



OVERVIEW AND SCRUTINY BOARD

AGENDA ITEM: 8

DATE OF MEETING: 25th November 2014

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**SUBJECT: LUTON DUNSTABLE BUSWAY (LDB) – PROGRESS REPORT
JUNCTION 10A – UPDATE REPORT**

PURPOSE: To report progress on the Busway project

RECOMMENDATIONS:

1. The Overview & Scrutiny Board is recommended to note the report, and in particular the progress being made in:
 - (i) preparing the Evaluation Plan following the first year of Busway operations
 - (ii) addressing outstanding concerns
 - (iii) construction of the M1 Junction 10a project

REPORT:

Background

2. A number of reports on the LDB have been made to the Executive, the last report being on 11th July 2011.
3. The latest progress report presented to the Overview and Scrutiny Board (O&SB) was on 8th April 2014 when it was resolved:
 - (i) That the report be noted.
 - (ii) That the Transportation Strategy Manager brings back a report on the monitoring and evaluation survey to the Department for Transport when published, to a future meeting.
 - (iii) That the Transportation Strategy Manager brings back a report on the financial agreement to the November meeting.
 - (iv) That a full progress update including usage and revenue costs be reported back in a year's time.
4. Previous reports have been presented to the O&SB on 31st August and 1st December

2011, 28th February and 7th June 2012, 26th February and 15th October 2013.

5. The following section of this report presents the initial results of some changes in travel demand as data collection about environmental and socio-economic impacts has not yet been completed. Notwithstanding, this section also summarises the key environmental and socio-economic considerations that will be reported in the final Evaluation Plan.
6. Section B of this report updates O&SB about some of the early issues and concerns raised by both users and other stakeholders about the Busway and the adjacent access track, which were set out in the last report to the meeting of this Board. Section C then updates O&SB of the latest financial situation regarding both main contract and the overall scheme costs.
7. When Democratic Services informed officers of the Agenda for this O&SB meeting, they also requested that this report included an update on the construction of the M1 Junction 10a improvements. This is provided in the final section of this report.

(A) Progress in preparing the Evaluation Plan

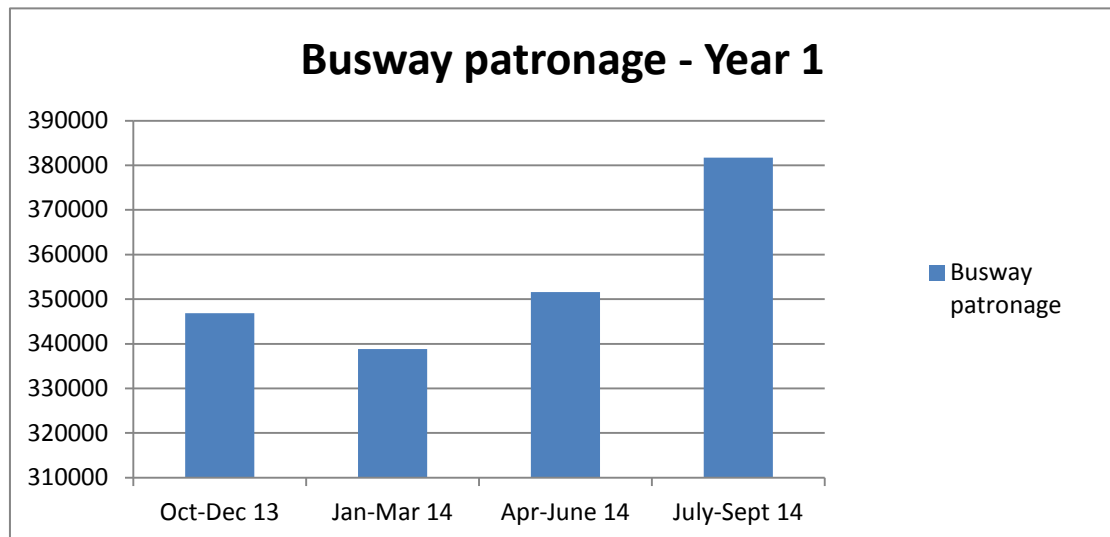
8. The Evaluation Plan is being prepared in accordance with Department for Transport guidance on post-project evaluation plans. In accordance with that guidance it focuses on three broad areas:
 - changes in travel demand resulting from busway service operations and bus stop improvements
 - environmental improvements and impacts
 - social and economic changes

Changes in travel demand

9. There are four main bus routes (A, B, C and E) that have used the guideway since services started running on 25th September 2013. In addition other services use the bus interchange such as the National Express coaches and the hourly VT99 service between Luton and Milton Keynes, resulting in a total of 868 other bus journeys per day using the bus interchange or operating on the unguided section of the Busway. The three bus operators are pleased with the improved bus journey times for services using the Busway, with at least a halving of timetabled bus journey times compared to those on previous routes, as shown in the table below:

Trip	Before Busway	After Busway
Dunstable centre - Luton centre	30 mins	12 mins
Parkside - Dunstable centre	23 mins	13 mins
Parkside - Luton centre	40 mins	25 mins
Toddington - Luton centre	50 mins	26 mins
Dunstable centre - Airport	40 mins	19 mins (plus 3 min stop at Luton stn)

10. This has resulted in increased bus patronage, with just over 1.4 million passengers using the four services on the guideway in the first year; Members should note that this excludes the passengers on other services using Luton interchange and the unguided section beyond.



11. The patronage increases have been greatest on the Arriva A service, which operates 4 buses/hour along the whole length of the Busway from the Parkside and Tithe Farm areas of Houghton Regis in the west to London Luton Airport in the east. Arriva has already increased frequencies early in the morning and late evening, and from November 2014 some buses on the 70 service (Milton Keynes-Leighton Buzzard-Dunstable-Luton) have operated via the Busway.
12. Passenger surveys carried out in October 2013 asked for their views about key attributes of the Busway services. This showed that more than 80% of people felt bus journey times and service frequency were Excellent/Good and 67% felt passenger information and stop quality was Excellent/Good. The survey also included questions about the proportion of people that transferred from car, their journey purpose, and how often they used Busway services.
13. The access track/shared route alongside the Busway is proving to be a popular route with around 150 cycle trips per day using the section along Hatters Way.
14. The Council has also been monitoring changes in car travel and highway network journey times on east-west routes between Dunstable/ Houghton Regis and Luton, and will be comparing those with similar data in the rest of the conurbation in order to demonstrate the mode share impacts of the Busway.

Environmental improvements

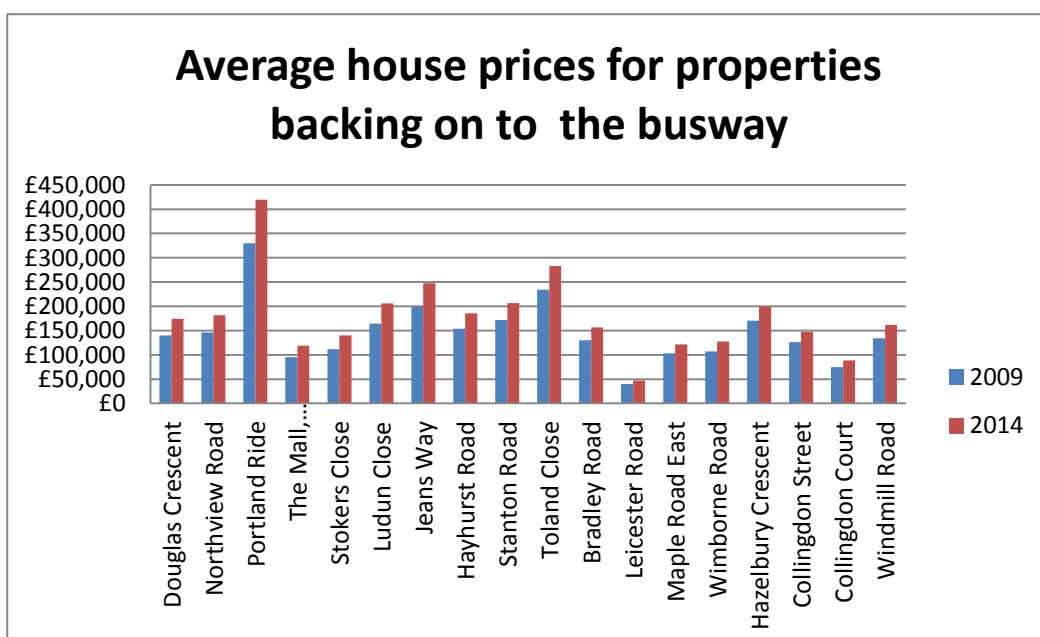
15. Given the former railway line was last used in the late 1980s, vegetation had established itself along the corridor. The entire disused railway corridor was therefore classified as a County Wildlife Site. A key aspect of the Environmental Statement focussed on the biodiversity and landscape impacts of the Busway, and extensive ecological surveys were undertaken. Four ecological mitigation areas were identified, and work to implement 10 year management plans is being undertaken by the Wildlife Trust. Early indications are that the translocation of over 1500 slow-worms and more than 160 orchids to three receptor sites, together with new hedgerow planting, has been successful.
16. Air quality (NoX) has been monitored at 28 locations in the Luton-Dunstable corridor 'before' and 'after' Busway services started operating. Noise levels were also monitored at 28 sites along the length of the Busway in Autumn 2008, and the 'after' surveys are

currently being undertaken. Air quality and noise models will then be built to set a baseline in order to assess any claims for compensation under Part 1 of the Land and Compensation Act 1975.

17. Winter maintenance on the guided section is undertaken by spraying glycol as salt could affect the reinforcement in the beams/pads and the connecting brackets. The Environment Agency were concerned glycol could contaminate groundwater; as a result 4 boreholes and 13 surface water monitoring points were installed along the guideway and samples are being tested every month to monitor these impacts. Current test data indicates that the remnant glycol will be negligible.

Encouraging economic growth

18. Busway services pass close to various development sites, of different scales and uses, that are allocated in the Local Plans for the area. These sites are identified in the plan attached to this report.
19. Construction of some of these sites commenced during the latter stages of the Busway's development and 275 homes / 850 student units at development sites in close proximity to the busway have already been completed. A further 2400 homes were commenced during the Busway's construction phase.
20. The Busway services will also serve the development of many of the more strategic Brownfield sites in Luton, and are capable of being extended to serve potential Greenfield development sites to the north of the conurbation included in the emerging Central Bedfordshire Development Plan.
21. During the development of the Busway proposals existing residents had expressed concerns about the possibility that the proximity of the busway to homes backing onto it would reduce property prices. The Council has monitored house prices in the vicinity of the Busway between 2009 and 2014 using the Zoopla website and, as demonstrated in the graph below, house prices have consistently increased along the route by 17-27%, compared to an average of 15% in the whole area.



Improving socio-economic conditions

22. A recent report about the evaluation of major transport projects for the DfT¹ concluded that economic indicators were a less robust indicator of scheme performance as improvements in socio-economic conditions could be affected by a variety of external influences. Notwithstanding that, the fact that the Busway forms a major east-west corridor across the conurbation is likely to be a key driver of socio-economic change in areas in close proximity.
23. Some of the greatest areas of social deprivation in the conurbation are located in the Parkside/Tithe Farm areas of Houghton Regis served by Busway services, and inner wards around Luton town centre are also located within 800 metres of a Busway stop. The 2010 Index of Multiple Deprivation (IMD) will form the baseline against which the operation of the Busway will be compared against future IMD assessments, with the next assessment due to be published in Summer 2015. A key socio-economic factor in many of these areas of greatest deprivation is higher levels of unemployment and low incomes. An all-encompassing study of background economic data prior to the scheme and afterwards will allow ongoing qualitative assessment of the economic impact of the Busway; however socio-economic information for the first full year of Busway operations is not currently available.

(B) Update on other matters previously reported

24. This section of this report updates Members about some of the early issues and concerns raised by both users and other stakeholders about the Busway and the adjacent access track, which were set out in the report to the previous O&SB meeting. In particular Members should note that there have been no further accidents on the Busway following those reported to the previous meeting.

Concerns of cyclists and cycle stakeholder groups

25. The Luton Dunstable Cycle Forum, Sustrans and others expressed concerns about the cycle track's surface (including the grasscrete areas behind the Busway stops), and also raised a number of issues about signage and connectivity to the existing cycle network and the use of 'A frame' barriers at all locations where people could get access to the track. The grasscrete behind the stops were replaced with tarmac in March/April. At about the same time Central Bedfordshire and Luton Councils submitted a bid to the Strategic Economic Partnership for capital funding in 2015-16 in order to tarmac some sections of the access track and address the aforementioned issues of signing and the access gates. Government confirmed in July that this bid had been successful.

Proposals for additional Busway stops

26. Interest has been expressed by the bus operators, local Councillors and local residents for new stops on the Busway. Jeans Way and Chaul End have been suggested as locations where potential demands are not being served. A Jeans Way bus stop was included in the original Busway proposals but following opposition from residents (supported by their local Councillors) this was removed in around 2001. A stop at Chaul End Lane could be located near the Busway traffic signalised access point onto the Busway, and principally serve the local businesses at Chaul End retail park and at the western end of Dallow Road. Further investigation is currently being undertaken in respect to these possible new stops, which will be funded by the SEMLEP capital funding

in 2015-16.

Concerns about cars travelling on the Busway

27. There were initially a fairly high number of reported incidents of cars or vans using the Busway. The section where this was a particular problem was at New Bedford Road. The 'car trap' at the start of the guideway here was deepened by removing some of the gravel fill; this stopped most cars/vans progressing beyond this point but often damaged them. Between January and March 2014 a variable message sign was temporarily erected at New Bedford Road to reinforce the extensive existing signing. Overall the number of cars now entering the guideway has dramatically reduced.

Concerns about acts of vandalism along the Busway

28. There have been a number of acts of vandalism since the Busway opened, in particular damage in the vicinity of the Busway stops at Stanton Road and Clifton Road. The damage to the stops themselves has reduced, although there have been recent cases where the wooden fencing delineating the route between the football club car park and the pedestrian route to the stop has been vandalised. As a result the Council is replacing the wooden fence with metal palisade fencing.

Concerns of residents about noise levels in their homes

29. As Members will be aware, there have been some complaints about noise and vibration received from residents whose properties are located close to the Busway, in particular the Toland Close / Stanton Road area of Luton and Jeans Way / Ludun Close in Dunstable. In November 2013, sample noise and vibration monitoring was undertaken at three properties close to the Busway and concluded the primary source of the noise is where the buses pass over the joints in the beams. In July 2014, a trial was undertaken to fill the gaps between the beams over a length of the Busway though the results of sound monitoring before and after indicated that the installation of the filler had made no noticeable differences to the noise levels. Further investigation is on-going and a local acoustic engineer has offered his services in order to try and resolve this matter. However, it should be noted that the LBC's Environmental Protection team has confirmed that the noise is insufficient to be a Statutory noise nuisance.

(C) Financial Implications

30. The project cost was estimated at £89.2 million in the Full Approval Business Case (FABC). A legal agreement between the two authorities has been signed, which provides for joint working, cost sharing and joint ownership of the Busway. Importantly, as previously reported, the Councils are required to underwrite a minimum 10% local contribution of the FABC cost, i.e. £8.92m, plus any additional costs. The FABC included a £3m contribution from a future development site as part of this local contribution, but given the current financial environment this cannot be assumed to be guaranteed funding. The loss of the £3m contribution means that each Council will need to pay at least £1.5m more each than was estimated in the FABC.
31. The form of contract used for the Busway was ECC NEC3 Option C and this required the Council to pay the Contractor, BAM Nuttall (BAMN) for the cost of the work carried out to date. At the end of the Contract the contractual 'pain and gain' element would address any costs over or under the 'target price'. Towards the end of the contract BAMN indicated that further claims/compensation events may also be submitted. The Council

strongly resisted these claims. A mediation took place in June 2013, and was successful in terms of ensuring the successful opening of the Busway and also allowing a better understanding of BAMN's position and arguments on various claims/CEs. However, the mediation did not result in an agreement on financial closure, and as a result the Councils ended the mediation process in March 2014.

32. As required under the contract, the draft Final Account was submitted to the Project Manager in September 2013. Subsequently, officers have negotiated savings in excess of £13 million from the amount being claimed by BAMN. BAMN have now agreed to withdraw the additional £10 million plus they were claiming and have further, repaid the Council an additional £3.1 million.
33. The Council still believe that further repayments are due from BAMN and unless a satisfactory agreement (supported with evidence) can be reached with BAMN it is probable that a process of adjudication will follow to seek to recover further costs from BAMN.

Revenue Costs

34. It should also be noted that there will be revenue costs arising from the introduction of the Busway, in relation to maintenance, cleaning, business rates and the operation of real time passenger information and communications equipment. The Luton revenue cost share has been estimated at £200,000 per year. Provision has been made for these revenue costs in the Council's Medium Term Financial Plan. There is a risk that the maintenance budget for Luton of £200k may be inadequate, and the situation will need to be continually monitored now that the busway is operational.
35. The revenue cost for 2013/14 (part year) was £73k. This included expenditure on CCTV (£18K), routine cleaning (£35K) and winter maintenance (£16k). The budget for 2014/15 onwards is £200k and costs to date are in the region of £80k (prior to any winter maintenance).

(D) M1 Junction 10A

36. On 7th October 2013 Executive resolved to award a contract for the construction of the M1 Junction 10a Improvement Scheme to the winning tenderer, Volker Fitzpatrick, subject to confirmation of the Development Consent Order (DCO). The DCO was made on 30th October 2013. This therefore allowed the contract to be signed in line with the Executive Decision.
37. Work has progressed well on site. Statutory undertakers' diversions and earthworks are now substantially complete and the tunnel under the M1 spur is also now complete. The project is on programme to be completed in the spring of 2015.
38. The Project Board reviews and manages the project risks on a monthly basis. In terms of funding the scheme, £29.2 million has currently been secured from RGF, GAF, LBC and airport contributions. As on other major projects, a key risk will be construction cost overruns. A problem did arise as a result of lack of progress in agreeing the position of the bases for the overhead sign gantries, to enable the gantry design to progress. This issue was resolved with the Highways Authorities.
39. BIS have made it clear that funds will not carry forward from one financial year to the

next. The RGF funding required £9.8 million to be claimed in 2013/14, which was extremely challenging but achieved. However, any delays will increase the risk of not meeting the required completion date. This presents a risk in that BIS funding for the scheme finishes on 31st March 2015, although some flexibility on this has been negotiated by Officers

40. During the works, the condition of New Airport Way has been found to be worse than earlier surveys suggested and this has led to additional work being required to strengthen the road between the existing Kidney Wood roundabout and Capability Green as a change to the works contract. The additional cost is affordable within the current scheme budget.
41. As well as the additional work described above, it has been noted that a section of New Airport Way approximately 450m long beyond the scheme limits (between Capability Green and the Gypsy Lane junction) will need remedial works within the next 2 to 3 years. To avoid significant disruption within a couple of years of the new road opening, and to 'fill the gap' between new road construction associated with the J10a works and the East Luton Corridor, officers are considering options for the inclusion of a repair of this section of road within the current J10a contract. LLAL has agreed to contribute towards the cost of this additional work. Including this work now will effectively provide a road between the M1 and the airport which should last at least another 20 years before requiring any significant further work (apart from routine maintenance).
42. If the project comes in on budget there is still a risk to the Council of clawback of some or all of the £24.8 million RGF funding if there is a shortfall in the required number of jobs created over the 6 year period starting 15th January 2014. Good progress is already being made in terms of the new and retained jobs, and we are currently ahead of schedule in terms of meeting the jobs requirement. Furthermore, the recent approval of the planning application for the Airport makes officers confident that the jobs target will be fully met.

Background papers

LDB Progress report to Overview and Scrutiny Board 8th April 2014
LDB Progress report to Overview and Scrutiny Board 15th October 2013
LDB Progress report to Overview and Scrutiny Board 26th February 2013
LDB Progress report to Overview and Scrutiny Board 7th June 2012
LDB Progress report to Overview and Scrutiny Board 28th February 2012
LDB Progress report to Overview and Scrutiny Board 1st December 2011
LDB Progress report to Overview and Scrutiny Board 31st August 2011
LDB report to Executive 11th July 2011
LDB report to Executive 7th December 2009
LDB report to Executive on 2nd July 2007
Motion to Council on 24th July 2007.
LDB report to Executive on 28th August 2007
Annual Integrated Transport and Highway Maintenance Work Programme reports to Executive (most recent on 28th March 2011)
Major Scheme Business Case 14 December 2009
Major Scheme Business Case 29 February 2008

Full Approval letter 10 March 2010
Conditional Approval letter 3 September 2008
Reports to Central Bedfordshire Executive on 8th December 2009 and their Scrutiny Committee on 28th November 2009
JCT 10a report to Executive 7th October 2013

		Clearance – agreed by:
Legal	This is a factual progress report. Members are not asked to make any operative decision that has any legal implications.	

