

Tees Valley Combined Authority Transport Committee Agenda

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Date: Wednesday, 22nd March, 2017 at 2pm

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 Charles Rooney (Middlesbrough Council)

Councillor Dale Quigley (Redcar and Cleveland Borough Council)

Councillor Nigel Cooke (Stockton-on-Tees Borough Council)

AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes of the Meeting held on 30th November, 2016**
Minutes attached
- 4. A66 East-West Connections Scheme Development**
Report attached
- 5. Tees Valley Strategic Transport Plan Consultation**
Report attached

Tees Valley Combined Authority Transport Committee Agenda

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6. Tees Valley Bus Network – Review of Delivery Models

Report attached

7. New Tees Crossing – Strategic Outline Business Case

Report attached

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

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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

Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in paragraphs 9 and 11 of the Tees Valley Combined Authority's (TVCA) code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the TVCA he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the Member's financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the Member or any person described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a Member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Disclosable Pecuniary Interests

It is a criminal offence for a Member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted)(**paragraph 20** of the code).

Members are required to comply with any procedural rule adopted by the TVCA which requires a Member to leave the meeting room whilst the meeting is discussing a matter in which that Member has a disclosable pecuniary interest (**paragraph 21** of the code).

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TEES VALLEY TRANSPORT COMMITTEE

Meeting held at Cavendish House

10.00am on Wednesday, 30th November, 2016

ATTENDEES

Members

Councillor Nick Wallis	Darlington Borough Council	DBC
Councillor Kevin Cranney	Hartlepool Borough Council	HBC
Councillor Nigel Cooke	Stockton-on-Tees Borough Council	SBC
David Robinson	LEP Member	LEP

Apologies for absence

Councillor Bill Dixon (Chair)	Leader of Darlington Borough Council	DBC
Councillor Charles Rooney	Middlesbrough Council	MBC

Officers

Andrew Lewis	Managing Director Tees Valley Combined Authority	TVCA
Jonathan Spruce	Tees Valley Combined Authority	TVCA
Sarah Brackenborough	Tees Valley Combined Authority	TVCA
Ada Burns	Chief Executive of Darlington Borough Council	DBC
Michael Greene	Redcar and Cleveland Borough Council	R&CBC
Richard McGuckin	Stockton-On-Tees Borough Council	SBC
Sally Henry	Tees Valley Combined Authority	TVCA

Action

TVTC APOLOGIES

10/16

As listed above.

A Vice Chair had previously not been agreed therefore Cllr Nick Wallis nominated Cllr Kevin Cranney to act as Vice Chair.

RESOLVED that Cllr Kevin Cranney act as Vice Chair until formerly agreed at the next Tees Valley Combined Authority Board Meeting.

**TVTC
11/16** **DECLARATIONS OF INTEREST**

David Robinson declared an interest in the item on Improving the Northallerton to Teesport Rail Line.

**TVTC
12/16** **MINUTES OF THE MEETING HELD ON 22ND JUNE, 2016**

Minutes of the meeting held on 22nd June, 2016 were approved.

**TVTC
13/16** **CONNECTING TEES VALLEY – TVCA STRATEGIC TRANSPORT PLAN FRAMEWORK**

Consideration was given to a report on Connecting Tees Valley – TVCA Strategic Transport Plan. The consultation document was tabled.

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

1. The timing of the consultation was questioned as it covers the Christmas period.
2. Is a web-based consultation sufficient?
3. It was suggested that some Member events could be organized for January.
4. Residents' magazines are an opportunity to engage more actively with the public and TVCA currently have a 2 page spread in each of the magazines which could be utilized.
5. It was suggested Chief Executives discuss a coordinated approach to the programme.

RESOLVED that:-

1. The report be noted and endorsed.
2. The consultation process be noted.

**TVTC
14/16** **STRATEGIC TRANSPORT PRIORITIES – STATUS DASHBOARD**

Consideration was given to a report which sets out the current status of the four strategic transport priorities for the Tees Valley with respect to the preferred routes to delivery for each.

RESOLVED that the report be noted.

**TVTC
15/16** **IMPROVING THE NORTHALLERTON TO TEESPORT RAIL LINE**

Consideration was given to a report which provides an update on the progress with one of the four strategic transport priorities for the Tees Valley. The report also suggested amended means of delivering the outcomes of the priority based on ongoing issues with rail electrification elsewhere in the country and the aim to identify “quick wins” to complement private sector investment proposals.

David Robinson declared an interest in respect of his connections to Tees Port.

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

1. Electrification still needs to be a long-term aim.
2. Revised approach makes sense in order to deliver this priority.
3. As a partner in Transport for the North, representation needs to be made to ensure this priority is achieved.

RESOLVED that this revised proposal be endorsed.

TVTC 16/16 DARLINGTON STATION MASTERPLAN

A presentation was provided on the progress made to date on the Darlington Station Masterplan.

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

1. The importance of Darlington Station was highlighted in Lord Heseltine’s report “Tees Valley: Opportunity Unlimited”
2. The 200th anniversary of the Stockton Darlington Railway is in 2025 and the station should be a key part of the celebrations.
3. As well as regeneration and growth around the town centre, the scheme generates a greater impact on the Tees Valley as a whole.

RESOLVED that presentation be noted.

TVTC 17/16 DEVELOPING THE TEES VALLEY BUS NETWORK

Consideration was given to a report on developing the Tees Valley Bus Network.

A presentation was provided highlighting the two principal delivery options – an enhanced partnership and franchising.

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

1. Having access to data on journeys is invaluable in shaping and scoping policy.
2. This is an opportunity for change – an opportunity to have a

connected bus network.

3. The legislation is hugely welcome as it gives options and opportunities.
4. This was part of the devolution deal.
5. The presentation was well received and would be welcomed at each Local Authority Cabinet meeting or as part of the wider Member engagement on the Strategic Transport Plan Framework.

RESOLVED that further work is undertaken on the two principal delivery options, including a discussion with the newly formed Tees Valley Bus Operators' Association and make a recommendation to the Committee on the preferred way forward at its next meeting in March 2017.

TVTC 18/16 ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME (ENCTS)

Consideration was given to a report which provides an update on the preparation and intended actions for negotiating reimbursement payments to bus operators participating in the English National Concessionary Travel Scheme and, therefore payments made by each of the authorities for 2017/18.

RESOLVED that Members noted the requirements of the Combined Authority, and agreed to the method of negotiation outlined in the report.

TVTC 19/16 ANY OTHER BUSINESS

It was agreed to invite a representative from Durham Tees Valley Airport to attend a future meeting.

TVTC 20/16 DATE OF THE NEXT MEETING

22nd March, 2017

AGENDA ITEM 4

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

DATE 22 MARCH 2017

**REPORT OF HEAD OF
TRANSPORT**

A66 EAST-WEST CONNECTIONS SCHEME DEVELOPMENT

SUMMARY

The Tees Valley Devolution Deal set out four clear strategic transport priorities, one of which was “Delivery of improved east west road connectivity from the A1 to the international gateway at Teesport”. Since the Devolution Deal was signed, work has been undertaken on the preparation of a business case for a package of schemes along the A66 corridor using development funding from the Combined Authority. This report provides a summary of work to date.

RECOMMENDATIONS

It is recommended that Members of the Committee

- i. note the progress on the work to develop a business case and agree the suggested approach to bringing forward the various elements of the package of works, recognising that the elements will be delivered in different ways (and potentially at different times);
- ii. agree to the request to carry over funding identified for the preparation of the Outline Business Case into 2017/18 as a local contribution to the developing funding being provided by the Department for Transport.

DETAIL

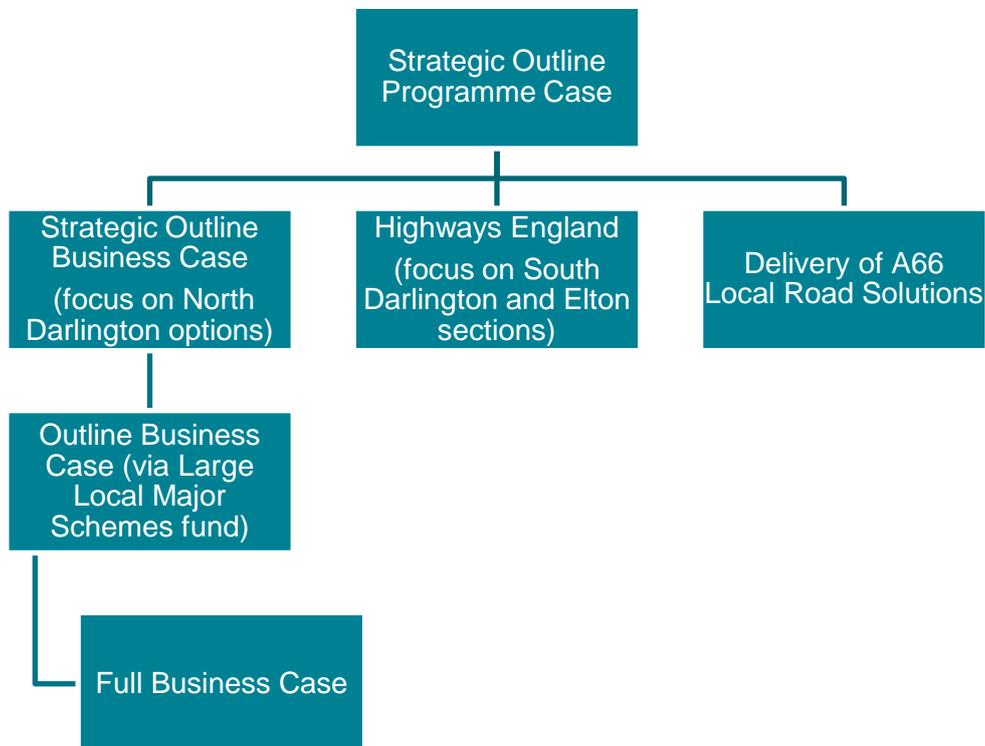
1. The A66 & A689 Strategic Study, funded jointly between Highways England and Tees Valley Unlimited, was commissioned in 2015 to identify interventions along the corridor between the A1(M) and Teesport, in order to overcome existing problems and ensure the future resilience and capacity of this important route. This complemented the Tees Valley Devolution Deal, in which one of the four

clear strategic transport priorities was “Delivery of improved east west road connectivity from the A1 to the international gateway at Teesport”.

2. The Stage 2 Option Assessment Report was finalised in July 2016 and identified the following four future interventions along the A66:
 - Improvements to the existing A66 to the south and east of Darlington;
 - A new link around the north of Darlington, from Junction 59 of the A1(M) to the A66/A1150 roundabout;
 - Improvements to the existing A66 around the south and west of Stockton, particularly between the Elton Interchange and the junction with the A135 (Bowesfield Lane); and
 - Improvements to key junctions on the A66 local road along the route into Teesport, particularly the A66/A171 roundabout at Cargo Fleet and the A66/Tees Dock Road roundabout.
3. At the meeting on 22 June 2016, the Transport Committee agreed a work plan for 2016/17 for the Transport and Infrastructure Group (TIG) that made use of the development funding allocated by the Combined Authority. The TIG work programme included undertaking some more work on three of the interventions as follows:
 - A value engineering exercise on the options for providing a dual carriageway along the whole length of the A66 to the south and east of Darlington;
 - More detailed alignment option appraisal work for any new link to the north of Darlington, allied to the development of the Local Plan; and
 - Consideration of short term improvements at the two junctions identified on the local road network section of the A66.
4. The preparation of a business case for the corridor was also agreed, again using scheme development funding allied to a bid for the resulting package of works through the Large Local Majors Scheme fund.
5. Officers of the relevant Tees Valley Authorities have been involved in the further work, and an emerging package of works is being developed for the corridor.
6. For the A66 to the south and east of Darlington, two alignment options were developed in more detail – the first involving full dualling of the route between the A66(M) and the A66/A1150 roundabout, the second involving two separate sections of dual carriageway, between the A66(M) and the A66/A167 roundabout, and between the A66/A67 roundabout and the A66/A1150 roundabout. The latter is significantly less expensive as it avoids the needs (and risks) of building new bridges over two rail lines and the River Skerne.
7. For the proposed link to the north of Darlington, six initial alignment options were developed, which were then assessed using the DfT’s EAST (Early Assessment Sifting Tool), in order to better understand how the options perform and compare with each other. EAST is a decision support tool developed to

quickly summarise and present evidence on options in a clear and consistent format.

8. The EAST assessment aims to identify, at a high level, the nature and extent of all the economic, environmental and social impacts of the options. The use of EAST allowed unpromising options to be discarded, and this process identified two potential alignment options to be taken forward for further development and assessment.
9. This process involved Officers of Darlington Borough Council, Highways England, Environment Agency, Natural England, and some of the private landowners that would be affected by the proposals, and so was fully inclusive in its aim to identify the high level impacts of the options at this point in time.
10. Preliminary designs have been developed for short to medium term improvements at the Cargo Fleet and Teesport roundabouts on the local road section of the A66 – the former involving a signalised throughabout to ease movements along the A66 and reduce queuing on these approaches, and the latter involving some minor capacity improvements and road markings to improve safety and vehicle throughput.
11. The fact that this package of works is quite diverse in scale and nature suggests that a slightly different approach needs to be taken to the development of a business case, recognising that the elements of the package will be delivered in different ways (and potentially at different times).
12. The suggestion for the Committee is that Officers produce a Strategic Outline Programme Case (SOPC) in the first instance, as illustrated below:



13. The initial production of a SOPC will ensure that the proposals for the whole corridor make sense in terms of the wider context for supporting growth in the

Tees Valley, and provide a link between the outcomes of the previous A66 & A689 Strategic Study and the likely means for delivering of the proposals.

14. The Strategic Outline Business Case (SOBC) prepared alongside it will then concentrate on the options assessment for the corridor between the A1(M) Junction 59 and the A66/A67 roundabout at Morton Palms. The Strategic Case within the SOBC should be closely aligned with the agreed SOPC, but tailored to the specific corridor in question. The Economic Case will need to consider the main options available, with a view to identifying options that should be explored further as part of the Outline Business Case (OBC).
15. Preparing the OBC will involve the use of external resources, and the Transport Committee approved development funding from the Combined Authority for this purpose at its meeting on 22 June 2016. Just over £100,000 has already been spent, and it is recommended that an additional sum of £50,000 be carried over to 2017/18 for the same purpose, to act as a as a local contribution to the development funding being provided by the DfT through the Large Local Majors Scheme fund.
16. Those elements wholly lying on the Strategic Road Network (South Darlington and the A66 between Elton and Bowesfield) will be taken forward as part of Highways England's Project Control Framework, through the current Route Strategy process.
17. The local road network elements of the corridor proposals will most likely be accelerated through the detailed design and delivery stages through the National Productivity Improvement Fund, subject to confirmation of affordability by the Local Authorities concerned.
18. The draft SOPC and SOBC, and the outcomes of the additional work, will be taken to a future meeting of the Combined Authority for formal approval.

FINANCIAL IMPLICATIONS

19. Work done to date to develop the business case is funded within the Combined Authority's agreed budget, and will be further developed through the Investment Plan for 2017-21.

LEGAL IMPLICATIONS

20. None.

RISK ASSESSMENT

21. The work being undertaken on the development of the business case is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

22. Consultation on the principle of improving the A66 corridor has taken place throughout the development of the Strategic Economic Plan with stakeholders across the public, private, voluntary and community sectors, and through the recent engagement process on “Connecting the Tees Valley”, the Strategic Transport Plan framework.
23. There will be future public consultation exercises associated with the shortlisted options at the appropriate point in the production of the OBC for the North Darlington section of the corridor.

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AGENDA ITEM 5

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

DATE 22 MARCH 2017

**REPORT OF HEAD OF
TRANSPORT**

TEES VALLEY STRATEGIC TRANSPORT PLAN CONSULTATION

SUMMARY

At its meeting on 30 November 2016, the Transport Committee agreed the publication of 'Connecting the Tees Valley', the Strategic Transport Plan Framework for an eight week long web-based engagement process, offering the opportunity for stakeholders, interest groups and the public to comment on it. This report provides an update on the responses to the engagement process and sets out some of the key next steps in the preparation of the draft Strategic Transport Plan.

RECOMMENDATIONS

It is recommended that Members of the Committee note the contents of the report, and the suggested next steps, particularly the request to carry over funding identified for the preparation of the draft Strategic Transport Plan into 2017/18.

DETAIL

1. Members of the Transport Committee will recall that, at the meeting on 30 November 2016, the publication of 'Connecting the Tees Valley', the Strategic Transport Plan Framework was approved. The framework presents the Combined Authority's transport priorities up until 2026, set across five main themes:
 - National Rail;
 - Major Roads;
 - Connecting Centres;

- Supporting Economic Growth; and
 - Local Journeys.
2. The five themes are closely linked together and will all require improvement in order to meet the suggested vision for the future transport in the Tees Valley:

“To provide a high quality, quick, affordable, reliable and safe transport network for people and freight to move within, to and from the Tees Valley”
 3. The framework has been the subject of a recent eight week long web-based engagement process, offering the opportunity for stakeholders, interest groups and the public to comment on it. The following paragraphs set out some of the main outcomes from this process.
 4. The Combined Authority attempted to ensure that the consultation was advertised as widely advertised as possible. A press release was sent out to local/regional media at the start of the consultation resulting in coverage in the Gazette and Northern Echo newspapers and online versions. This coverage resulted in a potential reach of over 1.1 million readers.
 5. There was also widespread coverage on social media. On Twitter, post were placed on the @TeesValleyCA handle 20 times during the consultation period, resulting in almost 18,000 impressions and 332 engagements (retweets, likes, links to pages, etc).
 6. On the Combined Authority website, during the consultation process the page that contains details of the Strategic Transport Plan and links to the full document was viewed 1,281 times of which 1,045 were unique views.
 7. In total there were 41 direct responses received to this initial consultation, mainly by email but also by post. This may not seem many but it is unlikely that those in agreement with the framework or without any specific issues would necessarily respond and the figures above do highlight the wide reach of the consultation.
 8. Responses were received from a range of companies and organisations, transport groups covering different modes as well as from individual members of the public. Issues raised included improved bus services and ticketing, improved cycle links and parking, improved rail services, links and stations, various new and improved road proposals and improvements to general connectivity. However, easily the most commonly raised issue in the consultation (more than 25% of responses) was Durham Tees Valley Airport, particularly its future utilisation and the position of the Combined Authority.
 9. The comments received will help to inform the development of the draft Strategic Transport Plan, due for publication during the latter part of 2017. Officers have been discussing the form of the draft Plan, given the desire for it to have strong links to the Strategic Economic Plan and the Tees Valley Investment Plan, but also to guide and inform the use of Integrated Transport block funding by each of the Tees Valley Authorities. There is also a need to understand how the proposed Bus Strategy will fit within the draft Plan, along with other documents on rail and freight that have recently been prepared.
 10. There will be further discussion on the emerging thinking on the scope and form of the draft Strategic Transport Plan at the meeting.

11. Preparing the draft Strategic Transport Plan will involve the use of external resources, and the Transport Committee approved development funding from the Combined Authority for this purpose at its meeting on 22 June 2016. A total of £70,000 was allocated to the activities needed to produce the draft Plan, and it is recommended that this sum be carried over to 2017/18 for the same purpose.

FINANCIAL IMPLICATIONS

12. Work done to date to develop the draft Strategic Transport Plan is funded within the Combined Authority's agreed budget, and will be further developed through the Investment Plan for 2017-21.
13. Once a draft Plan has been prepared, it will be brought to a future meeting of the Committee for discussion.

LEGAL IMPLICATIONS

14. None.

RISK ASSESSMENT

15. The work being undertaken on the development of the draft Strategic Transport Plan is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

16. Consultation on "Connecting the Tees Valley", the Strategic Transport Plan framework has already taken place between November 2016 and January 2017.
17. There will be future public consultation exercise once the draft Strategic Transport Plan has been prepared.

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AGENDA ITEM 6

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

DATE 22 MARCH 2017

**REPORT OF ASSISTANT
DIRECTOR,
NEIGHBOURHOODS &
CUSTOMER SERVICES,
REDCAR & CLEVELAND
BOROUGH COUNCIL**

TEES VALLEY BUS NETWORK – REVIEW OF DELIVERY MODELS

SUMMARY

At its meeting on 30 November 2016, the Transport Committee agreed to adopt a “twin track” approach to further investigation of the delivery models for the future Tees Valley bus network – working with operators to develop a more far reaching partnership than currently exists, while at the same time undertaking further feasibility work on whether franchising can both deliver better outcomes and be affordable within current financial constraints. This report provides an update on the work undertaken since the last meeting.

RECOMMENDATIONS

It is recommended that Members of the Committee agree to continue with the “twin track” approach, as there is no clear obvious preferred delivery mechanism to support future requirements, but also that Officers should work to develop an ambitious, standalone Bus Strategy, starting with a Bus Summit in May/June 2017.

DETAIL

1. Members of the Transport Committee will recall that, at its meeting on 30 November 2016, it was agreed to adopt a “twin track” approach to further investigation of delivery models for the future Tees Valley bus network – working with operators to develop a more far reaching partnership than currently exists, while at the same time undertaking further feasibility work on whether franchising

can both deliver better outcomes and be affordable within current financial constraints.

2. Since the last meeting, Officers have been engaging with the newly formed Tees Valley Bus Operators Association, and attended the most recent meeting of the Association on 6 February to understand what a new partnership agreement may contain. Following discussions at the meeting, the Association will be reviewing its initial thoughts and returning with a summary of key commitments in the near future.
3. Scheme development funding allocated by the Combined Authority has also been used to commission a small piece of work to quantify the financial risks associated with franchising. This commission is due to report by the end of March.
4. In addition, there is a need to be mindful of how bus policy is developing in neighbouring authorities, since the approach taken in these areas will impact on bus services in the Tees Valley regardless of what approach is ultimately taken here. Therefore, Officers have also been liaising with the Urban Transport Group and other city region transport bodies, including:
 - Nexus;
 - West Yorkshire Combined Authority;
 - South Yorkshire Passenger Transport Authority;
 - Transport for Greater Manchester; and
 - Merseytravel.
5. The work done since the last meeting suggests that continuing with the “twin track” approach is preferable at this point, as there is no clear obvious preferred delivery mechanism to support future requirements.
6. However, based on experiences elsewhere, it is recommended that, as part of the development of the draft Strategic Transport Plan, Officers should work to develop an ambitious, standalone Bus Strategy, starting with a Bus Summit in May/June 2017. It is important we engage a range of partners in developing this including the bus operators. A Bus Strategy will then provide a reference point for future negotiations on an enhanced partnership, or a guiding document for franchising arrangements.
7. Once a preferred delivery mechanism has been identified, a report will be prepared for a future meeting for discussion and approval.

FINANCIAL IMPLICATIONS

8. There are no direct financial implications related to the work done to date, nor the recommendation, although there may be financial implications relating to the

agreed delivery mechanism for the future bus network, and these will be stated at a later date.

LEGAL IMPLICATIONS

9. None.

RISK ASSESSMENT

10. The work being undertaken on the review of bus network delivery models is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

11. Consultation on the recommendation is not required, other than with the relevant bus operators in terms of the outline of any future partnership agreement.

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AGENDA ITEM 7

REPORT TO THE TEES VALLEY COMBINED AUTHORITY TRANSPORT COMMITTEE

22 MARCH 2017

REPORT OF HEAD OF TRANSPORT

NEW TEES CROSSING – STRATEGIC OUTLINE BUSINESS CASE

SUMMARY

The Tees Valley Devolution Deal set out four clear strategic transport priorities, one of which was “Enhancements to the A19 corridor and the requirement for an additional Tees river crossing”. Since the Devolution Deal was signed, work has been undertaken on the preparation of a Strategic Outline Business Case (SOBC) for a scheme using development funding from the Combined Authority.

This report provides a summary of a SOBC for a Central Crossing option designed to alleviate congestion on the A19 and seeks approval to take the scheme forward to the preparation of an Outline Business Case (OBC). Having been successful in obtaining Large Local Majors Scheme funding in November 2016, the Combined Authority has the resources to fund the production of an OBC, with an aim for completion by November 2017.

The report also recommends taking forward further development work investigating the potential for an Eastern Crossing of the Tees. Such a crossing would perform a different yet complementary purpose to the Central Crossing in opening up important industrial sites identified as part of the Strategic Economic Plan and strengthening the Tees Valley’s contribution to the UK’s Industrial Strategy.

RECOMMENDATIONS

It is recommended that the Combined Authority:

- i. approve the SOBC prepared for the Central Crossing scheme, and, in particular, the proposal to take forward what is called the "most promising option" and the "next best alternative" to prepare an OBC by November 2017;
- ii. approve the allocation of scheme development funding to consider the wider regeneration benefits and funding/financing options of a crossing to the east of the Tees Viaduct section of the A19; an Eastern Crossing.

DETAIL

1. The Tees Valley Devolution Deal set out four clear strategic transport priorities, one of which was “Enhancements to the A19 corridor and the requirement for an additional Tees River crossing”. Since the Devolution Deal was signed, work has been undertaken on the preparation of a Strategic Outline Business Case (SOBC) for the scheme using development funding from the Combined Authority.
2. The draft SOBC has been prepared in accordance with the Tees Valley Combined Authority’s Appraisal Framework and WebTAG guidance issued by the Department for Transport (DfT). It also recognises the requirements of Highways England’s Project Control Framework (PCF). Following DfT guidance, it is structured as follows:
 - **Chapter 1: The Strategic Case**, which presents the rationale for undertaking the scheme by demonstrating the need for change, and how the intervention furthers the aims and objectives of not only the Combined Authority and its constituent authorities, but also Highways England;
 - **Chapter 2: The Economic Case**, which demonstrates the strengths of the scheme in terms of value for money, economic, carbon and other impacts;
 - **Chapter 3: The Financial Case**, which explains how the scheme costs have been derived;
 - **Chapter 4: The Commercial Case**, which describes the procurement strategy underpinning the scheme at this early stage, whilst also presenting key risks and how experience and best practice will be used to minimise their impacts; and
 - **Chapter 5: The Management Case**, which highlights the strong focus on deliverability.
3. A copy of the draft SOBC, and supporting appendices, has been provided for review by the Combined Authority under separate cover. The remainder of this report provides a summary of the draft SOBC.

Strategic Case

4. The draft SOBC contains a strong strategic case for intervention to address existing and future problems on the Tees Viaduct section of the A19, with a good policy alignment and the identification of a series of prioritised investment objectives to address those factors which act as inhibitors to growth.
5. The Government’s policy on the strategic road network (SRN) is to ensure that it operates effectively and efficiently, and that it supports and facilitates economic growth. A more efficient network will enable businesses reliant on the A19 for access to operate more efficiently, and encourage investment in existing and new businesses. With greater certainty over journey times, businesses will be better positioned to compete internationally.
6. In the light of current capacity constraints associated with the Tees Viaduct section of the A19, the planned growth in housing and employment will likely result in the worsening of congestion and delays experienced at present.

7. The following is a summary of the existing and future transport issues to illustrate the need for intervention:
- Lack of highway capacity causing congestion and journey times slower than Highway England's "mile per minute" objective for expressways;
 - Lack of reliable journey times due to accident, incidents and maintenance activities requiring the closure or partial closure of the A19 in this location as a result of the lack of a hardstrip/hardshoulder;
 - Low quality alternative diversionary route for the A19 (via Newport Bridge) that is likely to be compromised over time due to the age of the structure;
 - A high number of accidents due to levels of congestion and the presence of merge, diverge and weaving sections; and
 - Planned economic and housing growth that will increase traffic levels – in particular the growth of Teesport will require enhancements to the road network for international connectivity.
8. In terms of the options considered, a Task & Finish Group was initially set up in 2015 to look at a range of options for a new strategic crossing of the River Tees. Based on traffic modelling work, four options were shortlisted from a longer list of 14 original options for further examination. These options are:
- A strategic bypass of the existing Tees Viaduct on a lower alignment (Option H);
 - Removing non-strategic traffic from the existing Tees Viaduct via a new dual carriageway crossing (acting as a separate distributor road), bypassing the existing Tees Viaduct (Option F);
 - A combination of works at Portrack Interchange, with a new crossing close to Newport Bridge to provide additional capacity and improvements at the Cannon Park Interchange, combined with improvements to the Portrack Flyover to provide a consistent three lane section of the A19 from the A66 to Wynyard Interchange (Option N + E); and
 - A new crossing on an alignment some 3km east of the existing Tees Viaduct, which would likely be a single carriageway located between the A66/A171 Cargo Fleet junction and Seal Sands (Option A).
9. At the same time, Highways England provided funding for some engineering feasibility work on those options that interacted with the current A19 (the first three in the above list) to determine a broad order of cost and confirm that they were technically possible within current standards.
10. Following the outcome of the engineering feasibility work, the four shortlisted options were then evaluated in more detail using the DfT's EAST (Early Assessment Sifting Tool), in order to better understand how the options perform and compare with each other. EAST is a decision support tool developed to quickly summarise and present evidence on options in a clear and consistent format.

11. The EAST assessment aims to identify, at a high level, the nature and extent of all the economic, environmental and social impacts of the options. The use of EAST allowed unpromising options to be discarded, and this process identified two options for further development and assessment to meet the objective of reducing congestion on the A19.
12. Option H will not be taken forward at this time. Although the option provides the greatest benefit for the Central Corridor, costs are significantly more than the other options in the initial shortlist and the proposal is likely to be unaffordable.
13. Option A will be developed using the devolved funding available to the Combined Authority. Whilst it does not provide significant congestion relief to the A19 it is a complementary proposal that will join up industrial development land on either side of the River Tees and improve connectivity for key industrial sites and economic assets within the Tees Valley. This option has significant potential to support the objectives of the area's Strategic Economic Plan.

Economic Case

14. The DfT's TUBA software, alongside outputs from tests conducted using the Tees Valley Multi-Modal model, has been used to assess the economic efficiency (impacts on journey times, operating costs and user charges) of the two options taken forward in the draft SOBC for the Central Route. Greenhouse gas benefits and the impact on wider public finances have also been monetised and assessed using outputs from the Tees Valley Multi-Modal model and TUBA software.
15. The key element of the Economic Case is the Value for Money Statement. At this stage of scheme development, an 'initial' Benefit: Cost Ratio (BCR) has been calculated for the two options. These 'initial' BCRs do not fully reflect the impacts of the scheme and do not include likely benefits in terms of accidents and journey quality, as well as any potential negative impacts associated with noise and air quality. During the next stage of works the 'initial' BCRs will be expanded to include further monetised benefits.
16. The Value for Money Statement included within the draft SOBC is set out below.

	Option F	Option N + E	Detail
Present Value of Benefits (PVB) (£000s)	250,679	384,461	Estimated using TUBA for certain impacts including travel time, vehicle operating costs, users charges, greenhouse gases, broad cost to transport budget and indirect tax
Present Value of Costs (PVC) (£000s)	372,167	226,794	Estimated using TUBA following input of base costs with an uplift for optimism bias
Net Present Value (NPV) (£000s)	-121,488	157,667	PVB-PVC
'Initial' BCR	0.674	1.695	PVB/PVC, produced in

	Option F	Option N + E	Detail
			accordance with the assumptions outlined above
'Adjusted' BCR	Not produced at this stage	Not produced at this stage	Not produced at this stage
Qualitative Assessment	Moderate Beneficial	Moderate Beneficial	There is evidence of likely positive impacts relating to Regeneration, Wider Impacts, Accident and Journey Quality benefits. However, environmental aspects could be adversely impacted
Key Risks and Sensitivities	Risks reflected in VfM conclusion	Risks reflected in VfM conclusion	Early stage of scheme development. Costs are initial estimates. Limited assessment of monetised benefits undertaken for both options at this stage
VfM Category	Low	Medium	Qualitative assessment suggests BCR may be higher with the addition of other monetised benefits

17. The Appraisal Summary Table (AST) is designed to provide decision makers with a concise overview of all impacts of the scheme, and the ASTs for the two options are included in the draft SOBC. Taking all of the appraisal information together, it is recommended that for the Central Corridor, Option N + E becomes what is called the "most promising option" and Option F the "next best alternative", to take forward to the OBC.

Financial Case

18. A number of approaches have been adopted in producing the order of magnitude cost estimates for each of the options. These include:

- Previous costing exercises with suitable inflation uplifts to 1Q2016;
- UK sourced estimating rates;
- UK sourced benchmarking rates;
- Allowances (where definition of the requirement is very low); and
- Percentage additions (for items such as preliminaries and logistics, professional fees and risk contingency).

19. A provision of 44% (Optimism Bias) of the estimated value has been applied to this estimate as a risk/contingency allowance, and is considered to reflect the stage of scheme development and the levels of risk that could occur.

20. The current scheme costs for the shortlisted Central Route options are shown in the following table.

	Option F	Option N + E
Base Cost Estimate	£312m	£187m
Optimism Bias	£138m	£82m
Cost Estimate with Optimism Bias	£450m	£269m

- The estimated cost of the Eastern Option (excluding Optimism Bias) is as follows: Option A - £216m.

21. At this SOBC stage, no consideration has been given to operating and maintenance costs. More detail on these, and on funding sources, will be developed as part of the OBC for both the Central and the Eastern routes.

Commercial Case

22. The Commercial Case for a scheme provides evidence on the commercial viability of a scheme and the procurement strategies that will be used to engage the market. It describes the financial implications of the proposed procurement strategies, including evidence of risk allocation and transfer, contract and implementation timescales.

23. In particular, risks have been identified and recorded through the use of a risk register. A copy of the initial scheme risk register is contained in the draft SOBC.

Management Case

24. The Management Case describes how a scheme will be managed and delivered. A Project Board and Senior Responsible Owner are required, it is proposed the previous Task & Finish Group become the Project Board for the development of the Central and Eastern route Outline Business Cases, with all five Tees Valley Authorities invited to participate in the meetings, as well as having sight of key outputs.

25. The scheme objectives and desired outputs/outcomes/impacts for the Central Route are summarised in the draft SOBC, and provide the starting point for the production of a Benefits Realisation Plan for the proposals that will be developed further in the OBC process. A similar plan will be developed for the Eastern Route.

FINANCIAL IMPLICATIONS

26. Work to develop the SOBC and the OBC for the proposals is funded within the Combined Authority's agreed budget, and will be further developed through the Investment Plan for 2017-21.

RECOMMENDATIONS

27. It is recommended that the Combined Authority:

- i. approve the SOBC prepared for the New Tees Crossing scheme, and, in particular, the proposal to take forward what is called the "most promising option" and the "next best alternative" for the Central Route and to prepare an OBC by November 2017;
- ii. approve the allocation of scheme development funding to consider the wider regeneration benefits and funding/financing options of a crossing to the east of the Tees Viaduct section of the A19; the Eastern Route.

LEGAL IMPLICATIONS

28. None.

RISK ASSESSMENT

29. The work being undertaken on the SOBC and OBCs themselves is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

30. Consultation on the principle of improving the Tees Viaduct section of the A19 and improving access to the Industrial sites associated with the Tees has taken place throughout the development of the Strategic Economic Plan with stakeholders across the public, private, voluntary and community sectors, and through the recent engagement process on "Connecting the Tees Valley", the Strategic Transport Plan framework.

31. There will be future public consultation exercises associated with the shortlisted options at the appropriate point in the production of the OBCs.

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