

Title: Bus Service Improvement Plan – Bus Priority Tranche 2 Business Case
Report of: Head of Transport Programmes
Portfolio: Transport

Report Summary

The purpose of this report is to seek the enactment of the delegation provided to the Chief Executive at the July 2024 meeting of the North East Combined Authority (North East CA) Cabinet, to enter into the relevant agreements as required, in accordance with the Single Assurance Framework: £60.811 million (revenue) and £40.468 million (capital) of Bus Service Improvement Plan (BSIP) funding to deliver a range of improvements to bus services, to be delivered by partners through Grant Funding Agreements.

This Delegated Decision report specifically approves the Bus Service Improvement Plan Bus Priority Tranche 2 Business Case, which has a total programme value of £22,568,691 and enables payment of funding and the establishment of Grant Funding Agreements with scheme promoters to deliver the Bus Priority Tranche 2 programme.

Recommendations

- i. In line with the delegation provided at the July 2024 meeting of the North East CA Cabinet, the Chief Executive in agreement with the Monitoring Officer and the Chief Finance Officer and in consultation with the Mayor and the relevant Cabinet Member is recommended to:
 - Approve the Bus Priority Improvement Plan (BSIP) Bus Priority Tranche 2 business case which has a total programme value of £22,568,691 and
 - Enable the payment of funding and the establishment of Grant Funding Agreements.

A. Summary of Investment Proposal (Context)

1. Background

- 1.1 The North East's Bus Service Improvement Plan (BSIP) is the region's response to the Government's National Bus Strategy for England which was initially published in March 2021 and has subsequently been refreshed on an annual basis. The BSIP set out a clear ambition to deliver new bus priority bus stations and stops to ensure that facilities are in line with modern standards, to increase safety and to ensure accessibility is of the highest standard.
- 1.2 At Joint Transport Committee (JTC) in March 2023, Members approved a funding award of £163.5m of BSIP funding, of which £73.758m was allocated for capital delivery. At the same meeting the JTC made the Enhanced Partnership Plan and Scheme which set out through a statutory partnership, how Local Transport Authorities and local bus operators will work together to deliver BSIP outcomes which included improving the safety and accessibility of bus infrastructure. This approval confirmed funding allocations to enable BSIP Key Performance Indicators to be delivered.
- 1.3 In July 2023, JTC Members approved £33.29m of BSIP capital funding for investment in Bus Priority Infrastructure tranche 1 and Intelligent Transport Systems. In March 2024, JTC Members approved and allocated the remaining unallocated BSIP capital funding totalling £40.46m to several sub-programmes which align to the refreshed BSIP and the Enhanced Partnership Plan and Scheme. This included an indicative allocation for Bus Priority Infrastructure Tranche 2.

1.4 At the July 2024 meeting of the North East CA Cabinet, Members re-confirmed the decisions previously made by JTC and delegated authority to the Chief Executive, to enter into the relevant agreements for up to £40.468m of BSIP capital funding.

2. The Investment Proposal

2.1 The BSIP Bus Priority Infrastructure tranche 2 business case sets out a package of schemes aimed at improving the reliability and punctuality of buses at key pinch points on the region's highway network.

2.2 The interventions within this business case have been developed in partnership with each of the seven local authorities in the region and are primarily schemes which at the time of the Bus Priority Infrastructure tranche 1 submission, required further development to advance to programme entry.

2.3 In some instances, all the schemes which were identified by local authorities for investment have been progressed through tranche 1 and therefore no interventions have been taken forward for investment through tranche 2.

2.4 Interventions which will be delivered include:

- Bus priority lanes
- Hurry calls for buses
- Signalised junctions enabling the better flow of buses

2.3 Outputs and Outcomes

Outputs	25/26	Total
Traffic Signals at 6 key junctions in the region.	24	24
1500m of new bus lane	1500	1500
Signal improvements to include a hurry call	2	1

2.4 Timetable for Implementation

Milestone	Forecast Date
Individual Scheme Assurance Statements	February 2025
Grant funding Agreements	March 2025
Delivery Commences	March 2025
Delivery Completion	March 2026

Description of Outcomes	Timeframe achievement	for Totals
Improved reliability of bus services on scheme corridor	5 years post scheme delivery	Increase in baseline (identified in scheme level Monitoring & Evaluation plans included in assurance statements)
Improved punctuality of bus services on scheme corridor	5 years post scheme delivery.	Increase in baseline (identified in scheme level Monitoring & Evaluation plans included in assurance statements)
Increased bus patronage	5 years post scheme delivery.	Increase in baseline (identified in scheme level Monitoring & Evaluation plans included in assurance statements)

2.5 Evaluation

Evaluation will be undertaken by each of the scheme promoters; a monitoring and evaluation plan will be produced within each assurance statement and will be verified and assured by independent appraisal consultants.

2.6 Appraisal

Independent appraisal identified no fundamental issues to programme delivery or viability. This provides comfort that proposals are sufficiently developed and pose limited delivery risk. Schemes that sit within this programme will be required to go through individual scheme level assurance inclusive of detailed consultation, Cabinet approval and S151 sign off from the Local Authority proposing the scheme and further independent appraisal prior to individual level scheme sign off.

2.7 RAG Assessment

The Business Case has been assured by specialist independent appraisers who have provided the following summary.

Overall RAG assessment		
Risk Rating	Strategic case	Green
	Commercial case	Amber
	Economic case	Green
	Financial case	Amber
	Management case	Amber
	Overall rating	Amber

Areas which have been rated as Amber are those which cannot be finalised until the individual scheme promoter Assurance Statements have been produced. These statements will be independently assessed prior to approval and the agreement of the Grant Funding Agreements (GFAs).

Following approval of the business case, individual scheme assurance statements will be compiled which will include final costings and designs; these will all be independently assured and will be brought back to Technical Officers Group (TOG) and where scheme costs are over £1million, will then progress to Finance and Investment Board (F&I). It is hoped that all schemes will be taken through this process by spring 2025. Full scheme GFAs will not be entered into until this process has been undertaken.

2.8 Recommended Conditions of Funding

The award of funding would be subject to the following proposed funding conditions:

No.	Condition
1.	All funding must be defrayed by March 2026
2.	All funding can only be spent on scheme deliverables set out in the individual Scheme Assurance Statement.

B. Potential Impact on North East Combined Authority Objectives

BSIP and its programme of activity supports the strategic aspirations of the North East CA as set out in the corporate plan which was approved at November's Cabinet. The benefits that will be realised through the delivery of this BSIP sub-programme include improving the attractiveness of bus,

providing a safe, public transport system, giving people more choice about how they can best make their journey as well as improving accessibility by ensuring that the needs of all users are considered.

C. Key risks

The key risk associated with this report is the ability of scheme promoters to defray BISP capital expenditure within the overall BSIP programme timescales required by the Department for Transport (March 2026). Approval and agreement of the proposals outlined within this report aid in the delivery of interventions within the required timescales.

D. Financial and other resources implications

The financial profile for the programme is outlined below:

Funding source-BSIP Capital	Scheme Name	2024/25	2025/26	Total
<i>Durham County Council</i>	A177 & A181 Bus Priority Measures	£150,000	£1,350,000	£1,500,000
<i>Durham County Council</i>	Nevilles Cross	£270,000	£2,430,000	2,700,000
<i>Gateshead Council</i>	High street/Lambton Street Bus priority	£110,535	£994,899	1,105,434
<i>Gateshead Council</i>	A195 New Road - Bus Lane	£238,344	£2,145,092	£2,383,436
<i>Gateshead Council</i>	A694 Bus Lane extension	£170,000	£1,530,912	£1,700,912
<i>Newcastle City Council</i>	Wallsend Corridor Walkergate	£500,000	£4,500,000	£5,000,000
<i>Newcastle City Council</i>	Stamfordham Road	£273,852	£2,464,667	£2,738,519
<i>North Tyneside Council</i>	A188/A189 Corridor	£250,000	£2,250,000	£2,500,000
<i>North Tyneside Council</i>	A191 Junction	£100,000	£900,000	£1,000,000
<i>Northumberland County Council</i>	Blyth - Sandringham Drive Bus lane	£194,400	£1,746,000	£1,940,400
Total (£)		£2,257,131	£20,311,560	£22,568,691

Status of match funding:

No match funding is required for BSIP.

Funding availability:

The funding which has been identified in this report is fully allocated and has previously been committed to this programme by the Joint Transport Committee and was re-confirmed by North East CA Cabinet in July 2024.

E. Legal implications

GFAs are being developed, prepared, and will be approved by Newcastle City Council Legal for onwards agreement with scheme promoters. GFAs will minimise any legal risks and ensure the North East CAs obligations to the Department for Transport in regards to BSIP funding are met, these obligations will be appropriately transferred to each scheme promoter through the GFA. Clear roles and responsibilities have been established concerning the design and development of proposed infrastructure, including ensuring compliance with Health and Safety and Construction (Design & Management) regulations.

F. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East

CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. Scheme specific action plans will be prepared to ensure that all identified benefits can be achieved whilst any potential dis-benefits are mitigated.

G. Consultation and engagement

Both the wider BSIP programme and the Bus Priority Infrastructure Tranche 2 Programme have been consulted on and considered through Heads of Transport of the North East CA's seven constituent authorities and at the March 2024 meeting of the Joint Transport Committee. BSIP capital funding was approved and allocated at the July 2024 meeting of the North East CA Cabinet. Schemes included within the Bus Priority Infrastructure tranche 2 programme will be subject to local approval, consultation and onwards approval. Scheme promoters are responsible for undertaking consultation pertaining to each individual scheme over the course of scheme development.

H. Appendices

None

I. Background papers

[North East Combined Authority Cabinet Meeting July 2024](#)

J. Contact officers

Name: Jonathan Bailes

Title: Head of Funding and Programmes

Email address: Jonathan.bailes@northeast-ca.gov.uk

K. Glossary

North East CA- North East Combined Authority

BSIP- Bus Service Improvement Plan

JTC- Joint Transport Committee

L. Consultee

Cabinet Member: Yes	Director/Head of Service: Yes	Director of Finance and Investment: Yes	Monitoring Officer: Yes
------------------------	----------------------------------	---	----------------------------