



AGENDA ITEM 7
REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET

26th JANUARY 2024

REPORT OF THE DIRECTOR OF INFRASTRUCTURE

TRANSPORT PORTFOLIO

TRANSPORT PROGRAMME

SUMMARY

This report sets out the proposed transport programme to be delivered with the second round City Region Sustainable Transport Settlement (CRSTS2) published indicative allocation of £978m. The funding is notionally allocated for the period 2027/28 to 2031/32, but the Government has said that there will be an opportunity for some of this funding to be brought forward into the last two years of CRSTS1 (2025/26 and 2026/27). The proposed CRSTS2 programme builds upon the current transport investment programme and will deliver on the ten-year Strategic Transport Plan (STP), which provides the framework for all transport investment by the Combined Authority, and was approved by Cabinet in 2020. The CRSTS2 programme has been developed to include interventions included in the STP, or to enable new strategic opportunities that have been identified since the publication of the STP. There has been engagement with, and input from, each of the Combined Authority's constituent local authorities in the development of the CRSTS2 programme.

It needs to be emphasised that the indicative CRSTS2 allocation is over three times bigger than the current CRSTS1 allocation. Approving the CRSTS2 proposed transport programme will demonstrate to Government that TVCA agrees on the strategic priorities. It will also enable officers to proceed to develop the programme in advance of delivery commencing in the coming years.

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. Approves the proposed transport programme totalling £1bn, as detailed in paragraph 12, to be delivered with the second round City Region Sustainable Transport Settlement (CRSTS2) indicative allocation of £978m.
- ii. Delegates authority to the Director of Infrastructure to take all decisions required to progress delivery of business cases for each project within the approved funding allocations. In accordance with the Tees Valley Assurance Framework, the approval of business cases is delegated to the Tees Valley Combined Authority Chief Executive, in consultation with the Tees Valley Management Group, and the Tees Valley Combined Authority Section 73 Officer and Monitoring Officer.

- iii. Notes that the outcome of all business case appraisals will be reported to Cabinet and there will be a twice-yearly update report to Cabinet and Transport Committee on the programme.
- iv. Notes that where an individual project cannot be delivered within the funding allocation set out in this report or the business case does not demonstrate value for money, then this will be reported back to Cabinet for a decision on how to proceed.

DETAIL

Background

1. On 31st January 2020, the ten-year Tees Valley [Strategic Transport Plan](#) (STP) was approved by Tees Valley Combined Authority (TVCA) Cabinet. The STP defines the vision, objectives and outcomes for transport, sets out the actions that will be delivered, and provides the framework for all transport investment. The STP sets out the transport investment priorities by the following themes:
 - National rail
 - Major roads
 - Connecting economic centres
 - Unlocking key sites
 - Local journeys
 - Social equality and environment
2. The primary factor that underpins transport need is the polycentric nature of the Tees Valley with multiple towns, key employment sites and residential areas. This results in a complex pattern of movement, which is very different to a city region with a dominant commercial centre. Addressing the transport need in the Tees Valley therefore requires a programme of interventions to ensure that:
 - Everyone, no matter where they live in the Tees Valley, is connected to opportunity; and
 - Existing business can grow and the Tees Valley is able to continue attracting new businesses and inward investment.
3. The £75m Transforming Cities Fund (TCF) allocation, £310m City Region Sustainable Transport Settlement (CRSTS1) and over £148m of competitively secured funding over the period 2018/19 – 2026/27 is enabling good progress to be made in delivering against the STP.
4. The evidence base on which the STP was developed is continually evolving, for example the Tees Valley traffic model has been updated to take account of new Local Plan sites and 2021 census data has been analysed. However, the fundamental evidence base on which the STP was developed has not changed. TVCA is of the firm view that the challenges, opportunities and outcomes in the STP remain sound and should continue to be the primary drivers for transport investment. Clearly there have been developments that now need to be considered, for example in relation to the STP 'Unlocking key sites' theme where new opportunities have come forward since the publication of the STP.
5. As with the continually evolving evidence base, TVCA has also been in regular dialogue with its constituent Local Authorities and other stakeholders to develop an investment pipeline. There is a wealth of analysis, feasibility studies and development work that underpins this pipeline, some of which started when TVCA was established back in 2016.

Second round of City Region Sustainable Transport Settlement (CRSTS2) context

6. TVCA has an indicative allocation of £978m for CRSTS2 over the period 2027/28 to 2031/32. However, government has said that there will be an opportunity for some of this funding to be brought forward into the last two years of CRSTS1 (2025/26 and 2026/27). TVCA has been in discussions with the Department for Transport (DfT) around using the confirmed CRSTS1 funding to cash flow development work.
7. CRSTS1 also included the consolidated highways funding that is passported to local authorities. Furthermore, government recently announced an additional minimum £100.1m of highways maintenance funding for TVCA between 2023/24 – 2033/34.

Developing a CRSTS2 programme

8. It needs to be emphasised that the indicative CRSTS2 allocation is over three times bigger than the current CRSTS1 allocation. There are several critical factors that need to be fully considered:
 - the lead time and level of work required to develop a programme of this scale that can start to deliver in the coming years is significant;
 - there is a need for an appropriate level of resource to ensure delivery; and
 - being able to demonstrate to government that TVCA agrees on the strategic priorities.
9. The STP contains high-level outcomes, summarised in the table below, and the CRSTS2 programme has been designed to deliver on them.

Strategic Transport Plan high-level outcomes	
Investment Theme	Outcome
National rail	Improve rail links between Tees Valley and the rest of the country
	Improve rail station infrastructure
	Ensure that the rail network can cater for future growth in both freight and passenger demands
Major roads	Deliver and maintain a safe, resilient and reliable Key Route Network ¹ , facilitating future economic and housing growth
Connecting centres	Deliver and maintain a frequent, high quality, reliable and integrated public transport network
	Develop and improve transport interchanges, ticketing options and information – providing a seamless integrated experience for the travelling public
Unlocking key sites	Address specific constraints on the strategic and local transport networks – providing a transport system that facilitates future economic and housing growth
	Develop and maintain a transport system that facilitates efficient freight movements
Local journeys	Deliver and maintain safe walking and cycling routes and local bus services that link housing sites to key destinations and transport interchanges
Social equality and environment	Improve equality of opportunity for remote and deprived communities and enhance health and wellbeing

¹ The Key Route Network was agreed between TVCA and the Local Authorities and represents those roads that are most critical to connectivity across the Tees Valley.

	Improve access for those with physical disabilities, mental health conditions, learning difficulties and those with sensory impairment
	Reduce carbon emissions and deliver measures to improve local air quality
	Protect Tees Valley's built and natural environment, and reduce noise and vibration from transport
	Ensure that the existing transport network and planned investment is resilient to climate change

10. As highlighted in paragraph 4, the CRSTS2 programme has been developed to include interventions identified in the STP, or to enable new strategic opportunities that have been identified since the publication of the STP.
11. There has been engagement with all local authorities throughout the process, including Chief Executives, Management Group, Transport Advisory Group and a dedicated workshop.

CRSTS2 Programme

12. The following table outlines the proposed CRSTS2 programme by STP theme.

Strategic Transport Plan (STP) theme		
STP theme: National Rail		
Project	Description	Allocation
Develop business case for electrification of the rail network from Northallerton to Saltburn	<p>The Transpennine Route Upgrade (TRU) will deliver major improvements to the line between Manchester and York, including full electrification for passenger and freight trains. The East Coast Main Line is already fully electrified, which includes the line between York and Northallerton. However, there are no current plans to electrify the network from Northallerton to Saltburn.</p> <p>This presents a risk to the Tees Valley as electric trains on the Transpennine Route will not be able to travel north of Northallerton towards Middlesbrough / Saltburn, as the diesel trains currently do. In addition this would also benefit the Middlesbrough <-> London services as they currently require bi-mode trains due to the same issue and there is a risk that this limits future opportunities.</p> <p>The proposal is to develop a business case for electrification of the network between Northallerton and Saltburn, with options for shorter sections to be considered. The benefit of electrifying this network is that electric trains on the East Coast Main Line and Transpennine Line would be able to extend to the Tees Valley. It will also enable electric freight trains to operate to/from the Tees Valley.</p>	£3m

	<p>Once the business case is complete, a funding strategy will need to be considered. The current thinking is that the business case is used to influence the DfT and seek a commitment to deliver the intervention from the national rail budget. This was the funding strategy successfully deployed by TVCA on the Darlington Station project, where significant funding was secured from the Rail Network Enhancements Pipeline (RNEP) budget.</p>	
<p>Deliver Middlesbrough Station new platform 3 and associated infrastructure</p>	<p>Middlesbrough Station is one of the key rail hubs in the Tees Valley for both strategic and local connectivity. TVCA has already invested in improvements to the station, including the extension of platform 2 and the redevelopment of the station undercroft, which is nearing completion.</p> <p>However, to address capacity constraints at the station there is a need for a new platform 3. TVCA has been working with Network Rail to develop the intervention and the original intention had been to try and secure RNEP funding to complement TVCA funding to deliver the scheme. However, there is currently significant national pressure on RNEP funding and CRSTS2 now provides an opportunity to get on and deliver this intervention locally.</p> <p>The intervention will provide a new platform 3 and additional track and signalling to enable increased use of the carriage sidings, whilst also maintaining freight capacity. This will deliver performance and reliability benefits to the existing services at Middlesbrough Station and provide capacity for potential additional services including:</p> <ul style="list-style-type: none"> • Additional LNER services to / from London (currently 1 train per day, but potential to increase to 1 train in alternate hours). • Additional Northern services to / from Newcastle via Hartlepool (currently additional 1 semi-fast train in alternate hours from December 2023, but potential to increase to 1 semi-fast train every hour, complementing the existing all stations stopping service). • Potential for a new service between Middlesbrough and Ferryhill (subject to a Restoring Your Railways Fund proposal from Durham County Council and identified in Network North as a potential new station) • Other potential local service enhancements. 	<p>£40m</p>
<p>STP theme: Major Roads</p>		
<p>East-west connectivity – A66 and A689 Corridors</p>		

<p>Deliver Darlington Northern Link Road</p>	<p>The A66 provides critical east-west connectivity between the Tees Valley, the A19 and the A1(M). However, there is a missing strategic link for traffic travelling from the Tees Valley heading north on the A1(M), and vice versa for traffic travelling south on the A1(M) heading to the Tees Valley. This traffic is currently using the A1150 and A167 through the north of Darlington, but these routes are unsuitable for the volume and type of traffic using them.</p> <p>The project will therefore provide a new strategic link better connecting the A66 to the A1(M) to the north of Darlington. The intervention would provide the following strategic benefits:</p> <ul style="list-style-type: none"> • better link the Tees Valley, including key assets such as the Teesside Freeport and Teesside International Airport, with the A1(M) and beyond; • better link Newton Aycliffe to the Teesside Freeport; • relieve the existing congestion problems on the A1150 and A167 routes to the north of Darlington; • reduce the severance effect currently experienced by those residents adjacent to the A1150 and A167; and • improve the resilience of the network, reduce journey times, improve journey time reliability and improve safety. <p>TVCA has previously completed an Outline Business Case, which identified a preferred route alignment. However, this was several years ago, so the next phase of work will review the optimum route alignment and consider potential other complementary measures on the A1150 and A167 to ensure that the strategic benefits are maximised. There will then be a need to develop the detailed design and full business case. The cost estimate is based on the current route alignment, but this will be refined as the next phase of development work is progressed.</p> <p>It is possible that the intervention could be classified as a Nationally Significant Infrastructure Project (NSIP). These are projects of certain types, over a certain size, which are considered by the Government to be so big and nationally important that permission to build them needs to be given at a national level, by the responsible Government minister (the 'Secretary of State'). Instead of applying to the local authority for Planning Permission, the developer must apply to the Planning Inspectorate for a different permission called a Development Consent Order (DCO).</p>	<p>£250m</p>
<p>Deliver A66 resilience package</p>	<p>The A66 provides critical east-west connectivity between the Tees Valley, the A19 and the A1(M). The road carries</p>	<p>£20m</p>

	<p>more than 70,000 vehicles daily on its busiest sections. On the section of the A66 managed by Middlesbrough Council, as the local highway authority, approximately 75% of the carriageway is well over the normal life expectancy. There are also critical issues with the safety barrier system, bridge structures and sign gantries. The condition of this section of the A66 presents a risk of weight restrictions, lane closures and in a worst-case scenario structural failure, which would result in the road being closed. The package of work will include carriageway resurfacing, remediation work on bridges and structures, and safety barrier replacement. It will ensure the future resilience of the road, with the interventions extending the lifespan of all assets to at least 15 years and in some cases many more.</p>	
<p>Deliver package of interventions to address A66 capacity constraints Middlesbrough – Teesport – Redcar</p>	<p>There are several roundabout junctions on the section of the A66 between Middlesbrough – Teesport – Redcar, where interventions are required to address identified capacity constraints:</p> <ul style="list-style-type: none"> • A174 / A1053 Greystones Roundabout – lane widening, improvements to A174 eastbound exit, a new link through the roundabout i.e. a through-about, and other minor improvements. • A1085 Trunk Road roundabout – lane widening and other minor improvements. • Tees Dock Road / Lackenby Access roundabout – lane widening and other minor improvements. <p>There is also a smaller package of works required on Cargo Fleet Lane/Longlands Road and the A66/A1032 Newport Interchange.</p> <p>Initial design work and road safety audits have already been undertaken. There will be a need to undertake detailed design work and refine the cost of each intervention as part of the next phase of work.</p>	£40m
<p>Deliver A689 corridor improvements</p>	<p>The A689 provides strategic connectivity within the Tees Valley, and a connection to the wider North East region. It is a key east-west link, connecting Hartlepool and Stockton to the A19 and A1(M). It also provides a key route between the A1(M) and the A19, and is used for many journeys to/from Middlesbrough, Stockton, Redcar and surrounding areas. There are key locations on the road where congestion is problematic. Furthermore, there is limited provision for active travel on the corridor, which is constraining opportunities for cycling and walking trips.</p> <p>TVCA has developed an Outline Business Case for a package of interventions on the corridor that will:</p>	£50m

	<ul style="list-style-type: none"> • address the existing congestion pinch points, increase capacity, create a more resilient network and significantly improve east-west connectivity in the region; • improve journey time reliability and reduce journey times; • improve access to multiple strategic employment locations on the corridor; and • facilitate housing growth in the vicinity of the corridor. <p>The package of interventions includes:</p> <ul style="list-style-type: none"> • A19 / A689 Junction improvements – signalisation of the services roundabout, plus A19 cycle/pedestrian overbridge and carriageway widening of grade separated junction to three lanes on northern overbridge. • Park Road / Huckelhoven Way Junction – widen approaches and provide additional lanes. • Tesco / Burn Road Roundabout – widen eastbound approach to two lanes. • Brenda Road / Belle Vue Way Roundabout – left turn filter lane from the north-eastern A689 arm to the southern B1277 arm. • Stockton Road / Belle Vue Way – realignment of the A689 central reserve on the westbound approach and provision of dedicated right turn lane into Stockton Road. • Owton Manor Lane roundabout – replace roundabout with signalised junction. • Truro Drive Junction – provision of additional left turn lane on the A689 northbound approach. • Dalton Back Lane / Greatham Back Lane crossroads – removal of staggered junction and uncontrolled right turn arrangements and replacement with full signalisation (will also serve the Hartlepool South West Extension site). • A1185 (Wolviston) Roundabout – widen northern circulatory section to three lanes. • Wynyard Avenue / A689 – signalisation. • Hanzard Drive / The Wynd / A689 – cross road, signalisation and pedestrian crossing over the A689. • Package of improvements to cycleways and footways to connect existing infrastructure, providing a traffic-free shared use route on the corridor from Hartlepool to Wynyard. 	
North-south connectivity A19 Corridor		
A19 New Tees Crossing further development work	The A19 is a key north-south corridor through the Tees Valley. The current Tees Crossing carries more than 100,000 vehicles per day and is a pinch-point, with delays	£15m

	<p>and queuing traffic common in peak periods. Analysis has demonstrated that the crossing is at capacity and there is a risk that it constrains growth without intervention.</p> <p>TVCA has been making the case to government for the A19 New Tees Crossing (NTC) for several years. TVCA first submitted an Outline Business Case (OBC) to government back in 2019 and has since submitted a multitude of additional information and evidence to support the case. In 2023, given the time that had elapsed since the first submission of the OBC, government asked National Highways, as the highway authority responsible for the Strategic Road Network (SRN), to update the OBC. TVCA inputted into this process and again stressed the importance of the project to the economic transformation of the region. Government is now in the process of developing their next Road Investment Strategy (RIS), which covers the period 2025-2030. The NTC is being considered as part of this process. However, there is limited funding available and many competing projects nationally, so the likelihood of securing any additional development funding is unknown.</p> <p>The current preferred option is to widen the existing Tees Viaduct structure to provide three southbound lanes throughout the length of the Viaduct, in addition to the provision of a new bridge crossing to carry local northbound traffic. However, in updating the OBC, National Highways has concluded that the current preferred option is too high risk for several reasons:</p> <ul style="list-style-type: none"> • Further analysis of the current structure has led National Highways to conclude that widening the existing structure is not feasible. • Technical design guidance has changed and the current preferred option is not consistent with this new guidance. <p>National Highways has therefore recommended that further work needs to be undertaken to consider alternative, lower risk options. Should a feasible, lower-risk option be identified, this has the potential to reduce the scheme cost and therefore the case for government investment to deliver the scheme should be stronger.</p> <p>Given the uncertainty around potentially securing additional government funding for further development work, the proposal is that TVCA get on and fund this work locally. Presuming a new preferred option could be agreed with National Highways, then the funding allocation would allow detailed design and a full business case to be developed. The development work would need to be</p>	
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	undertaken in full collaboration with National Highways, given their responsibility for the SRN.	
Contribution to deliver the A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project	<p>This scheme will provide a new strategic route from Hartlepool to the A19, supporting growth ambitions in the Borough. The scheme will also relieve pressure on the existing A179 and A689 routes from Hartlepool to the A19.</p> <p>The project consists of the development of a by-pass for the village of Elwick and an overbridge and compact grade separation at the current Elwick North junction to the A19, which will improve the strategic and local road network. This will provide a third main route into Hartlepool, enabling the development of significant levels of new housing in the west of the Borough. It will also address capacity issues across the wider road network, and improve road safety through Elwick village and on the A19 in relation to the right turns across the expressway.</p> <p>TVCA has previously committed £4.2m to the project. The proposal is to make a further contribution of £5m, with the remainder of the cost to be funded by Hartlepool Borough Council, who is delivering the scheme.</p>	£5m
Eastern Tees crossing feasibility work	<p>Previous work has explored the concept of an additional crossing of the River Tees to the east of the existing structures, linking Hartlepool and Redcar. This work articulated the strategic case for an Eastern Tees Crossing (ETC), identified the potential economic benefits and explored the financial feasibility. A new ETC could join up industrial development land on either side of the River Tees, improving connectivity for key industrial sites and economic assets within the Tees Valley and supporting longer-term growth and regeneration plans.</p> <p>The ETC has the potential to significantly reduce north-south journey times and severance in the eastern area of the Tees Valley. It could support the productivity and expansion of priority industries in the region, such as advanced manufacturing and chemicals processing. An investment in the ETC could improve economic density and productivity in the eastern area of the Tees Valley, where these priority industries are expected to expand in future. This in turn could have wide spread impacts for residents through increased and higher-paid employment opportunities, and regeneration benefits for the local communities north and south of the Tees.</p> <p>However, the work to date acknowledges that an ETC is still at the concept stage. This next phase of feasibility work would culminate in a Strategic Outline Business Case (SOBC). The purpose of the SOBC is to set out the</p>	£1m

	strategic context of the scheme; make an initial recommended way forward for options appraisal, including consideration of a potential tunnel and bridge; and assess the affordability of the scheme.	
STP theme: Connecting Centres		
Delivery of a transformational digital technology package	<p>The ambition is to make the Tees Valley a leader in utilising digital technology to optimise the performance of the road network. The project will upgrade existing technology and deliver a step-change with the roll-out of new cutting-edge technology. It will represent a significant step towards the ambition set out in the Digital Strategy, previously agreed by Cabinet, for the Tees Valley to become the UK's first truly smart region by 2032.</p> <p>Middlesbrough Council currently act as the lead authority within the Tees Valley and provide a traffic signals service, including design, modelling, maintenance, installation/commissioning, and management and development of the Urban Traffic Management & Control (UTMC) system. TVCA is now proposing that it takes on responsibility for this service, which will require separate agreement between TVCA and each of the local authorities, to allow full control and oversight. This will enable the local authorities to achieve savings and secure the future resilience of this function.</p> <p>The investment will effectively enable:</p> <ul style="list-style-type: none"> • The UTMC system to be upgraded to the most cutting-edge technology currently available. • Deployment of a significant expansion of equipment across the road network, including traffic counters to classify vehicles, cyclists and pedestrians, Automatic Number Plate Recognition (ANPR) cameras, smart junction technology, Variable Message Signs, Artificial Intelligence (AI) CCTV cameras and air quality sensors. This will deliver a step-change in the amount of data captured. The new equipment will also communicate with the UTMC system in real-time, thereby reducing the current latency of data communication and identifying potential issues sooner. • Creation of a regional data platform to enable collaborative data sharing across multiple partners and facilitate joined-up strategic planning. <p>To further enhance the UTMC system, TVCA will use the latest innovation and bring together predictive and adaptive control of traffic signals. The technology will create what is referred to as a 'digital twin', which is a virtual representation of the road network that is updated from real-time data. This in turn will use and create</p>	£60m

	<p>strategies, using simulation, machine learning and reasoning to optimise how the road network is managed. Enhancing the efficiency of movements on the network will benefit all road users and freight. It will reduce journey times, improve journey time reliability, deliver road safety benefits and alleviate air quality issues.</p> <p>Traffic Signal obsolescence will also be addressed to ensure failing assets on the network are replaced with more efficient and lower energy equipment.</p> <p>There will be multiple benefits to the customer, including improved real-time traffic information, the implementation of real-time bus information, contactless tap on/tap off payments on all buses, better incident management, and dynamic live wayfinding to parking and electric vehicle charging facilities.</p> <p>The investment will also support the creation of the landscape needed to facilitate the roll-out of autonomous vehicles.</p>	
<p>Delivery of autonomous public transport</p>	<p><u>Autonomous trackless trams in town centres</u></p> <p>The Digital Strategy identifies that a key component of a smart region is a smart transport system, which enables more people to move around, more quickly. This project will see the introduction of 15 autonomous trackless trams, three in each of the five town centres of Darlington, Hartlepool, Middlesbrough, Stockton and Redcar. There is also a need to implement associated digital infrastructure to enable the trams to operate. It is envisaged that the trackless trams will provide a circular hop on, hop off service to key destinations around each of the town centres. The exact routes will need to be determined as part of the project development. The project will deploy proven, electric, autonomous vehicles that can operate safely on the highway network. The vehicles are not fixed to set physical infrastructure and services can be adapted or temporarily relocated for events and seasonal tourism purposes if, and when required.</p> <p>Trialling any level of automated vehicle technology is possible on any UK road if carried out in line with UK law. As part of complying with the current law, trialling organisations will need to ensure that they have:</p> <ul style="list-style-type: none"> • a driver or operator, in or out of the vehicle, who is ready, able, and willing to resume control of the vehicle • a roadworthy vehicle • appropriate insurance in place 	<p>£20m</p>

	<p>This project will align with the government's ambition to support and facilitate the safe development and introduction of these technologies to the UK's roads.</p> <p>The project will need to be developed in collaboration with the local authorities and the Centre for Connected and Autonomous Vehicles (CCAV), which TVCA already has a good working relationship with.</p> <p><u>Autonomous shuttle service for Teesworks and Teesside International Airport</u></p> <p>This project will utilise a similar concept to the autonomous trackless tram project. It will provide a shuttle service for staff and visitors to the Teesworks site. Smaller autonomous pods will be deployed to move people from the park and ride site and railway station to locations across the Teesworks site. Similarly pods will move people around the airport site, connecting the rail station to the airport terminal and other locations across the airport site.</p>	
Improved rail services through rail devolution		
Develop rail devolution proposition to government	<p>There is an opportunity to make better use of the existing Tees Valley rail network. The current TCF/CRSTS1 investment programme is creating more capacity in the network, improving station facilities and better connecting stations with communities. The next logical step is to enhance the service offer to communities so that rail travel becomes more attractive. There is a demonstrable latent demand with around 45% of households in the Tees Valley within walking distance of a rail station. Therefore it is felt that enhancing the service offer has the potential to achieve significant modal shift.</p> <p>There are multiple factors that need to be considered in terms of enhancing the service offer, for example rolling stock (type/quality of trains), service frequency, service stopping patterns, fare structure and parking provision at stations.</p> <p>The Government has set out plans to create Great British Railways. This will be a new public body that will run and plan the rail network, own the infrastructure, and receive the fare revenue. It will procure passenger services and set most fares and timetables. This will bring the whole system under single, national leadership.</p> <p>The Government also has ambitions for rail devolution, which TVCA believes provides an opportunity to radically transform rail services in a way that supports economic growth at the same time as improving the journey experience for passengers. In theory rail devolution</p>	£5m

	<p>should be simpler in the Tees Valley, as Northern, who provide local services in the Tees Valley, operate a relatively self-contained network across the Tees Valley and North East.</p> <p>It is felt that there is an opportunity for TVCA to pitch the Tees Valley as a frontrunner for rail devolution. However, this requires the development of a proposition, which articulates the case for change, sets out how rail devolution could work in the Tees Valley and provides a detailed financial assessment/commercial model. The proposal is therefore to allocate funding to complete this work, which can then be used to engage with Great British Railways and Government.</p>	
Local rail journeys		
<p>Deliver infrastructure to enable direct trains between Darlington and Hartlepool</p>	<p>Currently there are no regular direct rail services between Darlington and Hartlepool, which is a significant gap in connectivity between two key urban centres. It acts as a barrier to people seeking to access employment opportunities, including the Economic Campus, Central Park and other key sites in Darlington, and the Hartlepool Development Corporation, Tees Valley Investment Zone and other key sites in Hartlepool.</p> <p>Initial capacity work carried out by Network Rail as part of the development of the Darlington Station project identified the need for infrastructure upgrades to create the capacity for this service to be introduced. Further development work is needed to identify the specific infrastructure requirements to enable this service to be introduced. This will align with the improvements already committed at Darlington and Hartlepool Stations.</p> <p>The work will also need to demonstrate the viability of running the new service, which will require engagement with Northern and the DfT (potentially Great British Railways in the future). This will need to be developed alongside the rail devolution proposition.</p>	£40m
<p>Deliver the redevelopment of Teesside International Airport Station</p>	<p>The station at Teesside International Airport has been in poor condition for several years, due to the lack of investment by the previous owners. This has led to the downgrading of services to the current parliamentary 1 train per week, which has also had to be temporarily withdrawn due to safety concerns about the current condition of the platform. In response to the poor condition of the station, the unused platform and footbridge is being demolished to ensure the safety of passing trains. The remaining platform is to be repaired and the 1 train per week service reintroduced.</p>	£20m

	<p>The service frequency cannot be increased at Teesside International Airport Station until work to address the capacity constraints at Darlington and Middlesbrough stations is complete.</p> <p>Early-stage feasibility work has already been carried out and has identified a preferred option of redeveloping the station on the existing site. This work needs to be re-validated to ensure that it remains the preferred option and aligns with the Airport master plan.</p> <p>The project would deliver a new station, compliant with current standards, including step-free access to each platform. The project will also need to consider onwards access to the key trip generators on the site, including the Airport terminal and key employment locations (links to the delivery of the autonomous shuttle service project).</p>	
<p>Deliver South Bank Station Transport Hub</p>	<p>South Bank station is strategically important, located at the western edge of the Teesworks site. The station is served by trains between Saltburn <-> Bishop Auckland, providing 1 train per hour in each direction, and the current Saltburn <-> Darlington service passes through without stopping.</p> <p>There is a need to improve access for all users at South Bank Station. Currently access to the east-bound platform is via a footbridge and a flight of stairs, which acts as a barrier to potential station users. However, there are several constraints at this location resulting from the station platforms being situated in a narrow space in the middle of the passenger and freight lines.</p> <p>As well as serving the station, the footbridge also provides access over the railway line and will become an important strategic link between the residential community of South Bank and significant employment opportunities in the vicinity. The footbridge is currently in a poor state of repair and needs replacing.</p> <p>Initial feasibility work has taken place and an outline scheme developed. The scheme requires track realignment and signalling adjustments to create a larger footprint for a new widened station platform. This will allow a new fully accessible footbridge with lifts or ramps to be built.</p> <p>As part of the station redevelopment, the project will create a transport hub, including a park and ride facility and highway improvements. This hub will serve the significant employment opportunities in the vicinity of the station.</p>	<p>£40m</p>

<p>Middlesbrough to Nunthorpe rail enhancements feasibility study</p>	<p>Initial feasibility work for the development of a Nunthorpe Parkway Station is being carried out by Redcar and Cleveland Borough Council (RCBC) using money secured from the second round of the Levelling Up Fund. However, a constraint to the viability of this proposal is the potential service frequency which can operate to/from the station.</p> <p>This funding allocation will enable the initial feasibility work being carried out by RCBC to be further developed into an Outline Business Case for enhancements to the whole route. Currently, services are approximately hourly between Middlesbrough and Nunthorpe, with several of the services continuing to Whitby. The aspiration is for this to increase to 2 trains per hour, but as this is currently a single-line, used by trains in both directions, infrastructure upgrades will be needed to enable services to pass each other on the journey to / from Middlesbrough.</p> <p>The work will also need to demonstrate the viability of running a new service, which will require engagement with Northern and the DfT (potentially Great British Railways in the future). This will need to be developed alongside the rail devolution proposition.</p>	<p>£1m</p>
<p>East Cleveland rail feasibility study</p>	<p>There have been previous high-level feasibility studies on the potential to reinstate passenger train services on the Saltburn to Boulby freight line in East Cleveland. However, these studies have been desktop in nature and it needs to be recognised that reinstating passenger services on this line is still only at a concept stage.</p> <p>The rail line is currently only used by freight traffic servicing the British Steel Special Profiles Facility at Skinningrove and the Cleveland Potash, Boulby Mine site. Between Saltburn and Skinningrove the line is owned and maintained by Network Rail, but beyond this the line is owned by Cleveland Potash, who effectively act as the infrastructure manager. In order to develop this proposal TVCA is of the view that there are various issues/challenges that require much more detailed consideration:</p> <ul style="list-style-type: none"> • Assessment of the existing infrastructure and the upgrades to this infrastructure that would be required to operate passenger services. • The feasibility of creating rail stations on the line. • The assumptions around cost are very high level and therefore come with a high degree of risk and uncertainty. • The need to balance existing and future freight requirements against potential passenger services. 	<p>£1m</p>

	<ul style="list-style-type: none"> • Robust assessment of demand, both now and in the future, which is critical to the viability of running passenger services. <p>This more detailed feasibility study would address these issues and focus on two key elements:</p> <ul style="list-style-type: none"> • Review the strategic case for the project, including potential future demand, which is fundamental to the viability of extending rail services into East Cleveland. • Define the infrastructure requirements, including what interventions would be required to the track and signalling, identifying potential station locations, and providing a cost estimate for the project. <p>The feasibility study would culminate in a Strategic Outline Business Case.</p>	
STP theme: Unlocking Key Sites		
<p>Deliver Stockton Care and Health Innovation Zone Package</p>	<p>Stockton-on-Tees Borough Council is working in partnership with TVCA, the NHS, Teesside University and other partners on proposals to develop a Care and Health Innovation Zone in Stockton. The vision sets out proposals to create a nationally significant cluster of social care and health provision at Teesdale Business Park and the nearby Tees Marshalling Yards. Part of the Tees Marshalling Yards remains in use as an operational railway asset and will continue to be needed into the future, but a large amount is under-utilised or disused, creating an opportunity to consolidate the operational requirements and redevelop the remaining brownfield site.</p> <p>The vision is to transform the Teesdale Business Park / Tees Marshalling Yards area, developing the 110-hectare brownfield site into a home for social care and health services, sector-specific businesses, research, teaching and learning facilities, and housing to meet local needs.</p> <p>A masterplan is currently being developed, but previous studies have identified the need for investment in the transport infrastructure to unlock the Tees Marshalling Yards and ensure that the site is well-connected by public transport and active travel. The masterplan work will define these requirements and further work will be needed to develop the package of interventions. At this stage of development it is envisaged that a new transport hub, including a rail station, will be created within the Tees Marshalling Yards that could serve both the Care and Health Innovation Zone and Teesside Park. There is a £140m allocation to this element of the package.</p>	<p>£150m</p>

	<p>There is also £10m within the funding allocation to deliver smaller-scale improvements to Thornaby Station, to create a multi-modal hub and better connect the station with the surrounding area. The development work will also need to consider how a new transport hub within the Tees Marshalling Yards works with Thornaby Station, particularly around rail service stopping patterns.</p>	
<p>Deliver Lackenby Transport Hub/Lorry Park</p>	<p>British Steel is proposing to make a significant investment to install an Electric Arc Furnace at its site in Lackenby, which will use greener technology to melt scrap and produce new steel. The scrap metal will be brought to the site in lorries.</p> <p>This funding will deliver a new Transport Hub/Lorry Park and associated highway works to provide a new access off the A66/Tees Dock Roundabout.</p> <p>The Transport Hub/Lorry Park will be utilised in several ways: as a holding area for British Steel's scrap delivery lorries for the proposed Electric Arc Furnace; to serve other vehicle movements to/from the Freeport; and as a general stopover facility.</p>	<p>£20m</p>
<p>Improving freight access to the rail network</p>	<p>With the recent Government announcement of a target to grow rail freight by at least 75% by 2050, it is proposed to allocate funding to support this target given the importance of the transport and logistics sector to the Tees Valley economy.</p> <p>A funding contribution from CRSTS1 is committed to gauge clearance work on the Northallerton to Eaglescliffe line, which involves infrastructure improvements at four locations to either lower the track or rebuild the bridges and tunnels. This will enable the largest shipping containers to travel via the most direct and efficient route from Teesside towards the south and has a strong value for money case, recognising that modal shift is predicted. Additional government Rail Network Enhancements Pipeline (RNEP) funding will be sought to deliver the scheme.</p> <p>This funding allocation will enable further work to be commissioned to explore opportunities in and around the existing rail network to identify any improvements that are needed to support rail freight growth. This could include looking at:</p> <ul style="list-style-type: none"> • Supporting further infrastructure upgrades on the network that will remove constraints and improve freight efficiency. • Opportunities to reinstate / introduce new infrastructure that removes barriers to the use of rail freight at key locations. 	<p>£35m</p>

	The funding allocation will enable a package of improvements to be delivered, subject to the outcome of the further development work.	
STP theme: Local Journeys		
Bringing the Tees Transporter Bridge back into operation	The Tees Transporter Bridge is Grade II* listed with Historic England and was opened in 1911. It provides a link between Port Clarence in Stockton-on-Tees and Middlehaven in Middlesbrough and is the furthest downstream bridge crossing over the River Tees. However, it has been closed since 2019 due to safety concerns. The bridge has three spans and supports a gondola, which is intended to carry vehicles and pedestrians connecting A178 Port Clarence Road to Ferry Road. A package of interventions will be required to bring the bridge back to full operational capacity.	£30m
Redevelop Middlesbrough Bus Station	<p>Opened in 1982, Middlesbrough bus station is a core interchange facility located in a central position for the town. It is the base for multiple core services that provide vital connectivity across the Tees Valley region and to wider areas of North Yorkshire and the North East.</p> <p>The bus station currently has 21 stands for local bus services, with additional stands located on the upper floor for regional and national coach services.</p> <p>Given the age of the facility, there is a need for redevelopment to complement other regeneration activity across the town centre. This project will deliver a modern, fit-for-purpose, bus station that provides an appropriate gateway to Middlesbrough, which meets the needs of bus operators and the expectations of passengers / customers. There will be a need to develop the bus station design and ensure it complements the wider regeneration of Middlesbrough.</p>	£15m
Package to deliver improvements to local journeys to access employment, education and training	<p>This package is focussed on improving local short journeys. It will build upon the current CRSTS1 investment programme, with a focus on key corridors, providing access to town centres, major investment/regeneration sites, major employment sites, and university, college and school sites, across the Tees Valley.</p> <p>The types of interventions that will be delivered through this package include:</p> <ul style="list-style-type: none"> • Walking, wheeling and cycling improvements targeted at encouraging people to use active travel modes for shorter-trips. • Highway schemes to benefit all road users and address issues where buses are being delayed. 	£45m

	<p>The focus of this investment will be on accessibility to:</p> <ul style="list-style-type: none"> • town centres to support other regeneration projects (Billingham, Darlington, Guisborough, Hartlepool, Middlesbrough, Redcar, Stockton, Thornaby and Yarm); • major investment / regeneration sites, including Darlington Economic Campus, Hartlepool Development Corporation (Queen's Meadow / Oakesway Business Park), Teesside International Airport and Teesworks; • major employment locations; and • university, college and school sites. <p>Significant development work has been undertaken as part of CRSTS1 to develop a long-term pipeline of projects that will need to be considered as part of the package development.</p>	
Feasibility study to investigate addressing level crossing issue on West Dyke Road, Redcar	<p>Although there are several access routes over the railway line into Redcar Town Centre, West Dyke Road forms the main access. With an increase in the number of rail services to or beyond Redcar, the level crossing adjacent to Redcar Central Station is becoming a key constraint. The increased amount of barrier down time is disrupting the traffic flow through the town for motorists and causing performance and reliability issues for bus services.</p> <p>This feasibility work will consider whether there is an alternative to the current level crossing, including exploring whether a bridge can be built at West Dyke Road or at any alternative locations along the line.</p>	£1m
Local Highway Authority Consolidated Funding	<p>A five-year allocation of funding for each of the five local highway authorities at the same level as included in the CRSTS1 programme. However, when combined with the recently announced additional local highways maintenance funding of a minimum of £100.1m over the period 2023/24 – 2033/34, this represents a significant increase in the local highway authority consolidated funding allocation. The funding will be allocated using the formula set out in the TVCA constitution. All expenditure will need to comply with any requirements from the DfT.</p>	£83m
STP theme: Delivering Social Equity and Protecting the Environment		
Implementing solutions to overcome barriers to employment	<p>The current Wheels to Work scheme expires in 2023. The scheme provides a subsidised transport solution for people seeking to access employment or training, where transport is a barrier. The scheme has been successful and there have been many beneficiaries. However, two of the barriers that have been identified as the scheme has evolved in terms of people accessing it are:</p>	£10m

	<ul style="list-style-type: none"> • it only offers e-motorbikes or e-bikes and not cars; and • it is provided by a third party and isn't directly linked to employers. <p>TVCA is therefore proposing to develop a new scheme that provides subsidised access to cars and is linked to employers. It is proposed that the scheme is developed alongside the Business Board to ensure it meets employers needs and becomes embedded in the business community. In developing the scheme, TVCA will need to consider the financial model, which may involve combining TVCA funding with contributions from the business community.</p> <p>Furthermore, TVCA is also exploring the potential to partner with a mobility provider to implement a personalised, on-demand, affordable mobility solution. It is envisaged that this solution is targeted at specific cohorts where transport is a barrier to accessing the labour market.</p> <p>The funding allocation will enable these proposed interventions to be developed and implemented.</p>	
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FINANCIAL IMPLICATIONS

13. The government published CRSTS2 indicative allocation for TVCA is £978m. The funding is notionally allocated for the period 2027/28 to 2031/32, but government has said that there will be an opportunity for some of this funding to be brought forward into the last 2 years of CRSTS1 (2025/26 and 2026/27).
14. The proposed CRSTS2 programme is currently estimated at £1bn. The funding allocations for each project are based on the information currently available. A risk allowance has been included for each project, appropriate to the current stage of project development. As projects progress, further refinement of costs will be undertaken to ensure expenditure is managed within the overall £978m budget. At this stage the small level of over-programming (£22m or 2.2%) is considered reasonable. Should it transpire that a project is not affordable within the funding allocation, then this will be reported to Cabinet with options for consideration. This could comprise a range of options, including looking at alternative delivery options or re-allocating funding to other priorities.
15. The £978m includes a split of capital and revenue, with the exact split to be confirmed by Government. Most projects in the proposed CRSTS2 programme are capital, but there are some that will require revenue funding and some capital investments that will require on-going revenue support.
16. As the CRSTS2 programme progresses, there will be a need to develop project spend profiles. The spend profile will need to be managed at a programme level to ensure delivery within the funding period. Government has previously been flexible with spend between financial years,

which will enable adjustments to be made should the spend profile change over the funding period.

17. One of the most significant risks is the lead time and level of work required to develop the £1bn programme, so that delivery can commence in the coming years. TVCA is therefore proposing to commit development funding to progress the programme. It is envisaged that this will ultimately be funded from the £978m CRSTS2 allocation, but in the meantime it is proposed to cash flow development work using the confirmed CRSTS1 funding, which has been discussed with the DfT. This will require a re-profiling of expenditure between now and March 2027, but will have no overall impact on the delivery of the schemes already identified in the CRSTS1 programme. There may also be a need to consider the re-profiling of project delivery across the two funding periods (2024/25 to 2031/32).
18. As part of the project business case development work, TVCA will consider if there are any further grant funding opportunities, the potential for developer contributions, or commercial opportunities that could leverage private sector investment. Should additional funding be leveraged on any project, then an element of the CRSTS2 capital could be freed up for other projects.

LEGAL IMPLICATIONS

19. There are not considered to be any legal implications arising from the recommendations in this report. However, there are very likely to be legal implications for individual projects and appropriate legal advice will be sought as required.
20. TVCA is the statutory Local Transport Authority, but will need to work closely with partners to ensure delivery of the CRSTS2 programme, including:
 - The five Tees Valley local highway authorities, where a project relates to the local highway network.
 - National Highways where a project relates to the Strategic Road Network.
 - Network Rail (and in the future Great British Railways) where a project is rail related.
21. Appropriate project governance arrangements will be established involving the relevant local authorities and other stakeholders, building on the existing arrangements for major transport projects.
22. The CRSTS2 programme will be delivered in accordance with the Tees Valley Assurance Framework and projects will be subject to the established decision-making processes and governance arrangements.
23. All procurements will be undertaken in accordance with the Contract Procedure Rules and Public Contracts Regulations 2015. Officers will ensure that all procurement activity maximises social value benefits, including encouraging use of the local supply chain and creating local employment opportunities.

RISK ASSESSMENT

24. The risks associated with the delivery of the CRSTS2 programme are significant for the reasons outlined in paragraph 8.

25. TVCA is already taking steps to mitigate these risks, including increasing the level of resource to ensure delivery. Approval of the programme will enable TVCA to demonstrate to government that it has agreement on the strategic priorities and a sound delivery plan. It will also enable development work to commence.
26. A risk allowance has been included in the funding allocation for each project, appropriate to the current stage of project development.
27. As each project develops, a detailed risk register will be produced, which will be used as a management tool to ensure risks are properly managed. This will be considered as part of the assurance process and managed as projects pass through investment gateways at key stages of project development, in accordance with the Assurance Framework.
28. At this stage and given the mitigations already being implemented, the proposed CRSTS2 programme is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk. However, this will need to be monitored very closely at a programme level to ensure effective delivery.

CONSULTATION & COMMUNICATION

29. There has been engagement with all local authorities throughout the process, including Chief Executives, Management Group, Transport Advisory Group and a dedicated workshop.
30. There is a Transport Committee meeting on the 23rd January 2024 where the proposed CRSTS2 programme will be on the agenda.
31. There has been dialogue with the Business Board in developing the proposed CRSTS2 programme.

EQUALITY & DIVERSITY

32. Two of the high level STP outcomes, which the CRSTS2 programme has been designed to deliver on, relate to equality and diversity:
 - Improve access for those with physical disabilities, mental health conditions, learning difficulties and those with sensory impairment.
 - Improve equality of opportunity for remote and deprived communities and enhance health and wellbeing.
33. As each project is developed, the equality impacts will be fully considered through Equality Impact Assessments and appropriate mitigations will be implemented.
34. TVCA is already effectively applying this approach in delivering the current transport programme, including engagement with local and national bodies representing the different protected characteristics.

Name of Contact Officer: Tom Bryant
Post Title: Director of Infrastructure
Telephone Number: 01325 792600
Email Address: tom.bryant@teesvalley-ca.gov.uk

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