

AGENDA ITEM 9 REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

15th MARCH 2024

REPORT OF THE DIRECTOR OF INFRASTRUCTURE

TRANSPORT PORTFOLIO

TRANSPORT PROGRAMME UPDATE

SUMMARY

On the 26th of January 2024, Cabinet approved the transport programme to be delivered with the second round City Region Sustainable Transport Settlement (CRSTS2) published indicative allocation of £978m. The purpose of this report is to provide an update on the progress made since the programme was approved.

RECOMMENDATIONS

It is recommended that Cabinet:

- i. Notes the update on the development of the CRSTS2 programme as detailed in paragraph 1.
- ii. Notes the funding strategy to facilitate development work on the CRSTS2 programme in 2024/25 as outlined in paragraph 3.

DETAIL

CRSTS2 programme development update

1. The following table outlines the progress made since the CRSTS2 programme was approved by Cabinet on the 26th of January 2024. The timescales included in the table are indicative based upon current understanding and will be refined further as programme development continues.



Strategic Transport Plan (STP) t STP Theme: National Rail			
Project	Funding allocation	Progress made	Indicative high-level timescales
Develop a business case for electrification of the rail network from Northallerton to Saltburn. 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. Once the business case is complete, a funding strategy for delivery will need to be considered.	£3m	Ongoing engagement with Network Rail regarding the scope of the project and procurement strategy. Workshop organised with Network Rail and Train Operating Companies to finalise the scope, which will enable the procurement of support to develop the business case.	Procurement to start Q2 2024/25 (Q2 start proposed to phase overall CRSTS2 development programme). Timeframe for completion of development work to be confirmed once consultant appointed.
Deliver Middlesbrough Station new platform 3 and associated infrastructure. A new platform 3 will address capacity constraints, deliver performance and reliability benefits to existing rail services, and enable additional passenger and freight services.	£40m	Engagement with Network Rail and London North Eastern Railway (LNER) to determine the scope of work needed to complete the Full Business Case.	Complete full business case Q2 2024/25. Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the Department for Transport (DfT) around timeframe for release of CRSTS2 funding.
STP Theme: Major Roads			
East-West connectivity - A66 an			Droouromaatta
Deliver Darlington Northern Link Road. The project will provide a new strategic link better connecting the A66 to the A1(M) to the north of Darlington.	£250m	Procurement documentation is being finalised to procure a consultant to support the next phase of project development, which will include a technical review of the 2021 Staged Overview of Assessment Report and Outline Business Case. The work will review the preferred route alignment considering the	Procurement to appoint consultant complete Q1 2024/25. Next phase of project development work estimated to be complete Q2 2024/25.



Deliver A66 resilience package. The project 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.	£20m	that have been undertaken and/or are proposed since the previous work was undertaken. On-going engagement with Middlesbrough Council to understand feasibility work undertaken to date. Need to complete a full business case and agree the delivery strategy.	Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
 Deliver package of interventions to address A66 capacity constraints Middlesbrough – Teesport – Redcar. There are three main packages of work: 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. 	£40m	Development work is underway on all packages of work. A full business case will need to be completed. Delivery of Tees Dock Road/Lackenby Access is the priority.	Detailed design and full business case for Tees Dock Road/Lackenby Access roundabout complete Q2 2024/25. Construction of Tees Dock Road/Lackenby Access roundabout complete Q4 2024/25. A174 / A1053 Greystones Roundabout development work commenced.
 A1085 Trunk Road roundabout – lane widening and other minor improvements. Tees Dock Road / Lackenby Access roundabout – lane widening and other minor improvements. There is also a smaller package of works required on 			A1085 Trunk Road roundabout development work commenced. Timeframe for completion of development work on A174 / A1053 Greystones Roundabout and A1085 Trunk Road



Cargo Fleet Lane/Longlands Road and the A66/A1032 Newport Interchange.			roundabout to be confirmed.
Deliver A689 corridor improvements. The package of interventions on the A689 corridor will address congestion pinch points, increase capacity, improve resilience, improve journey time reliability, reduce journey times, improve access to multiple strategic employment locations and facilitate housing growth in the surrounding area.	£50m	TVCA is revisiting the previous work to confirm what is required to progress the project to delivery. Need to complete full business case and agree delivery strategy.	Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
North- South connectivity A19 (Corridor		
A19 New Tees Crossing further development work. The current Tees Crossing carries more than 100,000 vehicles per day and is a pinch-point, with delays 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.	£15m	TVCA is engaging with National Highways to discuss next steps given their responsibility for the A19 and Tees Viaduct. Need to agree a strategy with National Highways to complete this work.	Timeframe for completion of development work to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
The project will enable further work to be undertaken to develop an alternative, lower risk option to the one proposed in the Outline Business Case, given the change in circumstances since the original work was completed.			



Contribution to deliver the A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project. This scheme will provide a new strategic route from Hartlepool to the A19, supporting growth ambitions in the Borough. The scheme	£5m	Hartlepool Borough Council is leading on this project. TVCA providing support to complete the full business case.	Detailed design and full business case complete Q4 2024/25. Construction commencement date will depend on land acquisition. Further update anticipated Q3 2024/25.
will also relieve pressure on the existing A179 and A689 routes from Hartlepool to the A19.			
Eastern Tees crossing feasibility work. This project will further explore the concept of an additional crossing over the River Tees to the east, linking Hartlepool and Redcar. The work will set out the strategic context of the project, make an initial recommendation for a way forward and address the affordability of the project.	£1m	Procurement documentation in development to procure a consultant to support development of the feasibility study.	Timeframe for completion of the development work to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
STP Theme: Connecting Centre	s		
Delivery of a transformational digital technology package. The project will upgrade	£60m	TVCA engaging with Middlesborough Council, as the current lead authority, to develop proposal. This will then need to be discussed with all	Engagement with all local authorities on proposal starting Q1 2024/25.
existing technology and deliver a step-change with the roll-out of new cutting- edge technology.		local authorities to seek agreement given their role as local highway authorities. CRSTS2 package being	Work on full business case to commence Q1 2024/25. Completion of full
It will represent a significant step towards the ambition set out in the Digital Strategy for the Tees Valley to become		integrated with existing CRSTS1 package and full business case to be developed.	business case Q3 2024/25. Timeframe for
the UK's first truly smart region by 2032.			delivery to be confirmed – will depend on the outcome of discussions with the DfT around



Delivery of autonomous public transport. This project will see the introduction of an autonomous 'tram-like service' in each of the five town centres of Darlington, Hartlepool, Middlesbrough, Stockton and Redcar alongside the associated digital infrastructure to enable the trams to operate. It will also 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.	£20m	TVCA is engaging with key industry stakeholders to commence the technical project feasibility work. This will explore the technical aspects of the autonomous vehicles and the required digital infrastructure. There will be a need for engagement with all local authorities, where the project interacts with the highway, to seek agreement given their role as local highway authorities.	timeframe for release of CRSTS2 funding. Feasibility work complete with initial high-level concept proposal by Q2 2024/25. Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
Improved rail services through r			
Develop rail devolution proposition to government. This project will develop 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.	£5m	Procurement documentation is in development for a consultant to support the development of the proposition.	Procurement of consultant support to complete Q1 2024/25. Timeframe for completion of development work to be confirmed once consultant is appointed.
Local rail journeys		· · · · · · · · · · · · · · · · · · ·	
Deliver infrastructure to enable direct trains between Darlington and Hartlepool.	£40m	Conversations held with Network Rail and Northern regarding project scope. This has identified the need to	Timetable modelling and economic assessment of new



Development work is needed to identify the specific infrastructure requirements to enable a rail service to be introduced between		undertake timetabling modelling and an economic assessment of a potential new service as a first step.	potential service complete Q2 2024/25.
Darlington and Hartlepool. The work will also need to demonstrate the viability of running a new service.		Workshop organised with Network Rail and Train Operating Companies to finalise the scope of development work required.	Timeframe for completion of the second phase of development work to be confirmed once consultant
		The second phase of work is to build on the timetable modelling and economic assessment to identify the infrastructure required to enable a new service to operate.	appointed.
Deliver the redevelopment of Teesside International Airport Station.	£20m	Conversations held with Teesside International Airport, Network Rail and Northern regarding project scope.	Procurement of consultant support to complete Q1 2024/25.
The project will deliver a new station, compliant with current standards, including step-free access to each platform. The project will also consider onwards access to the key trip generators on the site, including the airport terminal and key employment locations.		Procurement documentation for consultant support is being finalised.	Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
Deliver South Bank Station Transport Hub. The project will deliver a new fully accessible footbridge with lifts or ramps to be built within the station. It will also create a transport hub,	£40m	Planning application for the first phase of access works has been submitted to Redcar & Cleveland Borough Council. Procurement documentation is being prepared for consultant support to develop the station proposal.	Procurement for consultant support for the station proposal to complete Q1 2024/25. First phase of access works to be delivered from Q3
including a park and ride facility and highway improvements. This hub will serve the significant employment opportunities in the vicinity of the station.			2024/25. Timeframe for completion of the station proposal feasibility work to be confirmed once consultant appointed.



Middlesbrough to Nunthorpe rail enhancements feasibility study. The project will develop an Outline Business Case for enhancements to the whole Middlesbrough to Nunthorpe route to facilitate an increase in the frequency of trains on the line. The work will also need to demonstrate the viability of running an	£1m	Engaging with Redcar and Cleveland Borough Council to ensure alignment with the feasibility work for the development of a Nunthorpe Parkway Station, which they are undertaking. Procurement documentation is being developed for consultant support to complete the feasibility study.	Procurement for consultant support to complete Q1 2024/25. Timeframe for completion of feasibility study to be confirmed once consultant appointed.
enhanced service. East Cleveland rail feasibility study. The project will build upon previous feasibility work to determine the viability of re- introducing passenger services on the Saltburn to Boulby freight line in East Cleveland.	£1m	Procurement documentation being finalised to procure a consultant to support the completion of the feasibility study. Engagement underway with Network Rail and discussions needed with Cleveland Potash.	Procurement for consultant support to complete Q1 2024/25. Initial feasibility study outputs for review Q2 2024/25. Feasibility study complete Q4 2024/25.
STP Theme: Unlocking Key Site			
Deliver Teesdale Care and Health Innovation Zone Package. 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	£150m	Consultant in place to complete the masterplan. TVCA and Stockton-on-Tees Borough Council in discussion with key stakeholders to discuss next phase of work. Procurement documentation to be developed to procure consultant support for the next phase of detailed work.	Masterplan work to complete Q1 2024/25. Procurement of consultant for next phase of detailed work to commence Q1 2024/25. Timeframe for completion of next phase of detailed work to be confirmed once
facilities, and housing to meet local needs. 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			consultant appointed.



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Care and Health Innovation			
Zone and Teesside Park.			
There is a £140m allocation to			
this element of the package.			
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.			
Deliver Lackenby Transport	£20m	Development work complete to	Start of construction
Hub/Lorry Park.		finalise detailed design. Need to complete full business case.	Q2 2024/25.
This funding will deliver a new			Construction
Transport Hub/Lorry Park and			complete Q2
associated highway works to			2025/26.
provide a new access off the			
A66/Tees Dock Roundabout.			
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.			
Improving freight access to	£35m	Procurement documentation is	Procurement to start
the rail network.	LUUIII	in development for consultancy	Q2 2024/25 (Q2
		support on project development.	start proposed to
This project will explore			phase overall
opportunities in and around			CRSTS2
the existing rail network to identify any improvements			development programme).
that are needed to support			programme).
rail freight growth.			Timeframe for
			completion of
			development work to
			be confirmed once consultant
			appointed.
STP Theme: Local Journeys			
Bringing the Tees Transporter	£30m	TVCA is exploring other	Timeframe for
Bridge back into operation.		potential funding sources and engaging with Historic England.	completion of next phase of
			p11050 01



	015	TVCA in discussion with Middlesbrough Council and Stockton-on-Tees Borough Council on next phase of required work. Funding strategy for this development work to be agreed.	development work to be determined, depending on agreement of a funding strategy.
Redevelop Middlesbrough Bus Station. 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.	£15m	Procurement documentation in development for a consultant to support delivery. There is a need to ensure that the bus station design complements the wider regeneration of Middlesbrough.	Procurement to complete Q1 2024/25. Target completion date for design and full business case Q3 2024/25. Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.
 Package to deliver improvements to local journeys to access employment, education and training. The focus of this investment will be on accessibility to: 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 	£45m	Significant development work has been undertaken as part of CRSTS1 to develop a long-term pipeline of projects. This work is being used to inform the development of this package. Further detail on the proposed projects to be provided in due course.	Development work commenced. Timeframe for delivery to be confirmed – will depend on the outcome of discussions with the DfT around timeframe for release of CRSTS2 funding.



Meadow / Oakesway Business Park), Teesside International Airport and Teesworks; • major employment locations; and • university, college and school sites. Feasibility study to investigate addressing level crossing issue on West Dyke Road, Redcar. This feasibility work will consider whether there is an	£1m	Procurement documentation in development for consultancy support to develop the feasibility study.	Procurement of consultant support to commence Q1 2024/25. Timeframe for completion of
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.			feasibility study to be confirmed once consultant appointed.
Local Highway Authority Consolidated Funding The funding will be allocated to local authorities using the formula set out in the TVCA constitution.	£83m	Further clarification on the conditions attached to the CRSTS2 local highway authority consolidated funding and the additional highways maintenance funding is required – see paragraph 6.	Funding available from 2027/28
STP Theme: Delivering Social E	quity and Pr	otecting the Environment	
Implementing solutions to overcome barriers to employment. The project will develop a new scheme in collaboration with the Business Board that provides subsidised access to cars and is linked to employers.	£10m	TVCA is undertaking market engagement to explore opportunities and develop options for further consideration, initially with the Business Board.	Options for consideration to be developed Q1 2024/25.
The project will also explore 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.		

FINANCIAL IMPLICATIONS

- TVCA has an indicative allocation of £978m for CRSTS2 over the period 2027/28 to 2031/32. However, government has indicated 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).
- 3. A funding strategy has been developed to facilitate development work in 2024/2025 prior to the release of CRSTS2 funding by government, which includes:
 - Where CRSTS2 projects are an expansion of existing CRSTS1 projects, CRSTS1 funding is to be used to commence development work.
 - Where there is an existing CRSTS1 programme allocation, which a CRSTS2 project aligns to, the CRSTS1 programme allocation is to be used to commence development work.
 - Where CRSTS2 projects are new and currently have no status with government, TVCA is pursuing the opportunity to over-programme CRSTS1 by 25%, as permitted by the DfT, to include the development of these new CRSTS2 projects. This is an on-going process and will require agreement by the DfT before funding can be committed.
- 4. The utilisation of CRSTS1 funding for CRSTS2 project development 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. Furthermore, there may be some CRSTS2 projects where development funding cannot be committed until the DfT has released CRSTS2 funding. The timeframe for the delivery of CRSTS2 projects will also be dependent on agreement with the DfT on release of CRSTS2 funding. This is all subject to ongoing discussions with the DfT and further updates will be reported to Cabinet in due course.
- 5. Project specific budget information will be provided in future updates to Cabinet, but at this stage the development costs for most projects are still subject to procurement and/or further discussions. Estimates have not been included at this stage, so as not to prejudice the procurement process.
- 6. The CRSTS2 programme includes a local highway authority consolidated funding allocation equivalent to the CRSTS1 allocation. Furthermore, government has announced an additional minimum £100.1m of highways maintenance funding for TVCA between 2023/24 2033/34. TVCA is of the view that these two funding allocations combined will represent a significant increase in the overall local highway authority funding. However, it is recognised that further clarification on the conditions attached to the CRSTS2 local highway authority consolidated funding and the additional highways maintenance funding is required. At this point TVCA does not have guidance on the CRSTS2 funding and is only in receipt of the additional highways maintenance funding the matter and will continue the dialogue with local authority officers. A further update will be reported to Cabinet once there is further clarity from the DfT.



LEGAL IMPLICATIONS

- 7. 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.
- 8. TVCA is the statutory Local Transport Authority, but is working 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.
- 9. Appropriate project governance arrangements are being established involving the relevant local authorities and other stakeholders, building on the existing arrangements for major transport projects.
- 10. 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.
- 11. 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

- 12. The risks associated with the delivery of the CRSTS2 programme are significant. TVCA is already taking steps to mitigate these risks, including increasing the level of resource to support delivery. However, it also needs to be recognised that TVCA is already delivering a significant transport programme utilising Transforming Cities Fund, CRSTS1 and other competitively secured funding.
- 13. Approval of the CRSTS2 programme has enabled TVCA to demonstrate to government that it has agreement on the strategic priorities, and development work to commence.
- 14. There is a risk that CRSTS1 funding spent on CRSTS2 project development is abortive, if the DfT does not accept a particular scheme in the programme. However, the risk at this stage is considered acceptable given the funding strategy outlined in paragraph 3.
- 15. A risk allowance has been included in the funding allocation for each project, appropriate to the current stage of project development.
- 16. High level programme level risks are being captured and reported on using the TVCA Group Risk Management System. 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.

17. 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

- 18. TVCA has shared the programme approved by Cabinet with the DfT and is engaged in on-going discussions around programme development and the process for releasing the CRSTS2 funding.
- 19. There has been ongoing engagement with local authorities and key stakeholders, including Teesside International Airport, Network Rail, National Highways and South Tees Development Corporation on project development.
- 20. Future updates will be provided to Cabinet, Transport Committee, Audit & Governance Committee, Overview & Scrutiny Committee and the Business Board.

EQUALITY & DIVERSITY

- 21. Two of the high-level Strategic Transport Plan 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.
- 22. As each project is developed, the equality impacts will be fully considered through Equality Impact Assessments and appropriate mitigations will be implemented. All procurement specifications will include a requirement to consider the equality impacts as projects are developed.
- 23. 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.

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