



Tyne and Wear Integrated Transport Authority

Meeting to be held at 10.00 am on Thursday 26 September 2013 in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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This agenda is available at www.twita.gov.uk

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Tyne and Wear
Integrated Transport Authority

Councillor D Wood
c/o Tyne and Wear ITA
Newcastle Civic Centre
Barras Bridge
Newcastle upon Tyne
NE1 8PD

Our ref: baker_qcs

Norman Baker MP
Parliamentary Under Secretary of State
for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

1 August 2013

Dear Norman

I thought I would inform you that on Friday 26 July the Tyne and Wear Integrated Transport Authority considered two reports on the Bus Strategy Delivery Project.

The first from the Director General of Nexus asks Members to note and consider a series of recommendations arising out of the work Nexus was instructed to do to develop both the Quality Contracts Scheme and the Voluntary Partnership alternative and compare their effectiveness in delivering the ITA's Bus Strategy objectives.

The second report from the Clerk, after separate scrutiny, endorses the recommendations in the Director General's report and further asks the ITA to note the financial implications in terms of an affordability statement from the Treasurer to the Authority. I have attached copies of both reports but not the various appendices which are available electronically if required.

In summary the ITA resolved that:

- a. it agreed that at this stage the draft QCS Proposal developed by Nexus represents the most effective possible means of delivering the objectives of the ITA's Bus Strategy as currently formulated;
- b. it agreed that the QCS Proposal as drafted currently satisfies each of the statutory tests set out in section 124(1) of the Transport Act 2000 (as amended) ("2000 Act"), taking into account the advice of ITA officers and external legal advice (including Counsel's opinion) on this issue;

- c. it noted the comments of the Treasurer as to the funding of the scheme as set out in section 6 of this report;
- d. it should carry out a formal statutory consultation exercise on the QCS Proposal pursuant to section 125 of the 2000 Act in accordance with the detailed steps set out at Appendix B to the report from the Clerk and the Treasurer, and authorised the Director General of Nexus, in consultation with the Clerk, to take all necessary steps for that purpose;
- e. it (through Nexus) should maintain a constructive dialogue with the bus operators throughout the process and give due regard to any further proposals for a Voluntary Partnership Agreement (“VPA”) which they may bring forward during the consultation period;
- f. it agreed to receive a further report at the conclusion of the consultation exercise.”

In accordance with this resolution the formal consultation with statutory consultees and wider public information process has commenced – full details are available on the Nexus website www.nexus.org.uk/busstrategy.

I am sure you will find these reports and resolution interesting, but if you require any further information or a detailed briefing from myself, the Clerk to the ITA and the Director General then I would be very pleased to arrange this.

Yours sincerely

A handwritten signature in black ink that reads "David Wood". The signature is written in a cursive style with a large initial 'D'.

Councillor David Wood
Chairman

cc Director General, Nexus



Department
for Transport

Councillor David Wood
Chairman
Tyne and Wear Integrated Transport Authority
c/o Tyne and Wear ITA
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From the Parliamentary
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Our Ref: MC/82164
Your Ref: baker_qcs

27 August 2013

Dear David,

Thank you for your letter of 1 August about the Bus Strategy Delivery Project.

I know that officials have been briefed periodically on progress with your strategy and I am grateful for this helpful summary of the specific steps that Nexus has now decided to take.

Clearly, any changes to the way buses are provided in the North East are a matter for the authority, whether you pursue a Quality Contract Scheme or choose to develop a partnership arrangement with local operators, but I hope that your officials will continue to keep the Department informed.

Yours sincerely

NORMAN BAKER

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DATE: 26 September 2013
SUBJECT: Devolution of local major schemes – update
REPORT OF: Clerk to the ITA

PURPOSE OF REPORT

This paper updates members on the agreed investment in local major schemes for delivery in the 2015–19 period resulting in the programme outlined in Annex A.

RECOMMENDATIONS

Members are asked to note the report.

BACKGROUND DOCUMENTS

ITA papers 25th July 2013

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive



1 Executive Summary

- 1.1 The North East Local Transport Body (NELTB) met on the 17th of September to prioritise a programme of local major schemes for submission to Department for Transport (DfT) that reflects the funding level allocated to the area. In considering the programme it is important to note that the funding for devolved local major schemes is only one potential source for delivery of major transport schemes between 2015 and 19. As outlined in item 17 of the ITA agenda the local major schemes funding will become part of the much larger Local Growth Fund. Therefore, the LA7 area's comprehensive transport programme will be delivered through a mix of funding and will incorporate, but not be limited to, the local major schemes outlined in this report, as agreed by the NELTB on 17th of September.

2 Background information

- 2.1 Members will recall receiving an update on this programme at their meeting on the 25th of July. This outlined the process undertaken to determine the full programme of local major schemes that would be submitted to DfT. Members will also recall that DfT notified the NELTB that along with the large majority of Local Transport Body areas, the confirmed 4 year allocation for local major schemes would be at a level one third below the indicative allocation provided in January 2013. Therefore the allocation for the NELTB is £31.1m rather than the £46.7m figure that was used to determine the area's prioritised list of major schemes in July. DfT specified that the published list of schemes must reflect the confirmed allocation amount. As such, the NELTB was required to revise the programme of local major schemes agreed on 16th of July in order to ensure a compliant submission to DfT – they met on 17th of September to do so.

3 Agreement of the local majors programme

- 3.1 The NELTB considered a range of options and agreed the programme outlined in Annex A. This programme was arrived at by removing a significant element of the 'Optimism Bias'¹ included as part of the original scheme costs, enabling the NELTB to submit as much of the local majors programme as possible. It was agreed that

¹ As part of the webTAG process used to develop transport major schemes promoters are required to incorporate Optimism Bias or 'Contingency' in their scheme costs. This is generally in the order of 44% at the early stage of scheme development.



the remaining schemes making up the LA7 area's transport priorities that passed the criteria associated with the local majors process for 2015-19 will be submitted as part of the wider transport investment programme within the area's Strategic Economic Plan and Growth Deal process.

- 3.2 It should be noted that this agreed approach places more risk upon the scheme promoter. Once a scheme has commenced construction then all cost over-runs will be the responsibility of the scheme promoter, and so it relies on initial cost estimates having a degree of accuracy. The approach still contains a contingency layer albeit a reduced one.

4 Next steps

- 4.1 As per the request from ITA Members at their July meeting, scheme promoters within Tyne and Wear will present further information about their schemes and the local processes required (such as consultation) to the ITA LTP Working Group at its next meeting. Further updates will be provided to the ITA where appropriate, these updates will take place in-line with the decision points outlined in Part 3 of the agreed Assurance Framework.

Annex A:

Remove a significant element of the 'Optimism Bias' included as part of the current scheme costs, and submit as much of the local majors programme as possible.

The remaining schemes making up the LA7 area's transport priorities for 2015-19 will be submitted as part of the wider transport investment programme within the area's Strategic Economic Plan and Growth Deal process

Local Transport Body	North East Local Transport Body (NELTB)								
Scheme Promoter	Scheme Name	Description	Estimated BCR	Est Start Date	Est Completion Date	Expected Total cost	Expected LTB contribution TOTAL	Expected LTB contribution pro-rata'd to 31.1M TOTAL	
		<i>what the scheme is and what it does (ideal max 50 words)</i>	<i>if known</i>	<i>mm/yy</i>	<i>mm/yy</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Nexus - South Tyneside	South Shields Transport Hub	The scheme will consolidate Metro and bus terminals in the heart of South Shields. This will provide a focal point for the transport network to create a step-change in quality. There are two main elements of the scheme: expanded South Shields Metro Station, New South Shields Bus Station. This integrated transport interchange is a pivotal element of South Tyneside Council's broader vision for the regeneration of South Shields town centre – South Shields 365.	2.28	mid 2015	Mar-17	13.6	9.28	6.90	
Sunderland City Council	Sunderland Low Carbon Zone	Improvements in transport infrastructure to Low Carbon Zone, including Enterprise Zone site – includes A19 / A1231 and A19 / A1290 junctions, internal road links, pedestrian, cycling and public transport facilities. Aims to enhance capacity of network to accommodate projected employment growth of entire zone bounded by A1231, A19, A1290 and Leamside Line, including Nissan, Enterprise Zone and other proposed developments.	2	2016	2018	13.5	8	5.95	
North Tyneside Council	A1058 Coast Road	The scheme will contribute to economic growth by delivering specific benefits for public transport on the A1058 Coast Road; improving general traffic flows on this strategic corridor linking North Tyneside and Newcastle; support growth in the corridor including facilitating the development of West Chirton Industrial Estate adjacent to the Coast Road; and improve road safety throughout the corridor.	11.63	Mar-15	Dec-16	8.7	7.86	5.84	
Newcastle City Council	Northern Access Corridor	The scheme provides improvements at two junctions that are linked in traffic flow. The junctions: Bluehouse and Cowgate roundabouts, form part of a corridor package of works that link traffic movements from east - west and north - south in the north of Newcastle. The scheme will signalise the roundabouts and upgrade the junctions to reduce levels of congestion for all road users and address issues of severance for non motorised modes. This will be greatly assisted by the creation of a SCOOT area which is monitored and controlled by an upgraded UTC server.	5.5	Apr-15	Nov-16	8.1	5.5	4.09	
Gateshead Council	A167 Park and Ride corridor	450 space park and ride site at Eighton Lodge, with potential for eventual expansion to 900 spaces, and enhanced bus priority on Durham Road between the site and the urban core of Gateshead/Newcastle. The key objective is to reduce traffic on routes to/from central urban area, thereby reducing congestion, supporting economic growth and reducing carbon emissions and other pollutants.	2.99	Jan-16	Sep-16	7.46	6.71	4.99	
Durham County Council	Horde Sea View Rail Station	The scheme proposes the construction of a new two platform station at Horde Sea View on the Durham Coast Line between Hartlepool and Sunderland that would be served by the existing hourly Northern Franchise service. It would create an economically and environmentally sustainable solution to some of the access constraints of East Durham.	5.46	Mar-15	Mar-16	7	4.5	3.34	
							41.85	31.1	
South Tyneside Council	A194/A185 (The Arches) Junction	The gyratory improvement scheme would improve traffic movements along A185/A194/A19 thus providing improved connectivity (economic growth opportunities) to the Strategic Highway Network, Port of Tyne and Bede Industrial estate, as well as key access into South Shields Town Centre.	15.1	Apr-16	Mid 2017	6.7	5.83		
Nexus	Newcastle Central Metro Station	Central Metro station is based in the centre of Newcastle and is a key transport interchange between Metro and heavy rail as well as providing connections to local bus services for the region. This scheme proposes the complete refurbishment of the station concourse and platforms in a style in keeping with the recently refurbished Haymarket Metro station.	3.5	Jun-15	Dec-16	6.057	2.51		
Newcastle City Council	A189/A191 Haddricks Mill	The Haddricks Mill junction is located approximately 2km to the north of Newcastle City Centre close to the Newcastle/North Tyneside district boundary. It is proposed to remove the existing mini roundabout junctions and provide a roundabout with a larger circulatory. This will be signalised and will incorporate the full signalisation of secondary junctions.	5.5	May-14	Dec-15	4.9	4.4		
South Tyneside Council	A19/A194/A1300 Lindisfarne Roundabout	South Tyneside Council are intending to undertake a carriageway improvement scheme that would improve traffic movements at Lindisfarne Roundabout thus providing improved connectivity (economic growth opportunities) to the Port of Tyne and South Shields town centre. South Tyneside Council will also deliver localised improvements to the A1300/A194 roundabout, as well as improving access to the Strategic Highway Network.	5.75	Apr-15	Mid 2016	4	3.48		
							16.22		

Please provide weblink to location of published list www.newcastle.gov.uk/neltb

Please indicate whether or not schemes are ranked in priority order

Schemes are not ranked in priority order