

**Title** Transforming Cities Fund: East Gateshead LCWIP Phase 1  
**Report of:** Head of Transport Programmes  
**Portfolio:** Transport

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## Report Summary

The purpose of this report is to seek the enactment of the delegation provided to the former North East Joint Transport Committee (JTC) in July 2023, to enter into the relevant agreement as required, for the East Gateshead LCWIP Phase 1 scheme. This Delegated Decision is specifically to approve the release of £231,489 of funds from the Transforming Cities Fund (TCF) devolved pot, and £249,964 of the Active Travel Fund Tranche 2 underspend, to the East Gateshead LCWIP Phase 1 scheme and to establish a Grant Funding Agreement with Gateshead Council for scheme delivery.

## Recommendations

In line with the delegation provided at the July 2023 meeting of the former JTC, the Chief Executive is recommended to:

- Approve the release of £231,489 of funds from the Transforming Cities Fund (TCF) devolved pot, and £249,964 of the Active Travel Fund (ATF) Tranche 2 underspend to the East Gateshead LCWIP Phase 1 scheme.
- Approve the payment of grant funds and the establishment of the Grant Funding Agreement with Gateshead Council.

### A. Context

- 1.1 As agreed at the first meeting of the North East CA Cabinet in May 2024, North East CA has inherited former JTC delegations, which will be treated as decisions of the CA. This report is enacting one of these decisions agreed by the former JTC.
- 1.2 In March 2020, the North East region was awarded £198m from the Government's Transforming Cities Fund to aid the delivery of sustainable transport capital measures. In total, £94m of this funding was allocated to the Nexus-led Metro Flow scheme, with the remaining £104m allocated to the region to spend on smaller sustainable transport schemes.
- 1.3 In November 2020, the North East region was awarded £9,049,000 from Tranche 2 of the Active Travel Fund to aid the delivery of active travel schemes.
- 1.4 The JTC meeting in July 2023 allocated £231,489 of residual TCF grant funds and £249,964 of residual ATF grant funds to the East Gateshead LCWIP Phase 1 scheme. The delegation was granted on the basis that the scheme would be successfully appraised and reallocation of funding agreed by the Department for Transport (DfT) and Active Travel England (ATE).
- 1.5 Following this meeting, a change control was confirmed with the DfT and ATE to reallocate the residual TCF and ATF grant to the scheme. The business case for the scheme has also been successfully appraised by an external independent consultant,

further described in section 3. We are now in the position to enter into a Grant Funding Agreement with Gateshead Council for the delivery of the scheme.

## **2. Scheme Overview**

- 2.1 The scheme comprises approximately 0.5km of segregated cycleway and improved footways in Gateshead, from Sunderland Road, east down Felling Gate, and onto Wellington Street. The scheme will also improve crossings to make them accessible to cyclists, and installation of new dropped kerbs and resurfacing works will also be carried out.
- 2.2 The appraisal of the scheme has resulted in a BCR of 1.95 which translates as medium value for money. As well as monetised benefits, non-monetised benefits have been assessed such as improvements to journey quality, accessibility, and severance.

## **3. Governance and Assurance**

- 3.1 The Full Business Case for the scheme was developed in line with DfT business case guidance and Transport Analysis Guidance (TAG), and has been reviewed by an independent consultant to ensure the following:
- the level of analysis undertaken by the scheme promoter is appropriate to the size of the scheme;
  - the scheme gives good value for public money;
  - the risks associated with delivery of the scheme have been identified and where possible mitigated; and
  - the appropriate governance and procurement processes are in place to complete the scheme in-line with DfT's grant funding conditions.
- 3.2 The independent review identified no fundamental issues to scheme delivery or viability, recommending approval. This provides comfort that proposals are sufficiently developed and pose limited delivery risk.
- 3.3 A Grant Funding Agreement (GFA) will be prepared, which enables the scheme promoter to commence drawing down the funding allocation associated with the scheme. This will minimise any legal risks and ensure that North East CA's obligations to the DfT in regards to TCF devolved funding are met. These obligations are appropriately transferred to the scheme promoter through the GFA.

## **B. Impact on North East Combined Authority Objectives**

Both ATF and TCF and their programmes of activity support the strategic aspirations of the North East CA, as detailed in the North East Devolution Deal signed in December 2022 and the Deeper Devolution Deal agreed at the June meeting of the North East CA Cabinet. The benefits that will be realised through the delivery of this scheme, in particular, include modal shift towards active modes and providing a safer environment for cyclists.

## **C. Key risks**

Approval and agreement of the proposals outlined within this report aid in the delivery of the TCF programme and ATF underspend as there would, otherwise, be a risk of delay in delivering the remainder of both programmes.

## **D. Financial and other resources implications**

The total amount of funding associated with this delegated decision report is £481,453, including £231,489 of residual TCF grant funds and £249,964 of residual ATF grant funds. This delegated decision will allocate the remaining TCF devolved pot funding. The table below provide a forecast of the scheme expenditure:

<b>Fund</b>	<b>2024/25 (£)</b>	<b>2025/26 (£)</b>	<b>Total (£)</b>
<b>Active Travel Fund Tranche 2</b>	249,964.00	-	249,964.00
<b>Transforming Cities Fund</b>	231,489.00	-	231,489.00
<b>Total</b>	481,453.00	-	481,453.00

The scheme is also supported by £96,430.32 of match provided by Gateshead Council.

#### **E. Legal implications**

The comments of the Monitoring Officer have been incorporated into the report.

#### **F. Equalities implications:**

The scheme has been designed in accordance with latest design standards which ensures that accessibility and safety are key considerations. The wider Gateshead Local Cycling and Walking Infrastructure Plan (LCWIP) development identified the area in which the scheme lies to be one of significant health inequalities, and the delivery of the scheme and wider LCWIP will help to tackle these issues.

#### **G. Consultation and engagement**

Both the wider TCF programme and this specific scheme have been consulted upon and considered through the former JTC and Local Authority Heads of Transport group. The scheme has been subject to local approval and consultation. The scheme promoter is responsible for undertaking consultation specific to the scheme over the course of its development, the details of which have been confirmed within the business case.

#### **H. Background papers**

<https://www.northeast-ca.gov.uk/downloads/646/tne-jtcagenda-18jul23.pdf>

#### **I. Contact officers.**

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#### **J. Glossary**

ATE	Active Travel England
ATF	Active Travel Fund
DfT	Department for Transport
JTC	Joint Transport Committee
North East CA	North East Combined Authority
TCF	Transforming Cities Fund

#### **K. Sign-off**

1) Cabinet Member: Yes	2) Director: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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