

DATE: 12th December 2017

SUBJECT: Local Sustainable Transport Fund Capital Package: Newcastle Cycle Scheme – Approval to Proceed

REPORT OF: NECA Head of Transport Policy

EXECUTIVE SUMMARY

A delegated decision, using the delegated authority given to the Head of Paid Service on 14th July 2015, is sought to approve the scheme business case and for the NECA to enter into Grant Funding Agreement with Newcastle City Council for the LSTF Capital Package: Newcastle Cycle Scheme (part of the Local Growth Fund), based on the receipt of a compliant business case for the scheme.

The completion of a Grant Funding Agreement will allow the scheme to proceed with delivery, including expenditure of £710,000 from the Local Growth Fund in 2017/18. The total project cost is £1.866m.

The scheme will deliver a cycle route between the High Level Bridge and Westgate Road and part way along St Nicholas Street. Details of the objectives, scope and funding breakdown of the scheme are contained within the associated scheme approval report and in the scheme business case.

RECOMMENDATIONS

It is recommended the Head of Paid Service for the North East Combined Authority (NECA) approves the scheme business case for LSTF Capital Package: Newcastle Cycle Scheme and authorises the NECA Monitoring Officer to enter in to a LGF Grant Funding Agreement of £710,000 with scheme promoter, Newcastle City Council.

1.	Background
1.1	Whilst aiming to improve regional connectivity and access to jobs, the NECA is also committed to reducing carbon emitted by transport. A key way of achieving both goals is through the provision and use of sustainable transport.
1.2	A discrete allocation for Local Sustainable Transport Fund (LSTF) capital funding was therefore included in the Strategic Economic Plan (SEP).
1.3	The LSTF Capital package, which comprises of approximately 15 individual schemes, has been given a total allocation from the Local Growth Fund of £7.5 million. The package is being delivered to a tight timescale.
1.4	The objectives of the LSTF Capital package are to: <ul style="list-style-type: none"> • Alleviate congestion on the A1 and A19; • Encourage healthy and sustainable travel; and • Improve journey time reliability for public transport.
1.5	The package has 4 key components or project families: <ul style="list-style-type: none"> • Urban Traffic Management and Control (UTMC); • Improving key Transport Gateways; • Cycle schemes; and • The extension of the Green Light to Work (scooters) scheme
1.6	A programme-wide outline business case for the LSTF Capital Package was included in the submission of the Strategic Economic Plan to government.
1.7	This report seeks approval to proceed with the LSTF Capital Package; Newcastle Cycle Scheme project, based on the recent receipt and review of a compliant and satisfactory scheme Business Case.
	Specific proposals – LSTF Capital Package: Newcastle Cycle Scheme
1.8	The scheme will deliver a cycle route between the High Level Bridge and Westgate Road and part way along St Nicholas Street. The scheme is part of a larger project which will provide a route between High Level Bridge and Central Station via St Nicholas Street and Collingwood Street. Further works will be carried out by Newcastle City Council to complete the scheme. The cost of the additional work will be met from Newcastle City Council’s resources.

1.9	The total project cost is £1.866m, £0.710m of which will come from the Local Growth Fund (LGF). The business case states that the £0.710m LGF will be spent in 2017/18 and the scheme will open April 2018.
1.10	The scheme contributes towards the aims of the North East Strategic Economic Plan and the Department for Transport’s Door-to-Door Strategy, with main benefits of reduced congestion, reduced carbon and pollutant emissions, and improvement in local air quality and personal health.
1.11	The scheme rates particularly well against strategic LSTF Capital objectives to: <ul style="list-style-type: none"> • Alleviate congestion on the A1 and A19; • Encourage healthy and sustainable travel; • Reduce transport-based carbon emissions.
1.12	The scheme has been subject to independent appraisal and is considered to offer high value for money with a BCR in excess of 2:1. Two design options were presented to the North East LEP Technical Officer Group in September 2017 and option 2 was identified as the preferred option to be progressed. The alternative option to deliver a contraflow solely along Westgate Road did not meet strategic fit criteria and was less likely to deliver the expected economic benefits required than the chosen option.
2.	Proposals
2.1	It is proposed that the NECA Head of Paid Service agrees to an LGF Grant Funding Agreement of £710,000 for the LSTF Capital Package: Newcastle Cycle Scheme.
3.	Reasons for the Proposals
3.1	Approval to issue a LGF Grant Funding Agreement will enable the promoter to deliver the LSTF Capital Package: Newcastle Cycle Scheme. Successful delivery of the scheme will assist the Combined Authority and Local Enterprise Partnership in delivering Strategic Economic Plan and NECA Transport Manifesto objectives.
4.	Alternative Options Available
4.1	Option 1 - The Head of Paid Service for the NECA approves the scheme business case for LSTF Capital Package: Newcastle Cycle Scheme and authorises the NECA Monitoring Officer to enter in to a LGF Grant Funding Agreement of £710,000 with scheme promoter, Newcastle City Council.

4.2	Option 2 – The Head of Paid Service for the NECA does not authorise the NECA Monitoring Officer to enter in to a LGF Grant Funding Agreement of £710,000 with scheme promoter, Newcastle City Council.
5.	Next Steps and Timetable for Implementation
5.2	Delivery of the project will commence following the completion of Grant Funding Agreements between the North East Combined Authority and the Promoting Authorities.
5.3	Approval is requested as soon as possible to enable the project to commence and for the LGF allocation to be spent by the end of 2017/18. The scheme is expected to open April 2018.
6.	Potential Impact on Objectives
6.1	Successful delivery of the LSTF Capital Programme: Newcastle Cycle Scheme will assist the North East Combined Authority and Local Enterprise Partnership in delivering Strategic Economic Plan and NECA Transport Manifesto objectives.
7.	Financial and Other Resources Implications
7.1	There are no known financial implications.
8.	Legal Implications
8.1	A state aid assessment has been produced and reviewed. The scheme was found to be state aid compliant.
8.2	A Grant Fund Agreement (GFA) will be issued and executed in the usual way. The promoter must abide by the conditions in the GFA.
9.	Key Risks
9.1	A risk register forms part of the scheme business case.
10.	Equality and Diversity
10.1	There are no equality and diversity implications directly arising from this report.
11.	Crime and Disorder
11.1	There are no crime and disorder implications directly arising from this report.

12.	Consultation/ Engagement
12.1	Newcastle City Council presented the scheme to Technical Officers Group in September 2017. Officers were supportive of the scheme.
13.	Other Impacts of the Proposals
13.1	The proposal is not expected to have any other impacts.
14.	Appendices
14.1	N/A
15.	Background Papers
15.1	Newcastle Cycle Scheme Full Business Case
16.	Contact Officer(s)
16.1	Name: Rachelle Forsyth-Ward Title: Senior Specialist Transport Planner E-mail: rachelle.forsyth-ward@northeastca.gov.uk Tel: 0191 211 6445
17.	Sign Off
17.1	<ul style="list-style-type: none"> • Head of Paid Service: ✓ • Monitoring Officer: ✓ • Chief Finance Officer: ✓
18.	Glossary
18.1	LGF – Local Growth Fund LSTF – Local Sustainable Transport Fund