

Project Name	EVO## – A189 Improvements – Haddricks Mill to West Moor	Project /Programme Manager	Andy Flynn	Ref No.	
Programme Name (if applicable)		Service Area Senior Manager (SASM)	Colin MacDonald	Investment Plan Ref No	
Service Area	Environment, Housing and Leisure	Finance Officer		Author	Andy Flynn
Ward (s)	Longbenton	Project Location	A189 corridor, Longbenton		
Date of Gateway O Approval	19 th July 2017				

Gateway 1 bid (Feasibility)

- **Purpose of Document:** This document constitutes a formal bid for capital investment including inclusion in the Investment Plan. It should provide sufficient information to enable effective financial and technical scrutiny ahead of further review at strategic and member level. Figures on cost and funding should be as accurate as possible. At Gateway 1 there is a focus on viability, affordability, procurement and delivery.
- **Role of the Gateway 1 Investment Programme:** The IPB will scrutinise the bid in terms of its financial and technical viability and management of risk. The IPB will be briefed on outcomes and recommended actions and may wish to prioritise, amend or modify the submission in the light of these comments. The IPB provide recommendations to Cabinet to form part of the budget setting and financial management processes, if required.

Guidance	1. Project Description
<p><i>Please provide a brief description of the project or programme to clarify the nature of the proposed expenditure. (i.e. what are we spending money on and why?). If grant funding source is known, please identify clearly in additional information (Section 9).</i></p>	<p>The project involves improving accessibility in the A189 corridor, a strategic link serving substantial employment sites, dovetailing with adjacent A189 Haddricks Mill improvements in Newcastle. It will involve upgrading and signalling A188-A189 West Moor roundabout; provision of a new southbound bus lane linking from Quorum, Balliol and Gosforth business parks; introduction of cycling infrastructure and a link into traffic management technology using the Tyne and Wear UTM (Urban Traffic Management and Control) system.</p> <p>On the 30th June 2017 the Council submitted a bid to the National Productivity Investment Fund (NPIF) allocation for local authority transport major schemes, which is administered by the Department for Transport (DfT).</p> <p>The bid includes a local contribution, which has been identified from developer funding relating to new developments in the A189 corridor.</p> <p>DfT funding sought:</p> <p>2018/19 – £2,440,000 2019/20 – £1,222,896</p>

	<p>Total DfT funding sought – £3,662,896</p> <p>Developer funding from planning obligations. Element of the Section 106 agreement Gosforth Business Park (Persimmon Homes) and Section 278 works at West Moor Roundabout (Bellway Homes).</p> <p>2018/19 – £1,033,472 2019/20 – £ 777,472 Total – £1,810,944</p> <p>Total value of bid including match funding – £5,473,840</p> <p>On the 19th October 2017 the Department for Transport (DfT) announced government funding for the scheme.</p> <p>In addition to the above, it is proposed to utilise an element (£200K) of the Section 106 funding associated with Gosforth Business Park Development (Persimmon) to allow early commencement of the detailed design works thus enabling the construction works to commence at the start of the finance year 2018/19 and to ensure the delivery of the works within the funding timescales.</p>
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2. Anticipated Start and Completion Dates

<p><i>Try to estimate the month or quarter (in financial year) when spending will begin in order to inform resource planning and procurement. For construction projects estimated completion should take account of any likely retention.</i></p>	Project Start (this should include the feasibility stage)	2017/18	Q4
	Spending Start (Practical Start)	2017/18	Q4
	Spending Completion (Practical Completion)	2019/20	Q4

3. Capital Costs

<p><i>Annual profiles of indicative costs should be based on the estimated value of work done. Be realistic about delivery timescales taking full account of feasibility, design and</i></p>	NOTE: Please enter appropriate financial years in the brackets	Current Year ()	Year One ()	Year Two ()	Year Three ()	Future Years ()	Total
		£000	£000	£000	£000	£000	£000
	Acquisitions						

<p>procurement aspects. The estimated timing of expenditure is crucial to secure the required level of funding in the correct year.</p> <p>A breakdown of indicative cost is required to ensure that an estimate of the revenue cost of any borrowing can be calculated and fee levels are reasonable. ICT costs must be shown separately.</p> <p>Please include all retention costs at date of project completion.</p> <p>Refer to the VAT Contact for advice on VAT.</p>	Works		3474	2000			
	Furniture and Equipment						
	Vehicles/ Plant						
	ICT						
	Fees	200	3474	2000			5674
	Total (Overall total capital costs of project (Excluding VAT, if VAT can be reclaimed. Including VAT, if VAT cannot be reclaimed))	200	3474	2000			5674

4. Asset lives

<p>Provide an estimate of the expected useful life of the individual components of the asset.</p> <p>Contact the Corporate Finance Team for assistance if required.</p> <p>Consider whole lifecycle costs associated with the maintenance and replacement of proposed assets and equipment.</p>	<p>Carriageway and footway assets to be improved will have approx. 20 – 40 years design life.</p> <p>North Tyneside's Highway Asset Management Plan (HAMP) sets the framework for how the Authority, as highway authority, will maintain and improve the condition of the highway asset. The on-going maintenance of the highway asset and associated costs are managed through the HAMP.</p>
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5. Funding Profile of Capital Bid Request

<p>Grant funding is normally recovered as eligible spend is incurred but external financial contributions might be received at any time, typically, after completion. Pledge letters should be requested early.</p>	<p>NOTE: Please enter appropriate financial years in the brackets</p>	Current Year ()	Year One ()	Year Two ()	Year Three ()	Future Years ()	Total
		£000	£000	£000	£000	£000	£000
	Council capital resources						
	Government specific grant		2440	1223			3663
	European specific grant						
	Funding partner(s) contribution						
	Other capital resources (section 106 / 278)	200	1034	777			2011

	Revenue funding					
	Current capital expenditure request (total)	200	3474	2000		5674
6. Revenue Consequences						
<p><i>Identify all charges to revenue costs on income streams created by this bid. For replacement assets (building, landscaping, highway improvements etc), the calculation must include revenue savings arising from the closure as well as the cost of operating the new or replaced asset. The cost of borrowing for Council capital resources should be included. Contact NTC Client team for this calculation.</i></p> <p><i>If Full Year Effect (FYE) is not in year 2 explain in Section 9 in which year the FYE first occurs</i></p>	NOTE: Please enter appropriate financial years in the brackets	Current Year ()	Year One ()	Year Two ()	Full year Effect	
		£000	£000	£000	£000	
	Employees					
	Running costs					
	Cost of borrowing					
	Total gross expenditure					
	Gross income					
	Net expenditure					
	Existing revenue budget provision					
	Net revenue budget increase (+) decrease (-)					
	Comment					
7. Financial Appraisal						
<p><i>Additional information in relation to external funding.</i></p>	Has Government/European/other funding been sought and agreed in principle? If no give reason below					Yes
	Is availability of funding sources time limited? If yes please give details below					Yes
	DfT funding is for the two financial years 2018/19 and 2019/20 only.					
	The VAT link officer must identify the VAT consequences arising from this bid and summarise these below referring in particular to any impact on the de-minimis in order to provide early warning to the Chief Finance Officer.					

8. Technical Appraisal		
<p><i>This section is presented as a checklist to assist appraisal. Please provide further clarification in Section 9 as necessary.</i></p>	Technical checklist.	Y / N or N/A
	a) Has a feasibility study / option appraisal been undertaken?	Y
	b) Has procurement advice been sought?	N/A
	c) Has legal advice on contracts, liability and insurance been sought?	N/A
	d) Does the proposal affect an existing Council asset? If yes please provide UPRN.	N
	e) Has advice been sought on access design under the Disability Discrimination Act (DDA) and Designing for Access (DfA2)?	N
	f) Does the project lead to an asset disposal?	N
	g) Are there any known planning and building control restrictions or issues?	N
	h) Have the Highways Section been consulted regarding highways and transport implications?	Y
	i) Have ICT been consulted re ICT Strategy and data security aspects?	N/A
	j) Have key stakeholders / delivery partners confirmed their agreement in principle?	Y
	k) Have sustainable development team been consulted? (Y/N)	N
	l) Has a high-level risk assessment or risk workshop been undertaken?	N
	m) What is the expected carbon impact of the project?	Unknown at this stage
	n) Has an exit strategy been developed?	N
	o) Other resource requirements (staffing, technology etc.)?	Y client resource for oversight
	p) Has an Equality Impact Assessment been completed?	N
	q) Communications and engagement proposals.	N Engagement strategy to be developed
r) Where relevant details of stakeholder approvals sighted <i>Please provide information.</i>	N/A	
s) Has assessment of any VAT implications been undertaken?		
9. Known key risks and mitigating actions		
<p><i>This section should highlight any risks associated with this bid. A risk analysis or risk log should be kept</i></p>	<p>Risk: The majority of the local match contribution is associated with the delivery of the Section 278 Highway works at</p>	

<i>and updated regularly. Please detail any mitigating actions that will be put in place in order to manage the risk.</i>	West Moor Roundabout. Officers are working with Bellway Homes to ensure the delivery of the works within the funding timescales.
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10. Additional Information and Dependencies	
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<i>Attach or refer to any further documentation that clarifies or supports the bid. If this project is linked to or dependent on the delivery of another project within the Investment Plan, please state details, this may include any direct links to revenue budget savings.</i>	
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11. Submission Sign Off			
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<i>Insert the relevant name and the date of their sign off. A signed off hard copy or electronic signature is not required.</i>	Client Finance Manager	Alison Campbell	Insert Date
	Service Area Senior Manager	Colin MacDonald	Insert Date
	Head of Service	Phil Scott	Insert Date
	Head of Finance	Janice Gillespie	Insert Date

To be completed by Strategic Property and Investment Team only

Outcomes		Gateway Review Group Scrutiny
Decision	Approved, deferred or rejected	
Date of Decision		
Observations		
Decision communicated to:		
Further information and advice	➤	

***Please return completed form to the Strategic Investment & Property Team**