Date: Wednesday, 30th November, 2016 at 10.00am

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)

David Robinson (LEP Member)

AGENDA

1. Apologies for Absence

2. Declarations of Interest

3. Minutes of the Meeting held on 22nd June 2016

   Minutes attached

4. Connecting Tees Valley – TVCA Strategic Transport Plan Framework

   Report attached

5. Strategic Transport Priorities – Status Dashboard

   Report attached
6. Improving the Northallerton to Teesport Rail Line
   Report attached

7. Darlington Station Masterplan
   Presentation

8. Developing the Tees Valley Bus Network
   Report attached/Presentation

9. English National Concessionary Travel Scheme (ENCTS)
   Report attached

10. Any Other Business

11. Date of the Next Meeting
    w/c 20 March 2017
Members of the Public - Rights to Attend Meeting
With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.
Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: Sarah Brackenborough on 01642 524423 – sarah.brackenborough@teesvalley-ca.gov.uk

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).
Intentionally Blank for Printing
Minutes

TEES VALLEY TRANSPORT COMMITTEE

Meeting held at Cavendish House at 10.00am on Wednesday, 22\textsuperscript{nd} June 2016

ATTENDEES

Members
Councillor Bill Dixon (Chair) Leader of Darlington Borough Council DBC
Councillor Nick Wallis Darlington Borough Council DBC
Councillor Kevin Cranney Hartlepool Borough Council HBC
Councillor Charles Rooney Middlesbrough Council MBC
Councillor Dale Quigley Redcar and Cleveland Borough Council R&CBC

Apologies for absence
Councillor Nigel Cooke Stockton-on-Tees Borough Council SBC
David Robinson LEP Member LEP

Officers
Ada Burns Chief Executive of Darlington Borough Council DBC
Dave Carter Middlesbrough Council MBC
Michael Greene Redcar and Cleveland Borough Council R&CBC
Richard McGuckin Stockton-On-Tees Borough Council SBC
Peter Bell Stockton-on-Tees Borough Council SBC
Sharon Jones Stockton-on-Tees Borough Council SBC
Linda Edworthy TVCA TVCA
Jonathan Spruce TVCA TVCA

INTRODUCTIONS

The Chair and all those present gave introductions.

DECLARATIONS OF INTEREST

There were no interests declared.

PURPOSE / ROLE OF THE TEES VALLEY TRANSPORT
COMMITTEE

Members were presented with Part 3.2 of the TVCA Constitution that related to the Tees Valley Transport Committee (TVTC).

RESOLVED that Part 3.2 of the TVCA Constitution that related to the Tees Valley Transport Committee (TVTC) be noted.

TVTC

STRATEGIC TRANSPORT PRIORITIES

Consideration was given to a report on the strategic transport priorities.

The Tees Valley Devolution Deal with Government set out four strategic transport priorities. A briefing paper was attached to the report and described the rationale behind the four priorities, and the progress with them since the signing of the Devolution Deal.

The Independent Economic Review, commissioned by Transport for the North (TfN), defined three growth scenarios for the north of England. Across the North, the “Transformational” scenario would see a 5% increase in employment, an 8% increase in population, and a 15% increase in GVA. For the Tees Valley, “Transformational” meant 25,000 new jobs, 23,000 new homes and a £1 billion increase in GVA. These numbers were embedded in the refreshed Strategic Economic Plan (SEP), and represented the levels of growth that our future transport network needed to accommodate.

The Tees Valley Devolution Deal, signed in October 2015, included four strategic priorities for transport investment, and these had been re-iterated in the refreshed SEP. The four priorities were:

• Darlington station to be HS2 ready, with new platforms and links to adjacent developments;
• An additional crossing of the River Tees;
• Improved east-west road connectivity from the A1(M) to the international gateway at Teesport; and
• Electrification of the Northallerton to Teesport rail line to improve freight to Teesport and passenger services to Middlesbrough.

All of the four priorities offer pan-Northern benefits and delivered better connectivity between the North’s key economic assets. Indeed, the Devolution Deal also included the statement that the Government committed “to facilitate to ensure key strategic infrastructure projects are considered as part of the development of the Northern Transport Strategy”.

Since the signing of the Devolution Deal, TVCA had been working with TfN to understand where the priorities were likely to sit within the development of a Northern Transport Strategy (NTS) by March 2017, and to ensure that the role of the Tees Valley in building the Northern Powerhouse was fully understand and recognised.

TVCA would be playing a full and active part in each of the TfN work programmes over the next nine months leading to the publication of the investment plan that would form the basis of the NTS in March 2017.
The Tees Valley was a city region and could add to the NTS in own right, adding value to the original core city principles set out in the One North report.

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

1. There was national recognition of the good work that was going on in the Tees Valley.
2. A huge amount of work had been put in by the Chair (Councillor Bill Dixon, Ada Burns, businesses, officers and members of the 5 Tees Valley Authorities.
3. Central government had been convinced of the key role the Tees Valley and transport could play in driving forward economic regeneration of the region.
4. There was an immense task ahead to deliver the projects but there was now a clear road map ahead.
5. The four priorities as detailed within the report were good sound priorities.
6. With regard to the Durham Tees Valley Airport (DTVA) Members felt that perhaps the TVTC should be holding Peel to account of what they were doing and the opportunities that had been missed. Another option could be that the TVTC ask the LEP Board to convene a Task and Finish Group that would include some key partners from the private sector. It was agreed that Officers prepare an options paper on how best the TVTC and the LEP should scrutinise the master plan for DTVA.

RESOLVED that:-

1. The report be noted.
2. Officers prepare an options paper on how best the TVTC and the LEP should scrutinise the master plan for DTVA.

**TVTC 5/16 TRANSPORT AND INFRASTRUCTURE GROUP WORK PLAN 2016-17**

Consideration was given to a report on the Transport and Infrastructure Group Work Plan 2016-17.

The report set out the suggested work plan for the Tees Valley Transport and Infrastructure Group (TIG) for 2016-17 following a discussion at its meetings on 15 April and 10 June. Within the constitution of the Tees Valley Combined Authority, TIG acted as the advisory body for the TVTC, and so there was a need to agree and endorse the work plan for the Group on an annual basis.

The Tees Valley Devolution Deal set out four clear strategic transport priorities. Advocacy work had focused on embedding those priorities within the emerging programme for Transport for the North (TfN).

There had also been a significant amount of feasibility and development work being undertaken on three of the priorities to help
make the case for their inclusion in the next round of national road and rail investment programmes, for example:

- Development of a commercial-led growth hub master plan for Darlington station;
- Traffic modelling and engineering feasibility work to produce a shortlist of options for an additional strategic road crossing of the River Tees;
- Traffic modelling and engineering feasibility work to develop options for improved east-west road connectivity from the A1(M) to the international gateway at Teesport.

At its meetings on 15 April and 10 June 2016, TIG discussed its work plan for 2016-17, with a primary focus to ensure that the strategic priorities were included in the necessary programmes, but also mindful of the need to address the issue of bus franchising that was also mentioned in the Devolution Deal, the preparation of a new Strategic Transport Plan to support the refreshed SEP, as well as continuing to address other infrastructure issues such as broadband.

At the meetings, TIG developed the work plan that was attached to the report, mindful of external deadlines for investment decisions and the planned work within TfN in 2016-17.

Although the 2016-17 work plan was focused around transport, given the need to align with national road and rail funding programmes, there was also a need for TIG to keep a “watching brief” on other elements of economic infrastructure, such as broadband. A review of the Strategic Infrastructure Plan in early 2017 would help define what work on these other elements would be needed in later years.

Progress on the TIG work plan for 2016-17 would be reported to the Committee at subsequent meetings through a dashboard reporting system being developed by TIG. An example of the type of reporting was shown in a table that was attached to the report. The table showed strategic transport priorities and a RAG rating in terms of progress. At present, this was showing a clear need to accelerate work with TfN and Network Rail, as well as private sector partners, to embed the rail priorities within the next five year programme of national rail improvements from 2019 to 2024.

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

1. There was a narrative behind the TIG Work Plan dash board.
2. Members of the TVTC should try and attend at least one meeting of the TIG.
3. The issue of broadband should be continued to be brought to the TVTC.

RESOLVED that the Transport and Infrastructure Group (TIG) Work Plan 2016-17 be endorsed.
Consideration was given to a report on the Tees Valley Strategic Transport Plan Framework.

The refreshed Strategic Economic Plan (SEP) set out how TVCA would achieve transformational growth of 25,000 new jobs, 23,000 new homes and a £1 billion increase in GVA. All of our growth sectors needed effective and reliable multi-modal transport connections. To support the refreshed SEP, and to recognise the new Tees Valley Combined Authority, a Strategic Transport Plan for the Tees Valley would be prepared over the next nine months.

The Tees Valley lay at an important axis of north-south and east-west transport routes that serve the local, regional, Northern and national economies – the A1 Great North Road, the A19 via the Tyne Tunnel, the A66 trans-Pennine route, the East Coast Main Line and the River Tees itself. Teesport, the third largest port in the UK, acted as a major international gateway, and Durham Tees Valley Airport connected the Tees Valley to its global trading partners.

There were ambitious plans to build on the Tees Valley world-class expertise and critical mass sectors such as chemicals, energy, advanced manufacturing (particularly oil and gas, metals and automotive) and logistics, with growing capability in new industries - biologics, subsea, digital / creative and the low carbon economy. The refreshed SEP set out how TVCA would achieve transformational growth of 25,000 new jobs, 23,000 new homes and a £1 billion increase in GVA. All of the growth sectors needed effective and reliable multi-modal transport connections.

Following on from the publication of the refreshed SEP, the intention was for the Tees Valley Combined Authority to develop and publish a framework for a new Strategic Transport Plan to support the SEP. The Plan itself was intended to complement the work being done by Transport for the North to develop an investment plan for transport across the North, in line with the development of the next five year national rail and road programmes. As such, it was recognised that the Plan needed to:

- be informed by the National Rail and Road Network connections and use transport as an Engine for Growth;
- maximise the opportunities afforded by committed/planned investment in the National Networks;
- achieve frequent and reliable multi-modal connections between our Strategic Centres;
- enhance connections to our Economic Assets (e.g. Teesport, Durham Tees Valley Airport, Enterprise Zones);
- inform the connections from Local Hubs into the Strategic Centres and Economic Assets; and, ultimately,
- facilitate “Transformational” growth.

The emerging framework for the Plan, and its relationship in particular to key partners and principal sources of funding, was illustrated in an attached diagram, through five “stepping stones” to success. Members were invited to comment on the framework to inform its development.
The framework would be the subject of a wider consultation exercise in Autumn 2016, with the aim of developing the final Plan for Spring 2017. Members would be provided with an update on the progress of the Plan at regular intervals.

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

1. There had been a huge amount of work that had been put into the SEP by the 5 Tees Valley Authorities, TVCA and the LEP.
2. There were a lot of big plans that would have an important impact on the Tees Valley.
3. As the TVCA was reliant on the money coming through from government some of the plans may not be delivered so the SEP needed to be delivered with some of caution.
4. There needed to be a realistic and sensible debate of what plans could happen, what plans might happen and the risks that were involved.
5. It was important to put all the regeneration plans together with the transport plans.

RESOLVED that the report and Members comments be noted.

**TVTC 7/16**

**EXCLUSION OF THE PUBLIC**

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**TVTC 8/16**

**LARGE LOCAL MAJOR TRANSPORT SCHEMES FUNDING BIDS**

Consideration was given to a report on the large local major transport schemes funding bids.

In the March Budget, the Chancellor announced that he was inviting bids for the £475 million Large Local Major Transport Schemes fund. There were two deadlines for bids – 31 May for scheme development costs in 2016/17 and 21 July for funding in 2017/18 and beyond. In line with the bidding guidance, two bids had been prepared. The details of the bids were detailed within the report.

The bids would be presented to the TVCA Board on 19 July 2016 for approval.

RESOLVED that the approach to submitting the two bids be endorsed and the feedback on the draft bid for the East-West Connections package of works be noted.

**TVTC 9/16**

**GROWTH DEAL 3 (LOCAL GROWTH FUND)**

Consideration was given to a report on the Growth Deal 3 (Local Growth Fund).

The report presented the draft Transport Programme bid for the Local Growth Fund, which needed to be submitted to Government as part of the overall Programme bid, by the end of July 2016.
The draft Transport Programme bid would be considered as part of the overall Programme bid for LGF by the TVCA Board meeting on 19 July 2016.

RESOLVED that the draft Transport Programme bid as detailed within the report be endorsed and forwarded to the joint LEP/TVCA Board for consideration at their meeting to be held on 19 July 2016.
CONNECTING TEES VALLEY - TVCA STRATEGIC TRANSPORT PLAN FRAMEWORK

SUMMARY

This paper sets out the content and purpose of ‘Connecting the Tees Valley', the TVCA Strategic Transport Plan Framework. The Framework sets out the TVCA’s transport priorities up until 2026 and offers the opportunity for stakeholders, interest groups and the public to comment on them. These comments will then help to inform the development of the Strategic Transport Plan, due for publication during Summer 2017.

RECOMMENDATIONS

It is recommended that Members of the Committee note the Strategic Transport Plan Framework and the objectives and priorities set out within it, and are aware of the consultation process that is about to commence.

DETAIL

1. Transport is central to helping the Tees Valley deliver its ambitious plans to grow the local economy as set out in the Tees Valley Strategic Economic Plan. Over the next 10 years the Tees Valley wants to create 25,000 new jobs and build 22,000 new homes and the Tees Valley Strategic Transport Plan is currently under development to help facilitate this ambition.

2. ‘Connecting the Tees Valley’ establishes a framework for the Strategic Transport Plan and sets out a transport vision for the Tees Valley, which is:

   “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. Delivery of this vision based is based upon five themes, which are closely linked together and will all require improvement in order to meet the vision. These are:

   - National Rail;
   - Major Roads;
4. For each theme the framework sets out why the theme is important, what the proposed priority is for the theme within the Tees Valley and how the theme will be tackled with a range of partners.

5. The priorities set out within the framework will now undergo an 8-week period of consultation with stakeholders, interest groups and the public, which will conclude at the end of January 2017. Responses to the consultation will inform the development of a Draft Strategic Transport Plan, which will be subject to a further period of consultation during Spring 2017. The final Strategic Transport Plan will be produced and launched by the TVCA Mayor during Summer 2017.

6. A copy of ‘Connecting the Tees Valley’ will be circulated at the meeting. From 1st December an electronic version of the document and updates on the consultation process will be available at:

   www.teesvalley-ca.gov.uk/connect2026

FINANCIAL IMPLICATIONS

There are no direct financial implications related to the Strategic Transport Plan Framework itself, although some of the work to develop the final Strategic Transport Plan may require external support, for which funding has already been identified by the Combined Authority for 2016/17.

LEGAL IMPLICATIONS

None.

RISK ASSESSMENT

Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the work on the Strategic Transport Plan.

CONSULTATION

The launch of the Strategic Transport Plan Framework signals the beginning of a public 8-week consultation of the TVCA strategic transport priorities. Further consultation will be undertaken once the Draft Strategic Transport Plan has been produced in Spring 2017.

Name of Contact Officer: Steve Payne
Post Title: Strategic Transport Manager
Telephone No. 01642 524464
Email Address: steve.payne@teesvalley-ca.gov.uk
AGENDA ITEM 5
REPORT TO THE TEES VALLEY COMBINED AUTHORITY TRANSPORT COMMITTEE
DATE 30th NOVEMBER 2016
REPORT OF INTERIM DIRECTOR OF TRANSPORT & INFRASTRUCTURE

STRATEGIC TRANSPORT PRIORITIES – STATUS DASHBOARD

SUMMARY
This paper 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.

RECOMMENDATIONS
It is recommended that Members of the Committee note the current status of the four priorities, in particular the suggested actions to address the key risks.

DETAIL

1. The Tees Valley Devolution Deal set out four clear strategic transport priorities, and at its meeting on 22nd June 2016, the Committee endorsed a “dashboard” reporting mechanism for showing progress with respect to the preferred routes to delivery for each of the priorities. The latest dashboard is attached for the Committee’s information.

2. There continues to be red risk items relating to:
   • Darlington Station Growth Hub;
   • Northallerton to Teesport Electrification.

3. With regard to Darlington, there has been some significant progress in establishing the scheme within the package of works that Network Rail needs to be undertaken on the East Coast Main Line to support future growth, and there is an expectation that this will be reflected in Network Rail’s East Coast Route Study when it is published in Spring 2017.

4. The value of the proposal was also recognised in the most recent publication by HS2 Ltd “Changing Britain: HS2 Taking Root”:
which clearly recognises the work done to date on a wider masterplan for the station area.

5. However, there is still an outstanding risk around the emerging Northern Powerhouse Rail (NPR) network (sometimes referred to as “HS3”) that Darlington will not be included within the network itself. Officers continue to work with neighbouring authorities and Transport for the North (TfN) to mitigate this risk and emphasise the significant additional benefits that a stop at Darlington would bring to the business case. TfN is due to publish its emerging thinking on NPR in early 2017.

6. With regard to the stated priority of electrifying the Northallerton to Teesport rail line, the Combined Authority needs to be pragmatic about the difficulties that there has been with recent electrification projects, and the likely availability of funding within the next rail funding period between 2019 and 2024. It should also be mindful of the desire to maximise third party funding for rail investment alongside strategic economic developments, as part of demonstrating the best possible value for money.

7. Hence, the following agenda item introduces a proposal to potentially re-focus this strategic priority, whilst retaining electrification as the long term aim for the rail line. This will aim to mitigate the risk to delivery identified.

8. There has been little change in the status of the two roads-based priorities, and Officers continue to work with both Highways England and TfN to ensure that the measures are included within the next package of work within the Roads Investment Strategy.

FINANCIAL IMPLICATIONS

There are no direct financial implications related to the dashboard itself, although some of the work to progress the strategic priorities has required the procurement of external support, for which funding has already been identified by the Combined Authority for 2016/17.

LEGAL IMPLICATIONS

None.

RISK ASSESSMENT

Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the work on the strategic priorities.

CONSULTATION

Consultation on the four strategic transport priorities has taken place throughout the development of the SEP refresh with stakeholders across the public, private, voluntary and community sectors. There may be individual public consultation exercises associated with some of the schemes at the appropriate point in their development.

Name of Contact Officer: Jonathan Spruce
Post Title: Interim Director of Transport & Infrastructure
Telephone No. 07505 052620
Email Address: jonathan.spruce@foreconsulting.co.uk
### National Rail

<table>
<thead>
<tr>
<th>Theme</th>
<th>Priority Projects</th>
<th>Objectives/Desired Outcomes</th>
<th>Progress to Date</th>
<th>Key Actions/Dates</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darlington Station Growth Hub, which encompasses new platforms, re-modelling of the track layout and capacity improvements at Darlington rail station, ready for HS2 and Northern Powerhouse Rail</td>
<td>To be identified in TfN’s joint programme with Network Rail for CP6, as enabling works for Northern Powerhouse Rail (NPR)</td>
<td>• Masterplanning and initial rail feasibility work for Darlington station completed in May&lt;br&gt;• NPR option development for Leeds to Newcastle completed in September&lt;br&gt;• TfN Prioritisation work (including intermediate stops on the NPR network) completed in October</td>
<td>• TfN developing its programme of NPR interventions by end of 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To be identified as enabling works for Phase 2b of HS2</td>
<td>Outcomes of Darlington Station Masterplan to be included within next HS2 report</td>
<td></td>
<td>• Preferred route of HS2 Phase 2b to be published in November</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To be included in Network Rail’s CP6 programme for East Coast Main Line improvements</td>
<td>Darlington emerging as a priority for CP6 within East Coast Route Study</td>
<td></td>
<td>• TfN developing its Integrated Rail Report by February 2017&lt;br&gt;• East Coast Route Study will be complete by Spring 2017&lt;br&gt;• Network Rail will publish its draft CP6 programme in Spring 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Major Roads

<table>
<thead>
<tr>
<th>Theme</th>
<th>Priority Projects</th>
<th>Objectives/Desired Outcomes</th>
<th>Progress to Date</th>
<th>Key Actions/Dates</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional strategic road crossing of the River Tees</td>
<td>To be identified in TfN’s joint programme with Highways England for RIS2</td>
<td>• Initial optioneering and technical feasibility work completed in May&lt;br&gt;• Large Local Major Transport Scheme funding bid for next stage of development work submitted in May – re-submitted in August following initial feedback&lt;br&gt;• Option Assessment Report completed in September</td>
<td>• Strategic Outline Business Case to be completed by end of 2016&lt;br&gt;• Highways England Route Strategies to be completed by end of 2016&lt;br&gt;• TfN developing its Roads Report by February 2017&lt;br&gt;• Highways England will publish it draft RIS2 programme in Autumn 2017&lt;br&gt;• Outline Business Case to be completed by early 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To be added to the committed Norton – Wynyard widening scheme in RIS1</td>
<td></td>
<td></td>
<td>• Highways England will publish it draft RIS2 programme in Autumn 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theme</td>
<td>Priority Projects</td>
<td>Objectives/Desired Outcomes</td>
<td>Progress to Date</td>
<td>Key Actions/Dates</td>
<td>RAG Rating</td>
</tr>
<tr>
<td>-------</td>
<td>------------------</td>
<td>-----------------------------</td>
<td>------------------</td>
<td>--------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Improved east-west road connectivity along the A66 corridor from the A1(M) to the international gateway at Teesport, including a new strategic link around the north of Darlington between the A66 at Great Burdon and the A1(M) at Junction, online junction improvements to the A66 around the south of Darlington and capacity and junction improvements along the A66 to Teesport</td>
<td>To be included within the next stage of the Highways England/TfN North Trans Pennine Routes Study</td>
<td>• Large Local Major Transport Scheme funding bid for next stage of development work to be submitted in July&lt;br&gt;• A66/A689 Tees Valley Strategic Study work completed in September</td>
<td>• Highways England/TfN study concludes in October&lt;br&gt;• TfN developing its Roads Report by February 2017&lt;br&gt;• TfN developing its programme of interventions by Spring 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>To be identified in TfN’s joint programme with Highways England for RIS2</td>
<td>• Large Local Major Transport Scheme funding bid for next stage of development work to be submitted in July&lt;br&gt;• A66/A689 Tees Valley Strategic Study work completed in September</td>
<td>• Additional work on recommended options from A66/A689 study to be completed by end of 2016&lt;br&gt;• Highways England Route Strategies to be completed by end of 2016&lt;br&gt;• TfN developing its Roads Report by February 2017&lt;br&gt;• Strategic Outline Business Case to be completed by Summer 2017&lt;br&gt;• Highways England will publish it draft RIS2 programme in Autumn 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IMPROVING IN THE NORTHALLERTON TO TEESPORT RAIL LINE

SUMMARY

This paper provides an update on the progress with one four strategic transport priorities for the Tees Valley – the improvement to the Northallerton to Teesport Rail Line. It also suggests an 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.

RECOMMENDATIONS

It is recommended that Members of the Committee endorse the proposal to refocus this strategic priority from this point forward, in that it would represent a more practical approach to investment in the rail line in the future, be linked to third party investment, and better understand short and medium term needs and opportunities.

DETAIL

1. The Tees Valley Devolution Deal identified electrification of the Northallerton to Teesport rail line as one of the City Region’s four strategic transport priorities following a period of sustained lobbying for electrification, the benefits of which were highlighted in the Electrification Task Force’s “Northern Sparks” report (March 2015).

2. More recently, the report of Lord Heseltine’s Task Force added further weight to the importance of the rail line to the local economy, and included the following specific recommendation:

“The Department for Transport are encouraged to seriously investigate the inclusion of the Northallerton to Teesport Electrification rail scheme as an extension of the Transpennine electrification scheme already committed”

3. Whilst electrification undoubtedly remains the long term aim for the rail line, the Combined Authority should be pragmatic about the delays and funding increases that there has been with recent electrification projects, and the likely availability of funding within the next rail
funding period between 2019 and 2024. It should also mindful of the desire to maximise third party funding for rail investment alongside strategic economic developments, as part of demonstrating the best possible value for money.

4. Although the rationale for investment in the line remains as strong as ever, reviewing the components of such investment would be prudent at this time. To this end, the attached paper sets out a clear evidence base for refocusing the strategic priority, to represent a more practical approach to investment in the rail line in the future, be linked to third party investment, and better understand short and medium term needs and opportunities.

5. Two immediate opportunities present themselves with a revised focus. First, making the case for some measures to be included within the package of works to enhance freight access to the North’s ports and trans-Pennine capacity identified in Network Rail’s programme for 2019-2024. Second, in taking forward their Freight and Logistics Report, Transport for the North is looking to prioritise investment in order to provide the gauge cleared routes and rail freight paths required at a time to match private sector investment.

6. The Committee’s endorsement to the refocusing is sought, following which the Combined Authority will then work with relevant stakeholders, as well as seeking to use its own resources in some circumstances, to bring forward the investment in the right improvements at the right time.

FINANCIAL IMPLICATIONS

There are no direct financial implications related to the proposal to refocus the strategic priority at this time, although progressing the measures may require the procurement of external support, for which some funding has already been identified by the Combined Authority for 2016/17. Clearly there will need to be a consideration of future contributions to the measures brought forward at the appropriate time.

LEGAL IMPLICATIONS

None.

RISK ASSESSMENT

Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the work on the strategic priority.

CONSULTATION

Consultation on the four strategic transport priorities has taken place throughout the development of the SEP refresh with stakeholders across the public, private, voluntary and community sectors. There may be individual public consultation exercises associated with the components of this priority at the appropriate point in the development of the measures.

Name of Contact Officer: Jonathan Spruce
Post Title: Interim Director of Transport & Infrastructure
Telephone No. 07505 052620
Email Address: jonathan.spruce@foreconsulting.co.uk
Investing in the Northallerton to Teesport Rail Line

1. Background

1.1 The rail line from Northallerton, on the East Coast Main Line, through to Middlesbrough, and onwards to Teesport, has long been identified as a key transport artery for the Tees Valley City Region and the rail network in the North. It forms part of the existing TransPennine Express franchise network, facilitates current and future passenger services between the Tees Valley and London and is a key freight route as it connects through to the fifth largest port in the UK.

1.2 The Tees Valley Devolution Deal identified electrification of the rail line as one of the City Region’s four strategic transport priorities following a period of sustained lobbying for electrification, the benefits of which were highlighted in the Electrification Task Force’s “Northern Sparks” (March 2015). This report placed the line within the first tranche of routes that should be electrified once the Great Western and North Transpennine routes had been completed, as shown below:

1.3 More recently, the report of Lord Heseltine’s Task Force added further weight to the importance of the rail line to the local economy, and included the following specific recommendation:

“The Department for Transport are encouraged to seriously investigate the inclusion of the Northallerton to Teesport Electrification rail scheme as an extension of the Transpennine electrification scheme already committed”

1.4 Whilst electrification undoubtedly remains the long term aim for the rail line, the Tees Valley Combined Authority is pragmatic about the difficulties that there has been with recent electrification projects, and the likely availability of funding within the next rail funding period between 2019 and 2024. It is also mindful of the desire to maximise third party funding for rail investment alongside strategic economic developments, as part of demonstrating the best possible value for money. Although the rationale for investment in the line remains as strong as ever, reviewing the components of such investment would be prudent at this time.
2. **The Changing Context for Investment**

2.1 When making the case for electrification of the line as part of the Electrification Task Force’s work, and through the Devolution Deal, part of the argument was framed around the strong desire to maintain direct TransPennine Express services between Middlesbrough and Manchester Airport. The fact that the line was excluded from the plans to electrify the North Transpennine route, which stop at York and Selby, raised the possibility these direct services would cease and that passengers would be required to change trains at York in the future. A lack of an electrified route was also thought detrimental to the Tees Valley’s aspirations to run new direct services from London to Middlesbrough at the time when the East Coast franchise was being re-let.

2.2 In both instances, the desired direct Middlesbrough services have been secured in each new franchise, signed since 2015, through the use of diesel-electric hybrid rolling stock. This means that there should not be a need to change trains at York for TransPennine Express services to Leeds, Manchester and Manchester Airport, and that direct Middlesbrough to London services will be possible. Virgin Trains East Coast was granted the train paths to run these services earlier in 2016.

2.3 The case was also built around the journey time improvements for passenger and freight services that electrification would bring, and the provision of a W12 gauge cleared route for rail freight.

2.4 An electrified North Transpennine route, coupled with hybrid rolling stock, will bring about journey time improvements for TransPennine Express services anyway, and a closer examination of the current line itself suggests that the number of level crossings and the track condition and layout is a greater constraint on improving journey times than a lack of electrification. This has already been identified by work by Rail North, and is being prioritised for investment in the early 2020s. The urgent need for this is highlighted by the fact that the rail journey time between Middlesbrough and York is double that for the Darlington to York journey, despite the distances being very similar.

2.5 The need to provide a high quality freight route across the Pennines was identified in Transport for the North’s (TfN’s) Freight and Logistics Report (September 2016), along with the need to address current gaps in a W12 gauge cleared network to and between the North’s ports. One of these gaps is the Northallerton to Teesport line, as also identified in Network Rail’s recent Freight Network Study (August 2016).

2.6 Improving gauge clearance is particularly important as the current clearance on the line requires some freight traffic from Teesport to/from the south to make a reversing manoeuvre at Darlington, which is time consuming, places a limit on train path availability and length of trains that can be used. This situation also exacerbates capacity problems at Darlington station and conflicts with engineering possessions one week in six.

2.7 The DfT’s Rail Freight Strategy (September 2016) included a specific action to develop a “Virtual Freight Route” and ensure that it supports and enables rail freight to achieve its potential. Recent investment by PD Ports will take the capacity of Teesport up to 650,000 TEU, and the implementation of the Northern Gateway Terminal by the early 2020s will increase the capacity of Teesport to around 1.1 million TEU, creating up to 4,000 direct and indirect jobs across the Tees Valley. Timing the required investment in the rail network that will support this development will be crucial to maximise the benefits, ensure value for money and meet the DfT’s objective.
3. **A Revised Focus for Investment**

3.1 The framing of the electrification of the Northallerton to Teesport rail line as a strategic priority places emphasis on the output itself. What the changing context described above suggests is that the Combined Authority should revise its focus towards one of outcomes – notably related to the economic benefits for freight and passenger services that investment in the line will bring, and in making sure the timing of such investment is aligned with complementary public and private sector funding plans.

3.2 Work undertaken previously for the Combined Authority has shown that improved rail freight connections in the Tees Valley will generate £120 million in economic benefit each year. Recent analysis for the Consortium of East Coast Main Line Authorities suggests that there will be an economic benefit of over £5 million per annum simply by providing a direct rail service between Middlesbrough and London.

3.3 PD Ports’ plans for the Northern Gateway Terminal development starting construction in 2018, Virgin Trains East Coast’s commitment to run direct services between Middlesbrough and London from 2022, and Rail North’s aspirations to improve journey times on the Northallerton to Teesport rail line in the early 2020s, all point towards focusing investment in the next five years on improvements that will directly support these economic drivers.

3.4 As mentioned, Rail North is already considering the rail line as a pilot for journey time improvements, and Network Rail’s Freight Network Study identifies the line as a short term priority for level crossing enhancements, as shown below:

3.5 Building on work already undertaken at Darlington station, Middlesbrough Council is about to commence work on a wide-ranging station masterplan aimed at maximising commercial opportunities in the vicinity of the station to provide a second rail gateway to the Tees Valley, driven by the need to accommodate new long distance services. This work will be complete by early 2017 and will feed into Transport for the North’s (TfN’s) Integrated Rail Report and Rail North’s Initial Industry Advice for the next funding period.
3.6 In terms of a W12 gauge cleared route along this section of rail line for freight, an initial feasibility (GRIP2) study was undertaken in 2006 that identified four “foul” structures that would need to be amended in order to accommodate larger rail freight wagons. This feasibility study has been revisited by Network Rail as part of the Freight Network Study and the East Coast Route Study, to confirm that it remains a key enhancement scheme, as shown below:

3.7 The anticipated cost of providing a W12 gauge cleared route between Northallerton and Teesport is around £10 million. The next step in taking this enhancement forward would be to engage Network Rail to undertake a GRIP3 study to produce an Approval in Principle design for each of the “foul” structures, as well as a revised cost estimate. This GRIP3 study needs to take account of the emerging findings of the East Coast Route Study, and would cost around £750,000 and take 12 months to complete. More importantly, committing funding for the GRIP3 study could accelerate the delivery of a W12 gauge cleared route in line with the proposed journey time improvements, ready for the Northern Gateway terminal opening.

3.8 Whilst this enhancement would have undoubted benefits for the rail freight network between the East Coast Main Line and the new developments at Teesport, providing a gauge cleared route across the rest of the UK network, and ensuring that there are sufficient paths to accommodate the future demand for rail freight will be more difficult to achieve, and almost certainly take longer to deliver. The first figure overleaf sets out Network Rail’s future W12 gauge aspirations for the UK rail network.

3.9 Sir Peter Hendy’s review of Network Rail’s investment programme confirmed the inclusion of a project to enhance freight access to the North’s ports and trans-Pennine capacity in Control Period 6, as shown by the second figure overleaf, taken from the updated programme. Developing specific schemes within this package ready for implementation from 2019 would be a prudent approach.
UK Gauge Network (August 2016)

- **Port of Liverpool**
- **Fleets and terminals**
- **Other rail routes**
  - Future W12 gauge aspiration (Tier 1)
  - Future W12 gauge aspiration (Tier 2)
  - Routex already gauge down to W13

<table>
<thead>
<tr>
<th>Year</th>
<th>CP16</th>
<th>CP17</th>
<th>CP18</th>
<th>CP19</th>
<th>CP20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key Features**
- Improved access to the port
- Enhanced rail connections
- Expansion of rail terminal capacity

**Potential for Growth**
- Increased cargo volumes
- Improved connectivity with major markets

**Strategic Objectives**
- Development of new rail access routes
- Enhancement of existing rail infrastructure
- Optimization of rail operations

**Challenges**
- Funding constraints
- Competition from other modes of transport
- Regulatory issues

**Opportunities**
- Increased trade with Asia
- Expansion into new markets
- Collaboration with other stakeholders

**Future Prospects**
- Growth in intermodal transport
- Development of multimodal logistics hubs
- Strengthened international networks

**Implementation Plan**
- Phased approach to infrastructure development
- Continuous monitoring and evaluation
- Flexibility to adapt to changing market conditions

---

**Figure 7.2: W12 Gauge Network**

[Map of the UK rail network with highlighted areas and routes relevant to the W12 gauge network.]
3.10 TfN’s plans to develop Northern Powerhouse Rail, a transformational rail network across the North that links in to HS2, are being developed, which may see existing trans-Pennine routes being used for freight, particularly the route via Diggle which will be electrified by 2023. But this is still a number of years away. In taking forward their Freight and Logistics Report, TfN should look to prioritise investment in order to provide the gauge cleared routes and rail freight paths required at a time to match private sector investment.

3.11 This revised focus is seen as a much more practical approach to investment in the Northallerton to Teesport rail line in the future, linked to third party investment, and understanding short and medium term needs and opportunities. There is still a clear need for a major upgrade of the line, including gauge clearance for larger rail freight containers, journey time reductions and the re-modelling of Middlesbrough Station, prior to future electrification.

3.12 The Tees Valley Combined Authority will now work with relevant stakeholders, as well as seeking to use its own resources in some circumstances, to bring forward the investment in the right improvements at the right time.
DEVELOPING THE TEES VALLEY BUS NETWORK

SUMMARY

The Tees Valley Devolution Deal identifies the aim “to continue to strengthen the bus network and indeed the relationship and influence it has with local bus operators”, and that the appropriate mechanism(s) for achieving this should be viewed against the provisions in the new Bus Services Bill, currently going through Parliament. This paper, which will be accompanied by a presentation to be given at the meeting, sets out the results of the work done to date about developing a future bus network to support the Tees Valley’s economic and social needs, and seeks endorsement to a suggested way forward.

RECOMMENDATIONS

It is recommended that Members of the Committee agree to undertake more work on the two principal delivery options (an enhanced partnership and franchising), 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.

DETAIL

1. Buses have a key role to play in enhancing the social and economic life of the Tees Valley. Over 31 million journeys are made by bus each year and over 19,000 residents regularly commute by bus. For the 30% of households without access to a car, buses are essential in ensuring people can access employment and a whole range of services. A high quality, well integrated bus network can help the Tees Valleys labour market to function better.

2. A review of the Tees Valley bus network has found that passenger satisfaction is high, punctuality is improving and the network is relatively extensive with most key locations accessible by bus. The current network is profitable and operates with minimal direct subsidy, with only Redcar and Cleveland Borough Council providing revenue support to socially necessary bus services. However local authorities do provide £16.2 million a year...
to reimburse bus operators for journeys made under the English National Concessionary Travel Scheme on a “no better, no worse off” principle.

3. However the review has also found that patronage is falling (down 17% since 2010/11), and that satisfaction with value for money remains around 64%. The review has also found that the ticketing system is complex and integration between the bus services of different operators and between bus and rail is viewed as poor. The decline in bus use is threatening the integrity of the bus network and, if continued unchecked, may result in the loss of marginal services and a corresponding decline in accessibility.

4. The review has found that in order for bus services to fully align with and meet the Combined Authority’s wider strategic objectives then policy interventions that guide the development of bus services should address 4 key needs:

- The need to operate with minimal public support;
- The need to respond to changing demand for travel and enhance access to isolated areas and development zones;
- The need to improve the competitive position of the bus, particularly journey times in relation to the private car;
- The need to deliver a more integrated public transport system.

5. A whole range of interventions could be deployed that will help to deliver against these needs. The Bus Services Bill offers local authorities a range of delivery models that can be used as a vehicle to deliver bus policy. Each delivery model brings with it varying degrees of control over the bus network and also varying degrees of financial risk.

6. The delivery models broadly break down into two categories, partnerships (there are 3 types of partnership - Voluntary, Advanced and Enhanced Quality Partnerships) and franchising.

7. Under a partnership arrangement, improvements to the bus network are negotiated with the incumbent bus operators. Partnerships are entered into on a consensual basis usually with both sides agreeing to deliver an agreed set of improvements (e.g. new buses, highway improvements or ticketing schemes). Under partnerships, overall specification of the bus network, fares, frequencies, routes and revenue risk remains with bus operators. Under a partnership, outcomes are often restricted to what the bus operators and local authorities agree to deliver (or are able to deliver).

8. Under a franchise arrangement, the deregulated bus market as it currently operates would be suspended. The local authority specifies all aspects of the bus network, including routes, fares and frequencies. Bus operators would then compete to operate that network with the operator offering the best value for money usually winning the franchise. A franchising arrangement may see incumbent operators lose the right to operate buses in the Tees Valley and would consequently be likely to face opposition from bus operators. Under franchising arrangement revenue risk would transfer to the Combined Authority.

9. All the delivery models carry risks and limitations, but research to date suggests none of the potential models for delivering bus services should be discounted at this stage. The Combined Authority would be prudent to pursue a twin track approach of 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. In addition the Combined Authority needs 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.

FINANCIAL IMPLICATIONS

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

None.

RISK ASSESSMENT

Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the work done to date and the recommendation.

CONSULTATION

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

Name of Contact Officer: Michael Greene
Post Title: Assistant Director, Neighbourhoods & Customer Services, Redcar & Cleveland Borough Council
Telephone No. 01642 444346
Email Address: michael.greene@redcar-cleveland.gov.uk
Intentionally Blank for Printing
ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME (ENCTS)
TEES VALLEY 2017/18 SETTLEMENT NEGOTIATIONS

SUMMARY

This report is for information and provides an update on the preparations 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.

RECOMMENDATIONS

It is recommended that Members of the Committee note the requirements of the Combined Authority, and agree to the method of negotiation outlined in the report.

DETAIL

1. All bus operators in the Tees Valley are signed up to the English National Concessionary Travel Scheme (ENCTS). The scheme operates on the basis of operators being “no better and no worse off” following reimbursement for the carrying of concessionary pass holders.

2. The statutory minimum concession Travel Concession Authorities (TCAs) must provide to eligible residents is free local bus travel anywhere in England between 9.30am and 11pm on weekdays and at any time at weekends and bank holidays. Stockton, Middlesbrough, Hartlepool and Redcar and Cleveland offer a discretionary enhancement of a fixed fare of 30p for any journeys commencing in those areas before 9.30am on weekdays. Darlington does not participate in the above mentioned discretionary enhancement but does offer free transport (during the times of the statutory requirements) to companions of certain eligible disabled pass holders who are unable to travel by bus without assistance.

3. Reimbursement is carried out on a forecast basis with agreement on reimbursement for the forthcoming financial year being in place for March of the preceding year.

4. The Transport Act 2000 must be complied with:
a. 4 months before the scheme commences (1 December 2016) – Travel Concession Authority must publish reimbursement proposals in as much detail as possible to allow for meaningful negotiation. This takes the form of a notice provided to operators.

b. 28 days before the scheme commences (4 March 2017) – Travel Concession Authority to determine final reimbursement arrangements.

5. In previous years Stockton Borough Council has lead on negotiations on behalf of the Tees Valley authorities and negotiated a settlement on that basis. It is propose to continue this approach on behalf of the Tees Valley Combined Authority for the 2017/18 settlement.

6. Historically, reimbursement negotiations have been based on an analysis of data, using a combination of empirical and estimated projections. Agreeing reimbursements in advance has assisted with maintaining a relatively stable bus network across the area. These principles are in line with a number of other Travel Concession Authorities undertaking reimbursement negotiations.

7. In general the bus network across the Tees Valley has remained relatively stable during 2016 with only some minor alterations from smaller operators. This will assist in projections for 2017/18 and the intention is to calculate the reimbursement to operators by the same method as previous years.

FINANCIAL IMPLICATIONS

Funding for the ENCTS is included within the five Local Authorities finance settlement and is therefore not correlated to pass holder use of Bus Operator reimbursement.

LEGAL IMPLICATIONS

The Tees Valley Combined Authority has been responsible for the administration, management and delivery of the English National Concessionary Travel Scheme since 1 April 2016. This is a statutory duty.

RISK ASSESSMENT

Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the work done to date and the recommendation.

CONSULTATION

Consultation on the recommendation has been undertaken with senior officers at each Local Authority via the Transport & Infrastructure Group (TIG).

Name of Contact Officer: Richard McGuckin
Post Title: Director of Economic Growth & Development Services, Stockton on Tees Borough Council
Telephone No. 01642 527028
Email Address: richard.mcguckin@stockton.gov.uk