



Northumberland

County Council

Cabinet

Tuesday, 10 October 2023

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of Councillor(s) Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Responsible Officer(s): Executive Director for Resources & Transformation (S151)

1. Link to Key Priorities of the Corporate Plan

The Council's Capital Programme is consistent with all of the priorities in the Corporate Plan 2023-2026, being 'Achieving Value for Money', 'Tackling Inequalities' and 'Driving Economic Growth'.

2. Purpose of report

This report summarises proposed amendments to the Capital Programme considered by the Capital Strategy Group.

3. Recommendations

3.1 Cabinet is recommended to:

3.2 Ponteland to Callerton Phase 2

- a) Approve the revised phase 2 approach and approve the additional funds of £0.518 million to deliver phase 2 and progress to scheme completion.
- b) Approve the inclusion of £0.518 million to the Capital Programme in 2023-24.

4. Background

4.1 This paper summarises reports considered by the officer Capital Strategy Group on the allocation of funding within the Medium-Term Financial Plan to specific projects. The amendments to the Programme were considered by the officer Capital Strategy Group (CSG) on 29 August 2023.

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5. Ponteland to Callerton Phase 2

- 5.1 CSG was asked to consider capital spend of £0.518 million to adopt a phased approach to the Ponteland to Callerton Parkway capital project so that part of the project could be delivered whilst funding was sought and agreed to complete the entirety of the works. This spend is externally funded by Transport North East.

Background

- 5.2 The Council has developed an infrastructure scheme to create a cycling and walking corridor between the town of Ponteland and Callerton Parkway. This will provide direct links into Newcastle International Airport and the Tyne & Wear Metro. The corridor will enhance sustainable travel options for residents, workers, learners and visitors, not just between Ponteland and Callerton Parkway, but providing further connectivity within the region.
- 5.3 The scheme is being delivered through the Transforming Cities Fund (TCF) Tranche 2 programme of schemes outlined by Transport North East (TNE), with investment provided by the Department for Transport (DfT). The scheme will be delivered by the end of March 2024.
- 5.4 The scheme was originally pursued as a single-phase project, however with rising costs this has evolved and now takes a 2-phase approach. A phased approach was deemed the most appropriate way forward to ensure at least part of the project could be delivered, whilst funding was sought and agreed to complete the entirety of the works. The phasing solution and associated required funding was presented to the North East Joint Transport Committee (JTC) in July 2023. JTC approved the revised approach and request for additional funds. On this basis a Grant Funding Agreement (GFA) has been prepared which will ensure the full scheme can be delivered.
- 5.5 Phase 1 comprises the section Callerton Lane, Ponteland to Rotary Way – which is currently being delivered on site, and the details can be found in the Ponteland to Callerton Full Business Case (March 2023). Phase 2 comprises the section from Rotary Way to Prestwick Road roundabout – which forms the basis of the Full Business Case (FBC) amendment.
- 5.6 The strategic objectives for the scheme are to:
- a) Improve connectivity – provide a high-quality, sustainable cycling and walking corridor between Ponteland and Callerton. It will enable a direct link to the Tyne & Wear Metro and tap into the facilities offered by the new Metro fleet, to enable onward journeys by foot or bicycle. It will facilitate better access to urban employment and educational opportunities by non-car modes of transport;
 - b) Improved modal choice – provide more sustainable transport options for residents and visitors and reduce the amount of short car journeys in and around Ponteland. Through the removal of some car journeys, this will also help reduce local congestion, improve roadside air quality, and contribute towards Net Zero carbon reduction targets;

- c) Improve health and wellbeing – provide the walking and cycling infrastructure that encourages active travel for commuting, leisure and other purposes, and contributes towards a healthier and more physically active local population; and
- d) Improve safety – for cyclists and pedestrians between Ponteland and Callerton through modern design standards of cycleway infrastructure. This will reduce the risk of accidents and injuries between cyclists, pedestrians, and vehicles on the highway.

5.7 The key milestones for the delivery are set out below:

- a) Phase 1 construction end 29 September 2023
- b) Phase 2 construction start 30 October 2023 (phase 2 early mobilisation may commence earlier if achievable)
- c) Phase 2 construction end 12 March 2024

5.8 The overall funding breakdown for both Phase 1 and Phase 2 is set out below with total scheme costs shown:

PONTELAND TO CALLERTON				
	Phase 1 £ million	NCC local contribution £ million	Phase 2 £ million	Total £ million
Initial costs	0.816	0.050	-	0.866
GFA TNE ask / agreement	0.816	0.050	0.518	1.384
Revised costs/spend	0.516	0.050	0.806	1.372

5.9 There is a difference of £0.012 million between the ask and the expected total spend.

5.10 Due to the timeframes for scheme completion, all of the funds will be spent within the financial year 2023-24.

5.11 All maintenance obligations and associated costs will fall under the purview of the Council and, as such, will be fulfilled as part of the maintenance regime operated by the council.

5.12 A quantified risk assessment is used to capture, monitor and manage risks for the overall scheme. Key risks for Phase 2 include potential remobilisation costs if construction doesn't align with Phase 1 completion and approval to spend additional funds. A 10% uplift of construction costs has also been added as a risk item.

6. Implications

Policy	The schemes identified in the report support all of the priorities within the Corporate Plan 2023-26.
Finance and value for money	The report outlines proposed project allocations and amendments to the approved Capital programme 2023-24 and 2024-25. The financial implications of these proposals are outlined in the main body of the report. The projects and the proposals identified in the report will be funded from external funding
Legal	Subject to any contractual implications arising from the receipt of grant funding, there are no direct legal implications. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council
Procurement	Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.
Human resources	Not applicable
Property	Not applicable
Equalities Act: is a full impact assessment required and attached?	No - not required at this point EIA is not applicable to the subject of this report.
Risk assessment	The risks associated with the proposals are regarded as acceptable, but these risks will continue to be reviewed up to and during implementation of the proposals.
Crime and disorder	There are no specific crime and disorder implications within this report.
Customer considerations	The proposals will carefully consider the impact upon both customers and residents of Northumberland.
Carbon reduction	Carbon Reduction measures have been considered within the proposals.
Health and wellbeing	The Council's Capital budget is founded on the principle of promotion inclusivity.
Wards	(All Wards);

7. Background papers

Not applicable

8. Links to other key reports already published

Not applicable

9. Author and Contact Details

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