

Developing the Public Transport Network serving the East Midlands Enterprise Gateway: **The Way Forward** 

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## December 2015

Report Sponsored by Leicestershire County Council and North West Leicestershire District Council

Report Prepared by Integrated Transport Planning Ltd

Stakeholders and Contributors:

- Arriva Midlands North
- Castle Donington Parish Council
- Castle Donington Volunteer Centre
- Derbyshire County Council
- DHL
- Donington Park
- East Midlands Airport
- Kinchbus
- Leicestershire County Council
- Marks and Spencer
- Midlands Classic
- North West Leicestershire District Council
- Roxhill
- South Derbyshire District Council
- Trent Barton





#### Introduction

This document provides a five-year framework for future development of the public transport network serving the East Midlands Enterprise Gateway (EMEG) area. It has been developed on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) East Midlands Enterprise Gateway Access to Work Task and Finish (T&F) Group. The document has been developed building on consultation with the T&F Group members and other key stakeholders (including local authorities and transport operators), as well as a review of current transport networks, local growth strategies, economic plans and planning applications. The framework is intended to be a 'living document' for review on an annual basis to ensure that it adapts and moulds to changing circumstances.

As one of the five key Growth Areas for the LLEP, the East Midlands Enterprise Gateway is an area of significant employment and business activity situated in the north west of Leicestershire. The area provides over 10,000 jobs, and is likely to see this more than double over the next decade with planned development. The majority of the future work force will be drawn from nearby towns and cities and so the ability to provide good, affordable and sustainable transport is vital to ensure that poor access from these areas to the EMEG employment opportunities does not suffocate the potential for growth. Public transport needs to be at the heart of the transport offer connecting labour markets with the EMEG. In particular, in an area with good links to the wider highway network, the bus needs to provide an attractive and practical alternative to the private car. This framework document starts with an overview of current and potential future employment opportunities in the EMEG, together with other trends and developments that are likely to affect the future public transport network. It then presents issues and data associated with the potential future workforce. Public transport links currently serving the EMEG are presented, along with various analyses that help to identify gaps in provision. Issues associated with filling those gaps are then discussed, including likely funding sources and constraints, and current priorities. The document concludes by setting out delivery mechanisms for the future, including longer-term partnership working and a hierarchy of service procurement methods.



Figure 0: East Midlands Enterprise Gateway boundary

## The East Midlands Enterprise Gateway

Surrounding the village of Castle Donington, the EMEG is home to a number of large employment sites, the most significant of which is East Midlands Airport (EMA). In 2014 the airport saw more than 4.5 million passengers travel through its gates, and 309,000 tonnes of cargo. Over 7,000 staff are employed by over 80 separate organisations including UPS, DHL, and Royal Mail. The airport provides many direct and indirect economic benefits at a local and regional level and played a pivotal role in the development of the EMEG area. With the potential for considerable further growth within the airport boundaries, it continues to be a critical partner. The airports longterm growth ambitions are set out in their Sustainable Development Plan (2015).

To the north of Castle Donington, the Marks and Spencer (M&S) Distribution Centre employs upwards of 2,000 staff in a 24/7 operation. This large site is expanding from August 2015 with the opening of a new rail-freight facility.

Both EMA and M&S operate on a 24 hour basis. While the majority of M&S's employees work on a shift system (6am-2pm, 2pm-10pm, 10pm-6am), EMA's work patterns are more variable, reflecting the range of employers on the site. The first passenger flights leave the airport from 6am so there is the need for support staff to be at the airport from 4-5am to prepare and cargo flights occur through the night. Around 45% of airport jobs are passenger related, while 36% relate to cargo.

The EMEG is also home to a number of smaller business parks, small and medium employment sites and Donington Park Racing Circuit, which holds numerous car, motorcycle and music events through the year.

There are a number of planned developments within the EMEG area (see Figure 1) that will deliver further large-scale employment in the future if the planning applications are accepted:

- East Midlands Gateway Strategic Rail Freight Interchange a significant development in the east of the EMEG, it has the potential to bring in over 7,000 jobs along with large-scale highway improvements and public transport enhancements. This application is currently under consideration with the Planning Inspectorate with a decision expected in early 2016
- Extension to DHL Cargo Terminal the consolidation of all of DHL's operations on to one site within the airport will free up existing on-airport sites for re-development. The application has been approved and completion is expected in Autumn 2016
- Aldi Regional Distribution Centre a planning application for the development of units in the north east of the EMEG that will deliver over 400 jobs has been approved.

#### Figure 1: Key developments, committed and outline planning applications in the EMEG area



There are also a number of planned residential developments in the EMEG area which have transport implications. The Park Lane housing development to the west of Castle Donington is particularly relevant. Permission has been granted for 895 houses and the Section 106 agreement associated with that permission includes provision of a relief road to the west of the village, the offer of a new 'hopper' bus service for five years (route defined within section 106) and a 'Sustainable and Efficient Travel' contribution to the Parish Council of £250,000. Annex A provides further detail of the committed and future Section 106 contributions for EMEG sites.

## The potential work force

East Midlands Airport's Sustainable Development Plan 2015 identifies that 42% of airport employees live in Derbyshire, 23% in Leicestershire and 24% in Nottinghamshire. Previous analysis undertaken by the EMEG Task and Finish Group (see Figure 2) showed that a large proportion of current EMEG employees live in or around Derby, Long Eaton, and Nottingham, and to a lesser extent Ilkeston, Swadlincote, Loughborough and Coalville.



Figure 2: M&S and EMA Employee Distribution (source: North West Leicestershire District Council) While it is important to understand where current employees live, the planned development within the EMEG coupled with the impact of significant planned local housing growth means the picture of travel and access to the EMEG will look considerably different in the future.

Figure 3 identifies the key urban areas located within 25 miles of the EMEG area. The EMEG is situated between the three largest cities in the East Midlands. In addition, a number of large towns are located within a reasonable travel distance, meaning that residents of these areas could realistically seek employment within the EMEG.



Figure 3: Main areas of population around the EMEG (Census 2011)

Figures 4 and 5 map key 2011 census data relating to unemployment<sup>1</sup> and car ownership for the area surrounding the EMEG. It can be seen from Figure 4 that the areas with highest unemployment are mainly concentrated around the cities. However, there are pockets of very high unemployment in Coalville, Burton, Ilkeston, Clifton and Loughborough; and large areas of Coalville, Burton, Swadlincote, Long Eaton and Ilkeston that have unemployment levels above the national average (7.5%). Only the city centres and parts of Coalville, Burton, Loughborough and Ilkeston have higher than average levels of the population with no access to car or van (England and Wales's average of 25%).

Figure 6 shows the Index of Multiple Deprivation (IMD) rankings for the area containing the main labour market for EMEG in the future. IMD is a composite measure of deprivation based on seven aspects including income, health, employment, education, skills and training. Figure 6 shows that several parts of Derby, Nottingham and Leicester are ranked in the top 10% most deprived areas in England. Areas of Coalville, Burton, Ilkeston and Loughborough are also ranked in the top 10% most deprived.

<sup>&</sup>lt;sup>1</sup> Census 2011 Economic Activity: Unemployed defined by people who are not working but are actively seeking work and would be available to start that work immediately



Figure 4: Unemployment in the area surrounding EMEG (Census 2011)

## Unemployment





Figure 5: Proportion of residents with no access to a car or van (Census 2011)

#### No access to car or van

- %
- 0-10%
- 10-20%
- 30-40%
- 40% +
- Motorway
- A Roads
- EMEG Boundary



Figure 6: Indices of Multiple Deprivation in the EMEG and surrounding area

#### Index of Multiple Deprivation

Multiple Deprivation Index Decile (1 = Most Deprived / 10 = Least Deprived) 



In 2003, the Government's Social Exclusion Unit identified limited 'travel horizons' as a key barrier to accessing employment. Its report<sup>2</sup> found that... 'the average distance to work for people on low incomes is three miles compared with eight for the general population. Jobseekers are typically not prepared to travel more than thirty minutes to a job.' Looking at the 2011 census data for Coalville residents as an example, Figure 7 shows that 55% of those in employment work within the district they live in, and 32% within Coalville itself. There are many reasons for an individual's travel horizon to be limited, including trust, information and lack of transport stability.

Whilst access to areas of high unemployment and deprivation are important, it is recognised that the EMEG area also requires access to skilled and available workforces and also those who wish to take part in local or relevant training. Good access to public transport is critical to reaching all these groups, and so transport needs to be considered for all as EMEG works towards its future transport network, recognising that it will likely need to expand travel horizons if it wants to attract the workforce it requires.



where residents of Coalville work

The EMEG area is of regional importance, so it is important to also consider less local schemes and plans that may impact the EMEG, or that the EMEG will have an impact on. Discussions with stakeholders identified that some of the more relevant partnerships, development plans and population growth points that may affect the EMEG labour market include:

- Coalville Growth Corridor identified by the LLEP (the A511 corridor, between Ashby, Coalville and Bardon) will see over 5,000 new houses developed and 25 hectares of employment.
- Significant housing growth (between 5,000-6,500 houses) on the fringe of Derby along the A50. There is also a planned extension to the Infinity Park employment site close by.
- South Derbyshire's emerging Local Plan (part 1) makes provision for housing development at several strategic sites in the Swadlincote urban area, including the Woodville Regeneration Area. Combined they will amount to over 1,500 new dwellings.
- East Staffordshire recognises that the urban area of Burton will house the majority of the 12,000+ new homes that are being built in the district. There is also significant employment development in the south of the town around Centrum 100.
- Both the Nottingham Economic Growth Plan and Nottinghamshire Growth Plan identify the A453 as a key road transport route to link from the city and county to the airport and EMEG.
- The D2N2 LEP aims to deepen its relationship with LLEP to build on the competitive advantage that East Midlands Airport and the EMEG bring.
- The development of an HS2 station at Toton.

<sup>2</sup> Making the Connections, Transport and Social Exclusion - Interim findings from the Social Exclusion Unit http://mtcwatch.com/pdfiles/3819-CO.pdf

## Access by public transport

Figure 8 shows the key bus routes that currently serve the EMEG. Annex B provides further detail of the routes including operator, frequency, operating hours and travel times to key destinations. The EMEG area is directly served by the Skylink network (commercially run by Trent Barton / Kinchbus) and the 155 service operated by Roberts Coaches under contract to Leicestershire County Council. Historically, East Midlands Airport has invested heavily in developing the local bus services in the area, and most recently (following discussions through the T&F Group) has announced that it will offer support to Trent Barton as the operator extends the Nottingham Skylink to Shepshed and Coalville from September 2015. The service will run hourly from the airport from 5am until 11pm.

Due to its location and the significant development and investment that has been put into the Skylink services, the EMEG has a good 24/7 public transport network offering direct access to Derby, Nottingham, Long Eaton, Loughborough and Leicester. Figure 9 shows the accessibility of East Midlands Airport and Castle Donington between 3 am and 5 am by public transport, and Figure 10 between 7am and 9am<sup>3</sup>.



There is a marked difference between the two accessibility plots, mainly due to the lack of opportunities for onward travel in the early hours of the morning before the 'traditional' bus networks have begun. Other points worth highlighting include that in the morning peak (7-9am):

- Within 90 minutes passengers are able to get from Ilkeston and Eastwood in the north.
- Within 90 minutes passengers can get from Coalville and Ashby in the south, but not from Swadlincote or Burton (roughly 15 miles away).
- In the morning peak there is much better access from villages between Loughborough and Leicester.

Critically the maps highlight the challenge in making public transport an attractive alternative to the private car. For instance, with interchange it takes over 60 mins to get from East Midlands Airport to Ashby de-la Zouch via public transport, however this journey would take under 20 mins by car.

The maps also highlight the impact that having direct services, or coordinated interchange, can have on accessibility. Despite their relative proximity, there is limited access within 90min to the EMEG area from large conurbations to the west (including Swadlincote and Burton) during the morning peak.

The data from the accessibility mapping shows that between 3am and 5am, nearly 250,000 16-74 year olds can access the EMEG within an hour on public transport. Between 7am and 9am over 350,000 can access the EMEG within an hour.

#### Figure 8: Key bus services in and around the EMEG area

<sup>&</sup>lt;sup>3</sup> Accessibility maps use the bus network as of April 2015, so do not include the new Coalville Skylink extension





Figure 11 combines the accessibility contours for 5am to 7am (around the time shift workers for M&S and EMA would be expecting to travel) with those wards identified as being in the 30% most deprived in England according to the Indices of Multiple Deprivation. Considering the future workforce and the need to expand travel horizons, this is a powerful illustration of where there are gaps in the public transport network linking potential labour sources with the EMEG.

# Figure 11: Public transport accessibility to EMEG 5am to 7am overlaid with deprived areas





## Filling the gaps

The feat of developing the current frequent, high quality public transport network should not be underplayed. It is a notable achievement that the Skylink network operates commercially, with only periodic 'kick-start' funding provided by the airport. This said, the EMEG partners recognise the need to evolve the network as the EMEG develops, and that the commercial network will require more support to develop sustainably in the future. Figure 12 outlines the funding that looks likely (as of September 2015) to be available to support an enhanced public transport network serving the EMEG in the future. It includes agreed developer contributions (Park Lane housing development), voluntary employer support (EMA, M&S), and local authority support (NWLDC and LCC) as well as potential funding that is dependent on the outcome of numerous planning applications.



#### Figure 12: Funding opportunities for public transport serving the EMEG

Of the total potential funding identified, funding from new developments forms the majority within the EMEG area. However, even when developer contributions have been agreed (and section 106 agreements signed), it is very difficult to determine exactly when such funding will become available. Funding streams are often 'triggered' at certain stages of the development build which, in turn, are affected by numerous external factors. Implementation of identified priority enhancements that serve the EMEG as a whole therefore needs to be somewhat pragmatic, with timings matched to funding availability.

Through discussion with EMEG partners and stakeholders, three priority areas have been identified for network enhancement (as of September 2015):

- Connecting the North and South (Coalville EMEG -Ilkeston) this was identified as a priority by a number of stakeholders, and a firm aspiration of the East Midlands Gateway Strategic Rail Freight Interchange planning application, which aims to link the My15 service to the EMEG. The recently announced extension of the Skylink service opens up numerous opportunities for residents of Castle Donington, Shepshed and Coalville, but may also act as a catalyst to opening up the network to the west.
- Looking to the West (Ashby-de-la-Zouch, Swadlincote, Newhall and Burton) – the current network focuses on the main cities in the immediate vicinity to the EMEG, serving smaller settlements 'en-route'. Both analysis and stakeholder comment identified the aspiration to improve access to the West of the EMEG, to link to an important potential workforce and to link with other major development sites (eg. Centrum 100 in Burton). Opportunities for consideration include the development of a faster, limited stop service from Burton and Swadlincote to EMA, which would open up access to employment opportunities in the EMEG as well as wider travel opportunities.

 The Local Link: M&S has identified a need for improved access to the bus network as it enters into the busiest period of their year from September 2015. The longer term issue of sustainable access to the bus network is also of great concern if public transport is going to be encouraged and be a viable travel option. The local community transport operator and Castle Donington Parish Council see a great need to support residents who are not within walking distance of the main bus corridor in Castle Donington, and there is also a local call for better connections to Shepshed and Coalville (although these issues should be solved by the Skylink Extension from September 2015). The delivery of a local 'hopper' bus service as part of the Section 106 for the Park Lane development may alleviate some local issues, but it is unclear when this service will begin and how sustainable in the long term it will be.

In addition, now that the dualling work has been completed on the A453, alternative provision of services to Nottingham should also be considered - especially in light of the new Nottingham tram extension and park-and-ride site in Clifton offering better and easier travel opportunities across the city.

## **Delivery mechanisms**

The EMEG area has to date benefited from strong partnership working. The historic working relationship between East Midlands Airport and Trent Barton / Kinchbus has led to the development of a good public transport network around the EMEG. The work of the EMEG T&F Group has built on that and strengthened the partnership working, as is evidenced by the recent agreement over the September 2015 Skylink extension to Coalville.

It is recognised that the bus industry is changing and that in the future local transport authorities will have more opportunities to consider greater control of the bus network through regulation and quality contracts. For example, a more regulated environment could follow any success of the D2N2 devolution bid for Nottinghamshire and Derbyshire. However, there are many advantages to working in partnership including shared resources, ideas, skills and knowledge bringing benefits for both partners and service users.

Given this, and the past success of a partnership approach in the EMEG area, it is seen as the right way forward for future enhancement of the public transport network to continue under the umbrella of partnership working.

Partnerships can vary in their approach and formality, from informal forums which share knowledge and views, through to more formal partnerships with defined leadership, stakeholder roles and responsibilities and, in the most extreme cases, have legal status with the ability to raise funds. Fundamental to any successful partnership approach is the identification of a shared vision and objectives, built on the principle of openness, transparency and regular communication.

Considering the option to develop a formal partnership, it is first sensible to look at the alternative ways of delivering public transport network improvements. Figure 13 outlines the methods that are available to deliver public transport services in England; the order in which the methods are presented represents a clear hierarchy of delivery methods.

#### Partnership

	Public Transport Delivery method	Description
	Commercial operation	Operator decides timetable and fares; flexible and easily modified and no funding requirements. Risk sits firmly with the operator. Can be cancelled at short notice (56 days)
	Developer negotiated subsidy	Developer directly commissions operator, no requirement for formal tendering. Developer can either stipulate timetables or can develop them with the operator and/or stakeholders. Needs to be agreed by the planning authority
	De minimis	Local Transport Authority can directly fund extensions or additions to the bus network where not commercially viable but socially necessary. No formal tender required (if meets criteria), but does have a formal contact. Requires funding commitment
	Outcome based tendering	Local Authority tenders non-commercially viable routes based on desired outcomes, rather than specific outputs. Allows operator flexibility and the ability to combine routes, or utilise vehicles more efficiently. Can be used to 'kick-start' routes where funding will be phased out
	Traditional tender	Local Authority tenders non-commercially viable routes, specifies the timetable and fares. Limited flexibility for the operator. Longer term contracts offer better value for money. Susceptible to any local government funding cuts as discretionary spend
	Quality Contracts	Fundamentally a re-regulation of the bus network, with the local transport authority defining all routes and fares and operators tendering to run the services. Risk sits firmly with the authority.

Regulation

Figure 13: A hierarchy of delivery methods for public transport in the EMEG Commercial operations are the most attractive option, offering flexibility with no funding requirement from developers, site owners or local authorities. Routes that are commercially operated are run at the discretion of the operator, setting routes, timetables and fares. A partnership could be used as a way of making operators aware of opportunities that meet wider priorities.

A level down from this, developer-negotiated subsidy puts the financial risk on the developer while allowing local authorities some control (as they have to agree to the section 106). The other delivery methods all require a greater degree of financial commitment and less flexibility. Where operations are currently delivered by a method lower in the hierarchy, then there should be an aim to evolve the service to the next method on the hierarchy, aiming at full commercial viability in the medium or long term.

## Developing an EMEG Sustainable Transport Partnership

Given the success that the East Midlands Enterprise Gateway Access to Work Task and Finish (T&F) Group has seen in bringing partners together, sharing knowledge and developing the public transport network in the EMEG area, it is sensible that the development of a partnership is built around this group, evolving it from a Task and Finish Group to a Sustainable Transport Partnership (potentially considering rail, cycling and walking as well as bus transport).

The overarching aim of the Partnership would be to:

- Work to ensure that future development of the sustainable transport network serving the EMEG takes place in such a way that the overall needs of all EMEG employers and the local community are met to the greatest extent possible
- Make best use of public and private sector funding and resources that may become available to achieve this

The 'EMEG Sustainable Transport Partnership' would seek to promote transport enhancements that served the common interest of the EMEG as a whole (through persuasion, negotiation, and judicious

application of any available funding) as well as the particular interest of individual funders, developers or operators.

It would work to continue to identify priorities for enhancements on an ongoing basis, taking account of what are likely to be rapidly changing circumstances in the area, reporting to the East Midlands Enterprise Gateway Board. The Partnership would operate at a high level, with a clear vision and priorities that are reviewed regularly to ensure that they continue to be the best way of achieving that vision. The proposed model is outlined in Figure 14.



Figure 14: A model for the future EMEG Sustainable Transport Partnership The core Partnership would continue with the current membership of the EMEG T&F Group that developed this framework document, but would also open up membership more widely to other parties with a legitimate interest in improving public transport links to EMEG employment sites. This would likely include local transport and planning authorities in the immediate vicinity of the EMEG, other EMEG-based employers (both current and prospective), development site owners (while they are active in the area), and public transport operators looking to serve the EMEG area.

Given the difficulty of predicting when and where opportunities will present themselves (or available funding) the Partnership would work on the principles of flexibility and pragmatism around its core members, inviting other partners when and where there is a clear benefit or need. It would keep strong links with the EMEG Board as well as the other EMEG Task and Finish Groups, specifically those relating to Employment and Skills - recognising that transport is a means to an end and needs to be considered within the wider aims and objectives of the EMEG.

It is proposed that Working Groups are developed through the Partnership when and where required, focusing on the 'hands on' delivery of specific actions. These 'pop-up' groups would be accountable to the Partnership, have targeted and relevant membership, have a designated chair or lead member, and have defined aims, objectives and outcomes (and so a limited lifespan).

Like the main Partnership, the working groups would have flexible arrangements depending on need. Partnership members would 'self-select' and be encouraged to participate in those working groups where they have a clear interest; additional partners may be brought into the working groups when relevant. The frequency of the working groups meeting would be dictated by need, depending on the work they are undertaking and future opportunities.

The Partnership and working groups would work closely with existing and future transport forums in the EMEG, looking to complement the work that is already being undertaken rather than duplicate it.

## Voluntary Bus Partnership

In a model that seeks to encourage the commercial bus network wherever possible, it may be sensible to also consider a (voluntary or statutory) Quality Bus Partnership (QBP) covering services serving the EMEG area. QBP's seek to ensure a certain level of quality and consistency in network services and exist in many of the major UK cities, including Nottingham, Derby and Leicester. QBP's set out the roles and responsibilities of various partners in providing high quality bus services. For operators, this is often a minimum standard of operation and for authorities or site owners this is a commitment to quality infrastructure and facilities.

Given that the key players required to form a QBP already sit as core members of the EMEG Sustainable Transport Partnership, it would seem sensible to develop, implement and monitor a voluntary Quality Bus Partnership agreement within the EMEG Sustainable Transport Partnership, so there is one over-arching strategic body.

#### Next steps

Critical to the success of the partnership will be the need for a pragmatic approach to delivering the identified priority network enhancements. As noted earlier, this is likely to be driven by funding availability and the willingness of bus operators to take commercial risk with new services. It is therefore important that an Action Plan is developed by the Partnership at an early stage, setting Specific, Measurable, Attainable, Relevant and Timely (SMART) targets that can be agreed and supported by the EMEG Board.

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