

OVERVIEW AND SCRUTINY BOARD

24 JULY 2012

**FINAL REPORT OF THE ECONOMIC REGENERATION
AND TRANSPORT SCRUTINY PANEL - THE
TRANSPORT ELEMENT OF THE LOCAL DEVELOPMENT
FRAMEWORK**

PURPOSE OF THE REPORT

1. To present the Economic Regeneration and Transport Scrutiny Panel's findings, conclusions and recommendations following its investigation of the Transport Element of the Local Development Framework.

INTRODUCTION

2. The overall aim of the scrutiny investigation was to examine the transport element of the Local Development Framework (LDF). The Local Development Framework is the development plan for Middlesbrough and comprises a number of Local Development Documents (LDD). These include the adopted Core Strategy, the adopted Regeneration Development Plan Document (DPD) and the proposed Environment Development Plan Document (DPD).
3. The existing LDF is currently under review in relation to the housing elements of the LDF Core Strategy and the Regeneration DPD.

MEMBERSHIP OF THE PANEL

4. The membership of the scrutiny panel was as follows:

Councillors Williams (Chair), Taylor (Vice Chair), Arundale, Hubbard, Hussain, P Khan, Lowes, Rehman and J Sharrocks.

HOW INFORMATION AND EVIDENCE WAS OBTAINED

5. The scrutiny panel undertook an in-depth investigation and met on five occasions between 16 January and 16 April 2012 to gather evidence and information. Information was also submitted by Council Officers.
6. A Scrutiny Support Officer from Legal and Democratic Services co-ordinated and arranged the submission of written and oral evidence and witnesses for the review. Meetings administration, including preparation of agenda and minutes, was undertaken by a Governance Officer from Legal and Democratic Services.

7. A detailed record of the topics discussed at Panel meetings, including agenda, minutes and reports, is available from the Council's Committee Management System (COMMIS), which can be accessed via the Council's website at www.middlesbrough.gov.uk.

TERMS OF REFERENCE

8. The terms of reference of the scrutiny investigation were as follows:
- (a) To examine the potential impact of future building developments in South Middlesbrough and of regeneration projects at Middlehaven on the current transport infrastructure. This includes how any resulting pressures can be mitigated and access issues in respect of Middlehaven.
 - (b) To assess the financial implications of necessary improvements to transport infrastructure capacity and ways in which the required funding/resources can be provided. This should include use of Section 106 agreements and any alternative sources of funding.
 - (c) To consider possible timescales for implementation of improvements to the transport infrastructure identified as a result of future building developments, particularly in the light of the current economic climate.

THE SCRUTINY PANEL'S FINDINGS

9. The scrutiny panel's findings in respect of the Transport Element of the Local Development Framework are set out in this report. Due to areas of overlap between all of the terms of reference, the Panel's findings are not set out against a specific term of reference but cover the issues highlighted by them under the following main headings:
- Transport Aspects of the Local Development Framework.
 - Review of the Local Development Framework in relation to future developments and opportunities, planning applications and infrastructure.
 - Future Building Developments and the Impact on Accessibility and Transport - Highways Position Paper 2011.
 - Update on Tees Valley Area Action Plan (AAP).
 - Access Arrangements and Issues in Respect of Middlehaven.
 - Funding for Future Transport Infrastructure Development.
10. In respect of Term of Reference (c) above, the scrutiny panel found that timescales cannot be identified until the outstanding Highways Agency decisions¹ are known and the LDF Review is completed.

Transport Aspects of the Local Development Framework

11. The Panel heard that the Policy CS17 Transport Strategy within the existing LDF Core Strategy includes a package of highways and public transport improvements to improve connectivity and accessibility for all, within and beyond Middlesbrough, promote investment and regeneration and alternative modes of transport to the private car.

¹ See paragraph 26.

12. Policy CS18 Demand Management provides for initiatives to balance the demand between attracting people into the town and dealing with the associated traffic by developing a car parking strategy, reducing journey times and promoting car sharing, park and ride schemes and opportunities for cycling and walking.
13. Policy CS19 Road Safety is a key element of the LDF Core Strategy and includes such measures as the creation of home zones in residential streets, speed restrictions, traffic-calming measures, work-place travel plans and school travel plans.
14. The existing Regeneration Development Plan Document (DPD) identifies specific sites proposed for development and principal regeneration sites. These allocations cover housing, employment, mixed use, retail, leisure and transport uses.

Review of the Local Development Framework in relation to future developments and opportunities, planning applications and infrastructure

15. The current Local Development Framework (LDF) Core Strategy was adopted in 2008 and Regeneration DPD in 2009. It is being revisited now because the previous housing allocations are not being developed due to a number of factors, including the current economic downturn and outward migration. A further factor is that the Authority is required to maintain a five-year supply of housing land but currently has just over one year's worth available. The LDF can effectively be used as a tool to assist in arresting outward migration or encouraging migration into Middlesbrough.
16. Although the Panel examined the transport element of the LDF, it is noted that the document is produced in a far wider context and is linked to all infrastructure works, such as the development of schools and hospitals, as well as housing.
17. The Panel was informed that the first stage in the process of reviewing the LDF is to produce an "Issues and Options" paper which will shape the future allocation to bring forward and this will go out to consultation in spring 2012. Specific sites will be identified in late summer 2012, followed by public examination. The reviewed LDF will be adopted in two years' time.
18. A key driver for the LDF is to determine how much housing is likely to be required and where it should be located. Following on, there is then a need to ascertain the impact of housing developments on the transport infrastructure, for example, whether existing roads have the capacity to meet future requirements, and if not, to determine what improvements are necessary.
19. The Panel notes the view that it is not an option not to provide new development sites. To fail to do so would result in housing being developed in adjacent areas, with the possible result that people occupying those developments would commute to Middlesbrough. Whilst the impact on Middlesbrough's transport network would remain or even become worse, other areas would receive the associated economic benefits.

20. The Council is in discussion with the Highways Agency to look at long term solutions with regard to transport issues around the sites allocated, the number of houses needed and appropriate rail and road links. In this context it is important to consider the impact of developments across the Tees Valley as a whole and not just in Middlesbrough in isolation. Work to determine the impact of any future housing developments on the local transport infrastructure is undertaken in a wider Tees Valley context, involving other Local Authorities and relevant bodies, such as Tees Valley Unlimited.
21. The Council wishes to ensure that any developments identified in the review will benefit public transport solutions more than the current road network. The Authority is therefore looking at other solutions than increased road traffic, such as rail and bus links.
22. In terms of funding infrastructure works, it is recognised that this can be an issue. Roads and infrastructure can be constructed before a site is developed (for example as a way of attracting developers). However, in such cases there would be a need to ensure that the infrastructure that was put in place delivered the envisaged number of houses. Alternatively, the infrastructure needs can be determined once a site is developed. A decision is made on each case as to how the required housing, as well as transport and infrastructure works can best be provided.
23. Until the Issues and Options stage of the review is complete it is difficult to identify what housing and what strategy should be adopted going forward and which sites to allocate. The Strategic Housing Land Availability Assessment went out to consultation in summer 2011 and sets out the sites from which the Council is likely to allocate housing, although others might be identified through the consultation process on the LDF review.

Future Building Developments and the Impact on Accessibility and Transport - Highways Position Paper 2011

24. The Highways Position Paper 2011 in relation to planning permissions for recent housing developments in south Middlesbrough focuses on the wider impacts on the surrounding roads as development traffic journeys through the local and strategic networks.
25. Developers are required to devise solutions to mitigate the impact of potential traffic problems arising from their development. However, in the main, the process is Council-led, with the Authority drawing up proposals and working with the developers to action and implement them. Where the Highways Agency determines that further works are required, additional costs may be incurred by developers and these issues are discussed regularly as they emerge.
26. The Council is working with the Highways Agency in relation to the planning applications listed in the Position Paper. At the time of the Scrutiny Panel's investigation in early 2012, final permissions have not been granted and Highways Agency decisions are awaited. Each of the proposed developments will have an impact on the highway network at the immediate interface with the current network. Pedestrian and cycle links are also included in each of the applications. Both the Highways Agency and the Council need to be satisfied with the additional impact of development traffic on the strategic and local networks.

27. The main concerns of the Highways Agency in relation to the south Middlesbrough developments are the congestion at the A174/A19 junction and the impact on traffic flows. Figures used in the Highways Agency model to provide the base level information to assess the planning applications have been revised downwards to reflect a decline in traffic of 1-2% over the last two years.
28. Officers are satisfied that highways works proposed in respect of the forthcoming housing developments in South Middlesbrough will provide adequate mitigation for the scale of those developments.
29. If it is not possible for the Developers and the Highways Agency to come to an agreed technical resolution then the Highways Agency will decide on the balance of the overall effects of the housing developments relative to traffic impact. The overall impact on the roads must be no worse than at present and solutions have to be found to mitigate the potential increase in traffic from new developments.
30. Traffic volumes and congestion in the Tees Valley are less than in other parts of the country and average speeds have risen as a combined result of highway improvements on the A172 corridor and the decline in traffic volumes. However there are still stress points on the local and strategic networks which cause short peak time delays and are susceptible to longer delays due to incidents and accidents on the main commuter routes.
31. With regard to the four major planning applications listed in the Position Paper, each application will have its own impact on the highway network, due to the proximity of sites and the geographical nature of Middlesbrough. A package of mitigation measures is proposed to address the cumulative impacts of all the proposals.
32. The key elements include:
 - Prissick Link and associated junctions/A172 corridor.
 - Stainton Way improvements.
 - B1365 improvements.
 - Urban Traffic Management and Control in south Middlesbrough.
33. The design for the Prissick Link is underway, with the scheme costed at £2.8 million. The intention is that Developers will contribute £1.7 million with the remainder coming from James Cook University Hospital and the sale of the Prissick Depot.

Update on Tees Valley Area Action Plan (AAP)

34. The Tees Valley Area Action Plan (AAP) looks at all new developments across the Tees Valley and identifies possible hotspots. It was initially developed in 2006 and is now being updated. The Plan is developed jointly between the Highways Agency and Local Authorities. A list of planned developments from each Local Authority is collated and used to target where trips predicted within the National Trip End Model (NTEM) join the transport network. This information is then fed into two transport models and the impacts of the developments are modelled to assess where pressure points might arise and how these can be mitigated.

35. In the Tees Valley, Stockton Council has aspirations for Ingleby Barwick and Thornaby. Redcar and Cleveland has plans for developments at Guisborough and Kirkleatham which will load more traffic onto the network.
36. Since the introduction of the initial AAP a number of schemes have been implemented, including:
 - A new access to North Middlesbrough from Newport Roundabout and widening of the A66.
 - A19/A174 - signalisation and capacity improvements.
 - A174/A1053/B1380 - roundabout improvements.
 - Ramp metering at five slip roads on the A19 between the A174 and the A689 and on the A66 between Teesside Park and the A1032.
37. The output from the Tees Valley Strategic Transport Model indicates that a steady increase in development will lead to a steady increase in traffic. The modelling shows that Cargo Fleet Lane is under pressure, as well as pressure points on the A174 and A19. Work on traffic signals on Acklam Road will be taking place this year to improve traffic flows, with Cargo Fleet Lane to follow in 2013.
38. The Panel was informed that Tees Valley Unlimited will be submitting an Infrastructure Plan as part of a Regional Growth Bid in July 2012 to enable planned developments to go forward. Mitigating measures to address the impact on transport will form part of the Bid.
39. The work completed to date on the AAP reflected the current Local Development Framework (LDF). However, since the LDF is being revised, future impacts could be different. The AAP only looks at current allocations and does not take into consideration that the revised LDF could opt for a different strategy and consider different housing sites.

Access Arrangements and Issues in Respect of Middlehaven

40. Since the withdrawal of the previous developer, Bio-Regional Quintain, the Master Plan for Middlehaven is being reviewed and the Transport Strategy is a key element. Officers in Regeneration and Highways and Transportation are working in close liaison regarding Middlehaven development proposals. This will ensure that the transport infrastructure is developed in tandem with regeneration and development schemes, as appropriate.
41. The Master Plan covers the whole of Middlehaven, including the area around the Dock and St Hilda's. The main thrust behind the new Master Plan is to go back to a basic gridiron street layout. Middlehaven development proposals have evolved and changed over a number of years. Original plans included development of large, iconic buildings, whereas current proposals relate to developing the area in blocks of small-scale developments. This would not, however, preclude the development of large-scale buildings should developers come forward with these in future.

42. There are currently several links from the existing strategic highway network into Middlehaven which includes the Middlehaven, Marton Road, Newport and Hartington Road Interchanges on the A66. There are both strategic and non-strategic routes into and around Middlehaven and a number of routes which will be closed to traffic have been identified.
43. Bridge Street East is currently a shared surface street, however this has been reviewed and there is a general consensus that it operates better as a pedestrian route. A 'Prohibition of Driving Order' has now been processed, although the Middlehaven Mover Bus Service and a number of properties will still require vehicular access, so the road cannot be closed off completely.
44. Planning permission has been granted for a new neurological facility, the construction of which will involve closing off part of Gray Street and Lower Feversham Street.
45. Outside the Middlesbrough College building, a new Sixth Form College is under construction and due to be open in September 2012. A section of Dock Street between Lower East Street and Commercial Street will initially be closed on a temporary basis and will eventually be closed permanently.
46. Urban Initiatives, the Consultants appointed by the Council to revise the Master Plan have looked at three transport access options as follows:
 - Option One - 'Minimal Intervention', making use of the existing highway network. Coming in from the east the main route from Middlehaven interchange is via Windward Way, Dock Street and Lower East Street. From the west, access would be via North Road, Bridge Street West and Snowdon Road. This would be low cost and relatively easy to achieve. Some improvements would be made through traffic calming measures.
 - Option Two - The 'Clock Tower Link'. This would involve extending the unnamed road to the east of Middlesbrough College northwards to link Windward Way and Vulcan Street. This will take traffic away from the area around the College. Some initial costings have been done but this is still a concept at the present time.
 - Option Three - Re-introduce the bridge across the entrance to Middlesbrough Dock, with a new road link between Shepherdson Way, outside the Riverside Stadium, and Scotts Road. A swing bridge would be preferable but a fixed bridge would be cheaper to install and maintain, although this could affect the future use of the dock.
47. The scrutiny panel's view is that, finance permitting, Option Three, the swing bridge, would be the preferred solution. However, Option Two may be the most deliverable option in the current financial climate. However, it is noted that proceeding with Option Two would not necessarily preclude the development of a swing bridge in the future.
48. It was envisaged that most of the costs for the various options would be provided by the developers.

49. The Council's recently announced long-term Western Gateway improvement proposals, relating to the Cannon Park area, will impact on the Middlehaven development and access and will need to be taken into account.
50. With regard to public transport, Middlehaven is not well served by buses at the present time as there is not much demand. Middlesbrough College provides approximately fifteen buses a day for around 700 students and these numbers will potentially increase once the new sixth form college opens. The Middlehaven Mover and all the contract buses are funded by Middlesbrough College.
51. The Council has put in a bid to the Local Sustainable Transport Fund to provide a subsidised bus service linking Riverside Park, Middlehaven and the bus station for three years. The outcome of the bid is awaited. The success of commercial services will depend on the future development in Middlehaven.
52. The pedestrian access between Middlehaven and the town centre has changed due to the establishment of Middlesbrough College. From Linthorpe Road the underpass and the area around Zetland Square have been improved. However the pedestrian underpasses next to St Columba's Church and Middlesbrough Leisure Park still need upgrading.
53. Transport infrastructure works are generally based on a developer's needs and requirements. However, future development proposals for Middlehaven are unknown. There is a need, therefore, to ensure that any infrastructure works provide the flexibility to accommodate a wide range of future development schemes.
54. The location of Middlehaven so close to the Town Centre make it very accessible both on foot and by cycle and the intention is to restrict the provision of on-site parking facilities to encourage the use of more sustainable modes of transport. The Localism Act gave Local Authorities discretion to develop their own standards in terms of how much car parking has to be provided. An interim strategy has been introduced to try and encourage Developers to Middlehaven.
55. Following the awaited decision of the Highways Agency relating to the south Middlesbrough planning applications, there is potential for negotiating additional funding from developers through Section 106 agreements for any further requirements. Mitigation measures to address the cumulative impact of the proposals are included in the conditions when planning permission is granted.
56. Housing developments take time to complete and payments from Section 106² agreements are incremental and usually based on occupancy levels. One issue is the phasing of payments, although there is flexibility in the use of Section 106 monies. If for example one development is completed and all the Section 106 money is paid, the money can then be used for another priority, such as transport infrastructure.

² A Section 106 Agreement is a planning obligation authorised by Section 106 of the Town and Country Planning Act 1990. They are legal agreements between a Local Planning Authority and developer and aim to balance the extra pressure created by new development with improvements to ensure that the new development makes a positive contribution to the local area.

57. The way in which any Section 106 agreements in respect of the south Middlesbrough housing developments will be progressed is yet to be determined. There is a possibility that all Section 106 monies could be combined into a single pot and used, as necessary, as the infrastructure is developed. This would help to avoid a situation where a particular road could not be developed as money from a Developer is still awaited. The exact position will not be decided until the Highways Agency determines the final position in respect of the required infrastructure.
58. In good economic times it might take four to five years for Section 106 money to be paid in full. However in the current climate it might be double that length of time. The south Middlesbrough developments will realise approximately £6 million towards the transport infrastructure.
59. The new national Community Infrastructure Levy (CIL) is intended to replace the Section 106 system. It will provide for Local Authorities to set different rates for particular types of development and may be used to fund infrastructure works other than at the development site concerned. Details of the scheme's operation are still to be clarified but it may be that one Local Authority might set their rate of CIL at £1000 per property, while another might set it at £3000. It is therefore difficult to assess what proportion each Local Authority might contribute sub-regionally and some transport network schemes could benefit more than one Authority. To date, no decision had been made on whether the CIL will be introduced in Middlesbrough.
60. Reference was made to the National Planning Policy Framework and it was noted that when considering proposals for housing, opportunities for sustainable transport modes should be considered to reduce the need for major transport infrastructure exceeding £5 million. Through the mitigation of better cycle networks and public transport, the scale of transport infrastructure improvements should be reduced for individual sites.
61. Traditional funding streams are changing and alternative ways of funding for highways and transport infrastructure are being explored. There is a proposal that the funding currently awarded by the Department for Transport for major transport infrastructure costing over £5 million, might be devolved to Local Enterprise Partnerships so that bids for funding will be submitted locally within the Tees Valley rather than nationally.

ADDITIONAL INFORMATION

62. The Regional Growth Fund supports Enterprise Zones and it was confirmed that the Tees Valley Enterprise Zone has been approved by the Highways Agency and the present network can cope with the proposed developments. The new access to the Riverside Park area has already been improved, funded with a grant from the Department for Transport.

CONCLUSIONS

63. Having considered the submitted information, the Environment Scrutiny Panel reached the following conclusions:

1. The Planning and Compulsory Purchase Act 2004 brought about major changes to development plan preparation. It requires the Council to produce a Local Development Framework (LDF) setting out policies for managing and controlling the development and use of land. This replaces the Local Plan as the main source of planning policy in Middlesbrough. The LDF aims to translate the Council's vision for the future into deliverable policies by seeking to boost the local economy, provide jobs and good quality housing for all, as well as helping to provide for future health, education and social needs. The LDF is currently being reviewed as housing in Middlesbrough is not being delivered in the volume that was previously anticipated. The Panel is satisfied with the procedures in place for the review of the LDF.
2. Due to the current economic climate, road traffic volumes in Middlesbrough have decreased over the past two years. However, detailed modelling systems - involving the Council, Highways Agency, Tees Valley Unlimited and neighbouring local authorities - are in place to assess the likely impact of future major housing and commercial developments on road traffic and to ensure that appropriate mitigation measures are put in place where necessary. It is noted that traffic mitigation measures also include improvements to public transport and that work is continually ongoing to identify required improvements to public transport in Middlesbrough. Pedestrian and cycle access routes will also need to be considered.
3. Decisions are still awaited from the Highways Agency regarding the road infrastructure requirements in respect of the major housing developments proposed for south Middlesbrough. Progress is required as soon as possible so that the works required by developers under Section 106 Agreements can be clarified and agreed. Tees Valley Unlimited intends to submit an Infrastructure Plan as part of a bid from the Regional Growth Fund in July 2012.
4. Whilst the Tees Valley Area Action Plan (AAP) is in the process of being updated, only current allocations for development are being taken into consideration. The revised Local Development Framework (LDF) could opt for a different strategy and also include alternative sites.
5. A decision has not yet been made on how or whether the Community Infrastructure Levy (CIL) will be utilised in Middlesbrough. However, introduction of the CIL could provide a source of funding both locally and sub-regionally. This would be welcomed in the current financial climate.
6. The position concerning development of the Middlehaven area is uncertain and will depend on attracting housing and/or commercial developers to the area. Transport infrastructure improvements will be necessary but will need to be flexible enough to accommodate any future developers' requirements. Public transport to Middlehaven will also need to be improved, though commercial viability for a private operator may be an issue. In this regard, a three-year funding bid has been submitted to provide a bus service to the area from Middlesbrough Bus Station. Future regeneration projects at Middlehaven will impact on the links to the strategic transport network, principally via the A66.

(Cont....)

7. It is noted that at some sites, the Council has put in place transport infrastructure prior to sites being fully developed - for example the North Ormesby interchange which provides access to Middlehaven. Use of this approach is welcomed by the scrutiny panel as a way of encouraging development.

RECOMMENDATIONS

64. Following the submitted evidence, and based on the conclusions above, the scrutiny panel's recommendations for consideration by the Overview and Scrutiny board and the Executive are as follows:
 1. That all planning applications for large sites should include measures to improve traffic flows and avoid congestion and, where possible, provide funding for public transport subsidies.
 2. That, where appropriate, the agreed transport infrastructure is put in place prior to the development of a particular site.
 3. That efforts should be made to ensure that the Tees Valley Area Action Plan (AAP) and Local Development Framework (LDF) are aligned as closely as possible. Since the AAP covers all developments across the Tees Valley it should be regularly reviewed to ensure any resultant transport infrastructure measures have a positive impact on proposed developments in Middlesbrough.
 4. That the Highways Agency decision on outstanding planning permissions for south Middlesbrough is provided as soon as possible in order to accurately inform the revised AAP.
 5. That further consideration should be given to the introduction of the Community Infrastructure Levy (CIL), in consultation with neighbouring Local Authorities, to assess how it could be implemented equitably to improve transport network schemes for the mutual benefit of all Authorities.
 6. That in respect of the transport infrastructure options for Middlehaven, the scrutiny panel's view is that, finance permitting, Option Three, to include a swing bridge, would be the preferred solution. Although Option Two may be the most deliverable option in the current financial climate, this should not preclude the development of a swing bridge in the future.

ACKNOWLEDGEMENTS

65. The Panel is grateful to all those who have presented evidence during the course of this investigation, and who have assisted in its work, and would like to place on record its thanks for the willingness and co-operation of the following:
 - Paul Clarke, Planning Services Manager
 - Rob Farnham, Principal Engineer, Parking and Traffic Engineering
 - Derek Gittins, Highways and Transportation Manager.
 - Colin Torode, Transport Planning Officer.
 - Katherine Whitwell, Planning Policy Group Leader.

BACKGROUND PAPERS

66. The following background papers were consulted or referred to in preparing this report:
- Transport Elements of the Local Development Framework - Presentation by Derek Gittins, Highways and Transportation Manager.
 - Highways Position Paper submitted to the Planning and Development Committee on 9 December 2011.
 - Terms of Reference for the scrutiny into the Transport Element of the Local Development Framework.
 - Extracts from Highways Agency Presentation in relation to Tees Valley Area Action Plan Update.
 - Minutes from meetings of the Economic Regeneration and Transport Scrutiny Panel held on 16 January, 6 February, 27 February, 19 March and 16 April 2012.

COUNCILLOR MAELOR WILLIAMS

CHAIR OF ECONOMIC REGENERATION AND TRANSPORT SCRUTINY PANEL

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