY TRANSPORT COMMITTEE

26<sup>th</sup> JUNE, 2018

#### REPORT OF HEAD OF TRANSPORT

## UPDATE ON CURRENT KEY STRATEGIC RAIL ISSUES

### SUMMARY

This report is intended to provide the Transport Committee with an update on a number of current strategic rail issues of relevance to the Tees Valley Combined Authority (TVCA).

### RECOMMENDATIONS

It is recommended that the Committee notes the content of the report.

### DETAIL

#### 1. **Current Northern Rail and TransPennine service performance.**

There have been well documented recent problems with the implementation on the new May 2018 timetables for both Northern Rail and TransPennine Express (TPE), which both operate a significant number of train services in the Tees Valley. This culminated in the implementation of an 'emergency' timetable for Northern services in early June, although this was focussed on services in other areas, particularly in the North West. Local services in the Tees Valley, operated by Northern, have remained largely unaffected by this and performance of our trains remains good and is the best across the whole Northern franchise area. Tees Valley passengers (and those in the wider North East region) are therefore not suffering the same level of problems that passengers on Northern services in the North West are currently witnessing.

The main current concern of the TVCA relates to the performance of the TPE services, both to Middlesbrough and at Darlington (to/from Newcastle). Both these services are currently struggling to run reliably with trains frequently running late, and there are also

a concerning number of cancellations on both routes. TVCA has raised these concerns with TPE as well as TfN Rail, to be escalated through the Rail North Partnership, the body jointly responsible for managing and monitoring the franchises and challenging the operators on performance. However, it should be noted that a significant number of the problems that TPE is suffering are a knock-on effect of delays with Network Rail infrastructure projects and the Northern Rail problems in the North West.

Notwithstanding the performance issues, the new May 2018 timetables delivered some improvements to the timings/connections of some Northern trains in the Tees Valley which is welcomed although TVCA remains disappointed that the significantly later services that were promised for the Durham Coast line have not materialised. There are improvements to TPE services too with earlier/later services to Middlesbrough and the doubling of Sunday service frequencies on this route. On the Darlington route there is now an additional hourly service to Manchester Airport which significantly enhances connectivity although disappointingly not all services can call at Darlington due to capacity issues on the East Coast Main Line (ECML). Again TVCA has flagged these issues up with TfN Rail/Rail North and TPE as of major concern.

## **2. Further Franchise Enhancements.**

The Northern franchise contains the welcome commitment to replace all the much maligned 'Pacer' trains, which still operate on all routes in the Tees Valley. This will see the current trains replaced by bigger, quicker, more comfortable and better equipped trains, with the process due to start in October 2018 and be complete by August 2019. This should provide a much needed step change in the quality of local rail service provision. A new 'Northern Connect' service between Middlesbrough and Newcastle is also due for introduction in 2019 although the details on the route are still to be confirmed.

New trains on the TPE route to Middlesbrough (also serving Thornaby and Yarm) will be introduced in Autumn 2018, providing additional capacity and comfort for passengers. This will be followed by the introduction of new trains on the TPE routes through Darlington a year later.

## **3. East Coast Issues.**

There have also been well documented recent problems on the ECML with the incumbent operator (Virgin Trains East Coast) now unable to meet its franchise commitments in terms of the required premium payments to the DfT. As a result and following a recent announcement, the franchise will return to Government ownership during 2018 for at least a couple of years. The latest East Coast franchise includes the commitment to run new services between Middlesbrough and London Kings Cross from 2020. Since the announcement TVCA has sought and received appropriate assurances from the DfT that all franchise commitments are planned to still be delivered under the revised operational arrangements.

The lack of capacity on the ECML, particularly North of York, remains a key concern for TVCA. Network Rail's East Coast Main Line Route Study, which has recently been published for consultation, looks at the long term growth requirements on the route to the 2040s and beyond. The document draws the following stark conclusion about the ECML North of York:

*"Assuming today's infrastructure, no increases in the number of services would be possible on this section of railway. Changes to service levels would have to be made*

*using trade-offs between trains in different service sectors, and/or by adjusting stopping patterns and the destinations served.”*

This section of route is vital for the Tees Valley, both in terms of passenger and freight growth so the answer must be more investment to provide the required capacity as opposed to any trade-offs between services which would be wholly unacceptable. Currently the East Coast Route Study, whilst recognising the critical need for investment, concludes only with a list of ‘choices for funders’ without sufficient detail on required timescales or delivery mechanisms for the schemes/interventions it recommends. Network Rail has now been asked by a number of key stakeholders, including TVCA, who recently met at an East Coast Roundtable summit, to formulate a more detailed delivery plan for the ECML and this is expected by the end of the year.

The East Coast Main Line Authorities (ECMA) Group has recently reviewed its structure, membership and governance. ECMA has undertaken some key research on the economic value of the ECML and continues to play a key advocacy role in making the case for investment. Nexus has now taken on the secretariat role and more equitable funding arrangements have recently been agreed to ensure the widest potential membership and a secure budget for the next year. TVCA continues to be an active member and is represented on the ECMA Consortium by the Transport Committee Chair and also on the Officer Group which supports this.

4. **Transport for the North (TfN).** Northern Powerhouse Rail (NPR) is TfN’s flagship rail scheme that is being developed to transform rail connectivity between the North’s key economic centres. As an enhanced network right across the North, it will deliver transformational benefits for passengers in terms of much reduced journey times and much improved journey quality.

In order to deliver this NPR network, a number of options are being developed along key sections of the route (eg Liverpool-Manchester, Manchester-Leeds, Manchester-Sheffield, Leeds-Newcastle, Leeds-Hull and Sheffield-Hull) as well as for key hub stations such as Manchester Piccadilly and Leeds. An important element of NPR is the shared use of infrastructure with HS2 at key strategic locations where this is viable, to optimise scheme benefits. A Strategic Outline Business Case for NPR will be submitted by TfN to DfT by the end of 2018.

The Leeds-Newcastle corridor is of closest interest to TVCA and after a completely new line was ruled out earlier in the process on the grounds of cost and lack of provision for intermediate connectivity, various upgrade options using the existing ECML and its parallel routes, are currently being assessed. The overarching aim is to achieve a journey time between Leeds and Newcastle of 60 minutes, although it has been recognised that NPR must also serve York, Darlington and Durham, as key economic centres along this section of route. NPR is one important part of a much bigger future rail scenario so it is vital that all passenger and freight demands are fully accounted for. TVCA is represented on the NPR Working Group and also on a stakeholder group to input to the Leeds-Newcastle work specifically, which Network Rail is undertaking on TfN’s behalf. An initial sifting workshop to review all options developed by Network Rail for this corridor has been arranged for 20<sup>th</sup> June.

TfN is then planning specific NPR briefings for Leaders/Lead Members and Senior Officers across the North in August. This will include a Tees Valley session and TVCA has requested that this has a particular focus on the benefits that NPR will deliver for our area.

TfN's other main rail priority has been the production of its Long Term Rail Strategy (LTRS), which was recently published for consultation alongside its Strategic Transport Plan. In general TVCA is happy with the content and direction of the LTRS as it contains a well evidenced and comprehensive set of strategic gaps, conditional outputs and desirable minimum standards for passenger rail services and sets out a clear strategy to address these gaps and achieve the desired standards which is welcomed. LTRS is very much in line with TVCA's own priorities to improve the provision of local passenger services and the connectivity of these with strategic services.

TVCA's one main outstanding concern with the LTRS is that, in comparison with those developed for passenger services, the conditional outputs and desirable minimum standards for freight are still considered to be insufficient for a pan-Northern strategy of this magnitude and importance. The lack of freight content and direction was a recognised weakness of the previous LTRS document and there is a danger that this short-coming may be repeated again this time around. This is a concern to TVCA given the importance of freight to the Tees Valley economy and this has been fed-back to TfN as part of the consultation process. Our feedback has included the provision of strengthened text, outputs and standards for freight to ensure these are brought up to a similar level as those developed for passenger rail.

#### **5. TransPennine Route Upgrade (TRU).**

In advance of and as a precursor to NPR, the DfT and Network Rail are currently working up plans for a major upgrade of the TransPennine Route between Manchester – Leeds – York. This is part of the wider 'Great North Rail Project' and will facilitate the provision of much needed additional capacity and improved journey times on this key strategic rail corridor.

Various options for consideration were submitted to the Secretary of State for Transport late in 2017 and £3bn has now been provisionally allocated for the CP6 funding period (2019-2024) in order to deliver this. It is hoped that an in-principle commitment to investment will now be made by the Secretary of State in October/November 2018 when a decision on options to take forward to detailed design stage is expected.

TfN is playing a key role in the TRU process by working closely with DfT and Network Rail to ensure that the strategic case for this investment is made as strongly as possible and that benefits to all Northern partners/areas are fully captured and articulated.

TRU is very important to the Tees Valley as it will significantly reduce journey times between the Tees Valley and Leeds and in particular Manchester, Manchester Airport and Liverpool. Another major benefit should be the provision of improved capacity for freight across this key East-West route. TVCA is now represented on a TRU Working Group that has been set up by TfN to help ensure that the interests of our area are accounted for in the on-going work.

#### **6. Cross Country Franchise Consultation.**

The public consultation on the future Cross Country rail franchise, which is coming up for renewal in 2019, has just been launched by the DfT and it runs until 30<sup>th</sup> August 2018. TVCA will be providing a detailed response to this.

CrossCountry services currently provide important long distance connectivity for the Tees Valley with services from Darlington providing direct links to West and South Yorkshire, the Midlands, the South West, Central Southern England and to Scotland.

Although not ideally timetabled with the Cross Country services currently 'flighted' closer together than TVCA would ideally like, the services are valued and deliver a significant benefit to the Tees Valley economy. TVCA is therefore concerned to learn that the consultation includes questions around the potential for curtailing some of the existing North East services at York or diverting them to other regions. This again is due to capacity constraints on the ECML and the inability of the existing infrastructure to cope with planned growth even in the short-term.

TVCA will strongly resist this, with the only potential acceptable diversion being within the Tees Valley to Middlesbrough and/or up the Durham Coast through Hartlepool. It is important that the existing CrossCountry links are retained to the Tees Valley because there is a potential future scenario where HS2 services to the Midlands may partly replace existing Cross Country services.

### **FINANCIAL IMPLICATIONS**

7. None.

### **LEGAL IMPLICATIONS**

8. None

### **RISK ASSESSMENT**

9. Not applicable.

### **CONSULTATION**

10. Not applicable.

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**AGENDA ITEM 5**

**REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY  
TRANSPORT COMMITTEE**

**26<sup>th</sup> JUNE, 2018**

**REPORT OF HEAD OF TRANSPORT**

**BUSES WORK PROGRAMME UPDATE**

**1. Summary**

- 1.1. The Combined Authority is currently investigating the delivery models available via the Bus Services Act to ascertain which option will be most effective at delivering improvements to the Tees Valleys bus network. Whilst this work is ongoing TVCA is working with operators to deliver incremental improvements to the bus network, or 'quick wins', ahead of the TVCA considering entering into a formal partnership agreement or moving towards a franchised bus network. This work is detailed below.

**2. Bus Projects**

- 2.1. The draft Bus Vision includes a number of actions that are designed to place buses on a more sustainable long term footing and deliver improvements for the travelling public. The following work programme directly relates to delivering against the buses vision action plan.

**3. Review of bus advertising shelters**

- 3.1. The Tees Valley authorities all currently have separate contracts with Clear Channel for the supply of bus shelters. These contracts all expire by August 2020.
- 3.2. TVCA and local authority officers are currently carrying out a review of the bus shelter advertising contracts to ascertain if they are providing good value for money. This involves appraising two options for bus shelters beyond 2020.
- 3.3. Option A involves a competitive tendering exercise to test the market and see if an alternative supplier to Clear Channel provides better value for money.

- 3.4. Option B involves bringing bus shelter advertising 'in house'. This means the local authorities would take on the risks and responsibilities for selling bus shelter advertising. This model for delivery has been adopted by Blackburn with Darwen Council and is providing the council with a steady revenue stream.
- 3.5. The models explore whether any improved revenues from bus shelter advertising from 2020 onwards, could be ring-fenced to provide a revenue stream for public transport, potentially paying for ongoing marketing and information initiatives and the associated costs of delivering online and roadside information.
- 3.6. While changing supplier carries some risks, especially during the transition phase, simply extending the contract with Clear Channel is no longer acceptable from a procurement perspective, so there is a need to test the options available.

#### **4. Develop Buses Capital Programme as part of Transforming Cities**

- 4.1. Bus operators are concerned about declining rates of punctuality across the Tees Valley. Unfortunately, worsening traffic conditions are eroding the benefits that were delivered under the Tees Valley Bus Network Improvement project leading to lower levels of punctuality and reliability, higher costs and contributing to declining bus patronage.
- 4.2. The draft Buses Vision suggests that TVCA establish a fund to deliver capital projects that result in improvements for bus users. These could be in the form of bus priority schemes, highway improvements, UTM based solutions or facilities that aid bus/rail interchange.
- 4.3. TVCA is engaging with the Tees Valley Bus Operators Association to gain a better understanding of locations on the highway where buses are incurring delays. It is then proposed to work with the Transport Advisory Group (TAG) to develop a programme of deliverable improvements that will contribute towards improving punctuality and integration, funded through the Transforming Cities fund. This approach may free up buses that can be used elsewhere on the network.

#### **5. Improvements to fares and ticketing**

- 5.1. The Tees Valley Bus Operators' Association (TVBOA) has agreed to work with TVCA to develop an improved fares and ticketing offer for the Tees Valley. This will be done through establishing a working group comprised of operators and local authority officers to develop a series of targeted improvements. Initially this work will focus on:
  - a) Under 19s;
  - b) Apprentices;
  - c) Improving the multi-operator ticketing offer.

- 5.2. Operators have indicated that they see scope for improving the ticketing offer in all three areas, however there may be a need for the TVCA to assume additional responsibilities as schemes progress (for example acting as the officiating body to validate applications from apprentices for discounted travel)

## **6. Marketing and Information**

- 6.1. TVCA has secured 'Access funding' to 2020 some of which is allocated to promoting public transport and improving bus information. For 2018/19, £85k has been secured to fund marketing and information improvements. It is proposed to work with bus operators in order to promote the new products outlined in 5.1 and to continue to develop the Connect information web portal.
- 6.2. The development of marketing and information initiatives will be guided by the Tees Valley's successful Access Fund application that secured funding which dovetails with the areas set out in 5.1. Detailed work on marketing and information projects will be carried out in close co-operation with the bus operators.
- 6.3. Beyond 2020 it is hoped that revenue generated from the revised bus shelter advertising arrangements will fund ongoing bus marketing and information activities, including supporting the delivery of bus roadside information across the Tees Valley.

### **6.4. Review of Rural Transport Issues**

- 6.5. The bus vision commits TVCA to look into issues of rural isolation across the Tees Valley. The vision acknowledges that some areas are difficult to serve with conventional bus services, especially against a backdrop of constrained public funding.
- 6.6. There is a general concern that some rural areas suffer from poor transport links, because of a lack of public transport, however more work is needed to quantify the problem and to identify specific areas where there is clear evidence that residents suffer as a result of poor public transport links.
- 6.7. The review will seek to establish baseline data that quantifies the problem, identifies affected areas and will develop potential solutions and make recommendations for further activity.

### **6.8. Review of Concessionary Travel Scheme**

- 6.9. The Tees Valley currently reimburses operators for passengers carried under English National Concessionary Travel Scheme. In 2017/18 these payments totalled £18 million.
- 6.10. There are concerns that although the number of concessionary passengers is in decline, payments to operators have continued to rise. In response to these concerns, TVCA and Stockton Borough Council, who negotiate with operators on the level of the reimbursement payment, are conducting a review into the scheme to ensure the Tees Valley is getting a fair deal.

- 6.11. An external consultant who specialises in ENCTS negotiations will review all the data currently used in the negotiations to assess whether the payments to operators are reasonable and fair.
- 6.12. In addition to reviewing the level of payments, the review will also look at the distribution of payments to ensure that the burden of costs are fairly distributed amongst the Tees Valley authorities.

## **7. Financial Implications**

N/A.

## **8. Legal Implications**

- 8.1 At this stage, there are no specific legal issues arising from this report. Legal advice shall be sought prior to the commencement of any competitive tendering exercise in respect of bus shelter advertising in order to ensure that it complies fully with the relevant procurement legislation.

## **9. Risk Assessment**

- 9.1 This item is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **10. Consultation**

- 10.1 The approach outlined in this paper has been discussed at TAG and the Draft Bus Vision informed by consultation undertaken as part of the recent Transport Framework. A further consultation as part of the STP process is planned following the TVCA Cabinet in September.

## AGENDA ITEM 6

### REPORT TO THE TEES VALLEY COMBINED AUTHORITY TRANSPORT COMMITTEE

26<sup>th</sup> JUNE, 2018

#### REPORT OF HEAD OF TRANSPORT

### BUS SERVICES DELIVERY MODELS

#### 1. Summary

- 1.1. The Bus Vision is a daughter document of the draft Strategic Transport Plan and sets out how TVCA intends to improve bus services over the medium term. Central to the improvement programme is the selection of the most appropriate delivery model. The TVCA could choose to manage the delivery of improvements to bus services through either a partnership approach with existing bus operators, or go the market with a bus franchising proposal.
- 1.2. In order to make an informed decision the TVCA needs to understand the costs, risks and benefits of each approach. The partnership route is currently being explored with local bus operators who have agreed to present a draft proposal for a partnership in November. However a thorough investigation of the franchise route will require the TVCA to engage external support.
- 1.3. In addition to the work that will be undertaken reviewing delivery models, TVCA will also be working with bus operators to deliver incremental improvements to the bus network whilst the review is underway.

#### 2. Partnership Proposals

- 2.1. TVCA has inaugurated an Officer Liaison Group with the bus operators in order to progress the development of a bus partnership agreement for the Tees Valley. These meetings will take place on a bi-monthly basis and be chaired by the TVCA Head of Transport.
- 2.2. The Tees Valley Bus Operators Association has agreed to put forward a first draft of a partnership agreement at a November meeting. This first draft could then form a starting point for negotiations between TVCA and TVBOA over the terms of any bus partnership agreement and the level of legal protections that should be included for all parties concerned.

- 2.3. In addition to negotiating the terms of a partnership agreement, it is also proposed that the two major bus operators will work with the local authorities to develop 2 practical examples of how the partnership approach can bring real benefits to all parties. These pilot examples will be based on looking at two major bus corridors with a view to improving the efficiency of the bus network in order to free up bus resource which could be deployed to meet local authority objectives.
- 2.4. It is proposed that the approach to each pilot study be presented to a Transport Committee as part of a wider bus workshop in the autumn.

### **3. Bus Franchising**

- 3.1. The Buses Vision commits the Tees Valley to developing a firm understanding of the costs and benefits of bus franchising. There is considerable interest in bus franchising and a desire to know if it potentially offers a better way of delivering local bus services.
- 3.2. There is currently no UK precedent for an authority moving from the deregulated system to a one where bus services are franchised so making a judgement on which model offers best value for money is difficult, as there is no evidence that switching from deregulated to franchised services leads to better services. Limited lessons can be learned from London, however the bus market in London is very different to that of the Tees Valley and Transport for London has significant resources to invest in local bus services.
- 3.3. The new Bus Services Act makes it easier for Mayoral Combined Authorities to implement a system of bus franchising than the legislation around Quality Contract Schemes (previously pursued by Nexus) it replaces. However there are still considerable barriers and set up costs that would make the introduction of a bus franchising scheme in the Tees Valley challenging.
- 3.4. Set up costs for a bus franchising scheme are likely to be considerable. The abortive Nexus attempt is reported to have cost several millions, Transport for Greater Manchester has allocated £11.6 million to its project investigating franchising, while Merseytravel is also known to have committed considerable resource to its own investigations into bus franchising.
- 3.5. Initial estimates, based on work undertaken in other areas suggest that the cost of developing, consulting, procuring and making a bus franchise scheme could cost up to £4 million in the Tees Valley. While high, these costs could in theory be recouped over the lifetime of the franchise which initial estimates suggest could generate £400 million in revenue over 10 years.
- 3.6. As no authority has yet fully tested the legislation, there is a high degree of uncertainty around this cost estimate. A significant portion of the costs are based on assumptions that the transition to bus franchise scheme will not be straight-forward as the process contains a number of unknowns. Should other authorities move forward with bus franchising and the process becomes more 'normalised', then it is likely that there will be greater certainty in any cost estimates.

- 3.7. The Tees Valley Mayor and the Transport Committee are keen to understand if the costs and risks associated with franchising potentially offer a better way of delivering a better bus network than is currently provided under the deregulated system. Work undertaken to date has focussed on investigating the public accounts of the incumbent bus subsidies. However this work has limited value since:
- a) Publicly available information is not current;
  - b) The bus operating subsidiaries do not cover the Tees Valley area, meaning assumptions have to be made about apportioning costs and revenues to what would be the Tees Valley franchised bus operation;
  - c) It is not clear from the subsidiary accounts how much actual profit is made in the Tees Valley due to various ways the financial information is presented and payments to 'group' headquarters are treated.
- 3.8. TVCA is keen to avoid spending significant time and resource on a project which may prove not to be affordable or suitable for the Tees Valley, however balanced against this is a need to either understand if a bus franchising proposal warrants more significant investment from TVCA or for the TVCA to evidence why it has chosen not to actively pursue franchising.
- 3.9. It is therefore proposed that TVCA should allocate funding of £150k to carry out an initial feasibility study into bus franchising. This study will focus on looking in detail at the top line financials of the current bus network in order to ascertain:
- a) A true picture of the operating costs and revenues of the Tees Valley bus network;
  - b) An unambiguous understanding of the level of financial surplus/deficit generated by the Tees Valley bus network each year once all costs of operation are considered and investment requirements are taken into account;
  - c) If a surplus is generated, then does this reflect a fair return on investment for incumbent bus operators;
  - d) What additional benefits could any excess profits potentially 'buy' the TVCA in terms of more services or lower fares;
  - e) What does the current trend data suggest will happen to bus operators costs and revenues going forward;
  - f) What mitigating measures would TVCA and local authorities need to implement in order to lower operating costs or grow revenue.
- 3.10. It should be noted that 3.9e and 3.9f would provide baseline data for both the partnership and franchising bus delivery models. Assuming that the costs of operation are increasing due to traffic congestion and revenues are falling due to declining patronage, then mitigating action would be required (for example

in the form of bus priority or demand management policies) to ensure the sustainability of the bus network under either model. The only difference being that the risks of not taking mitigating actions fall on the bus operators in the deregulated model, while they fall on the local authority under the franchised model.

- 3.11. Undertaking the above study will require the TVCA to invoke its powers under the bus services act in respect of franchising, and request financial data from local bus operators. It should be noted that Transport for Greater Manchester has already invoked these powers and is currently engaged in a legal dispute with one of their incumbent operators that is refusing to supply the data. It may be prudent for the TVCA to await the outcome of this dispute before commencing work on the proposed study.
- 3.12. It should be noted that the study will not consider:
  - a) Details of what network of routes could operate under a franchise scheme, this would be more detailed work that would only be undertaken if there was a proven case to be made for franchising;
  - b) What fares would be charged under a franchise proposal. Again this work would only be undertaken if the TVCA moved to develop a full business case.

#### **4. Comparing Partnerships and Franchising**

- 4.1. It is hoped that upon completion of the bus franchising study, the TVCA will be in a solid position to formally adopt either the partnership or franchising model. Negotiations with the bus operators should have produced a partnership agreement that will clearly set out the potential benefits of the scheme, against this TVCA will be able to quantify what, if any, benefits could be gained from bus franchising.

#### **5. Recommendations**

- 5.1. It is recommended Transport Committee advise TVCA Cabinet that £150k be made available to conduct a study into the likely costs and benefits that could accrue from a bus franchising scheme.

#### **6. Financial Implications**

7. Expenditure will be subject to appropriate due diligence through the Tees Valley Assurance Framework.

#### **8. Legal Implications**

- 8.1 At this stage, there are no specific legal issues arising from the provision by the Combined Authority of funding to explore the options contained within the Bus Services Act. Legal advice shall be sought, however, on the drafting and negotiation of a draft Partnering Agreement. In addition, legal advice



shall be sought to ensure that the procurement of the franchising study is fully compliant with the relevant procurement legislation.

## **9. Risk Assessment**

9.1 The approach to exploring franchising options is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **10. Consultation**

10.1 The approach outlined in this paper has been discussed at TAG and the Draft Bus Vision informed by consultation undertaken as part of the recent Transport Framework. A further consultation as part of the STP process is planned following the TVCA Cabinet in September.

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## **AGENDA ITEM 7**

### **REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET**

**26<sup>TH</sup> JUNE 2018**

#### **REPORT OF: HEAD OF TRANSPORT**

## **URBAN TRAFFIC MANAGEMENT AND CONTROL CENTRE UPDATE**

### **SUMMARY**

This report describes how Urban Traffic Management and Control (UTMC) systems can be used to monitor and manage urban transport networks. It describes the current UTMC system in the Tees Valley, and identifies opportunities for further development of the system in order to meet the objectives of the emerging Strategic Transport Plan for the area and of the Transforming Cities Fund.

### **RECOMMENDATIONS**

The Transport Committee are recommended to

- i. note the content of the report

### **DETAIL**

#### **Introduction**

UTMC development commenced in the 1990s and made available tools for local authorities in the UK to integrate data about the transport network available from multiple sources, and to use this data:

- a) To inform those travelling or planning to travel by different modes so that they can make a more informed decision; and
- b) To manage the transport network to deliver agreed policy objectives for all relevant transport modes.

Local authorities across the UK are using UTMC to help them better co-ordinate traffic signals for reliable journeys, deliver the network management duty set out in the Traffic Management Act, inform the public when their next bus will arrive and then give it priority over other vehicles,

inform drivers about parking availability and to improve people's safety and security through CCTV. UTMC allows local authorities to manage their network and to intervene when things go wrong or incidents occur such as accidents, roadworks, major events or adverse weather.

UTMC allows the ability to deliver better travel information for local people and visitors and also to make the most out of the existing network without having to always carry out road improvements. UTMC also enables the exploration of future technologies such as connected and autonomous vehicles and roadside to vehicle information.

### **UTMC in the Tees Valley**

Currently in the Tees Valley we have a UTMC system that monitors the network across the five Tees Valley authorities although its footprint is not comprehensive. The current UTMC system works alongside a UTC (Urban Traffic Control) system which manages the large network of traffic signals along all the major routes such as the A689, A66 and the five town centres. A UTC/UTMC system allows traffic signals to be controlled and to optimise the flow of traffic in a wide area. An example of the benefits of UTC/UTMC is when a diversion is implemented following a closure of the A19, the traffic signals can be optimised to benefit drivers along that diversionary route reducing delay and improving journey time.

In the Tees Valley there is also a network of VMS (Variable Message Signs), with the use of VMS and UTMC it is possible to suggest alternative routes for vehicles, the UTMC system can automatically use pre-determined plans to change messages on the approaches to town centres to provide relevant and up-to-date information about incidents, congestion or car park occupancy.

UTMC currently monitors some car parks, collecting occupancy data for individual facilities. This can be transmitted to the VMS on the inbound routes to the car parks. This allows drivers to choose in advance which car park to head for based on the number of spaces showing as available on the VMS. This reduces queuing and circulating traffic looking for spaces, and thereby reduces pollution in congested urban areas.

CCTV is used in conjunction with the UTMC system for traffic monitoring. Traffic monitoring using CCTV cameras is the most effective, reliable and best method of obtaining accurate information about the current status of the road network. With the use of CCTV, UTMC can take direct action to remedy or pre-empt traffic problems.

The Tees Valley UTMC system is currently managed as part of the Traffic Signals operation within Middlesbrough Council, who act on a lead authority basis for the Tees Valley. There is a control centre within the Civic Centre in Middlesbrough that is manned during a usual working day.

The aspiration is to improve and expand UTMC within the Tees Valley so we can better monitor the operation of the road network around the area, and intervene where appropriate to improve the flow of cars, goods vehicles and public transport.

Expanding the UTMC system will allow us to manage incidents, roadworks, and the impact of weather events more easily so the road network can be kept free and flowing for drivers.

## Opportunities for Improvement

The UTMC system for the Tees Valley has become life expired and it is currently going through a back office refresh, this includes going out to procurement for a new computer system that will manage the UTMC.

A refresh of the back-office system will allow a lot more new and innovative on-street equipment to be added into UTMC for the Tees Valley and for its footprint to be properly extended across the Key Route Network of roads agreed by the Combined Authority.

With a more comprehensive roll out of technology the system will be able to carry out new functions such as predict flows and potential journey time differences due to the current or forecasted weather. A new back-office UTMC system with expanded on-street equipment could also be able to predict air quality and to suggest alternative routes for vehicles in order to prevent air pollution level exceeding limits. A more extensive UTMC system will also allow the ability to prioritise public transport on key routes, improving journey reliability for the public transport network.

The roll out of new infrastructure such as ANPR (Automatic Number Plate Recognition) allows a better understanding of journey times on key routes, providing information that could be displayed on a corporate website or on VMS with wording such as *"TO TOWN CENTRE BY CAR x MINS, BY BUS x MINS"*.

Extra parking guidance around the Tees Valley whether it be on street parking or off street parking can improve the decisions made by drivers, again reducing congestion around our town centres by reducing the need for to search for spaces.

An improved UTMC system helps to deliver a number of the priorities of the TVCA draft Transport Plan, and of the recently announced Transforming Cities Fund., UTMC can be used to manage traffic flow on routes so that they are safer and less congested. It can be used to facilitate better bus services that are punctual and reliable, with improved passenger information and facilities, improved bus priority systems and real time updates from the buses. The use of UTMC to promote walking, cycling and using public transport to travel round the Tees Valley is also possible by using VMS to promote healthy lifestyle campaigns and road safety campaigns. Using UTMC collaboratively with Highways England is currently being investigated for the Yorkshire North East region so we can working in partnership with Highways England to manage the Tees Valley KRN and Highways England's Strategic Road Network together in a more strategic way..

A comprehensive UTMC system can also benefit local academia and businesses allowing trials and research lead by universities, transport organisations and others. An expanded and improved new system will be able to provide organisations with large amounts of data for the Tees Valley road network that can be used for a number of research and practical purposes.

Options for the expansion and improvement of the Tees Valley UTMC system will be developed as part of the Transforming Cities Fund process, and a further update provided to the Transport Committee at a future meeting.

## **FINANCIAL IMPLICATIONS**

A proposal for Capital expenditure to improve the footprint and functionality of the system will be prepared as part of the Transforming Cities Fund process. This process will be subject to appropriate due diligence through the Tees Valley Assurance Framework.

## **RECOMMENDATIONS**

Transport Committee are recommended to note the content of this report

## **LEGAL IMPLICATIONS**

At this stage, there are no specific legal issues arising from this report. The competitive tendering exercise in respect of the back-office refresh has been led by Middlesbrough Council in order to ensure that it complies fully with the relevant procurement legislation.

## **RISK ASSESSMENT**

The refresh of the UTMC system is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **CONSULTATION**

The approach to this report has been considered by the Transport Advisory Group, and a workshop has been held with officers from the 5 local Highways Authorities. Consultation with partners will continue as the project progresses.

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