

Title: Bus Service Improvement Plan - Bus Priority Scheme Approvals
Portfolio: Transport
Responsible Director: Toby Hughes, Director of Transport
Report Author: Kim Farrage, Programme Manager (Funding and Programmes)

Report Summary

This report seeks the Chief Executive's approval to enter into Grant Funding Agreements for the following Bus Service Improvement Plan (BSIP) capital schemes:

- Gateshead Sunderland Road, Gateshead Council, totalling £598,634
- A195 New Road, Gateshead Council, totalling £893,975
- Lingey Lane, Gateshead Council, totalling £927,809
- North Tyneside A191 Benton, North Tyneside Council, totalling £689,591
- A167 Coundon Gate, Durham County Council, totalling £3,209,569
- A193 Byker, Newcastle City Council, totalling £1,800,000

In addition, the report seeks the Chief Executive's approval to enter into a Grant Funding Agreement for the Park Lane Junction scheme promoted by Sunderland City Council, with a total value of £4,680,000. This scheme is jointly funded through the BSIP capital programme (£3,742,581) and the City Region Sustainable Transport Settlement (CRSTS) (£937,419).

The schemes included in this report have a combined value of £12,587,579. Approval will ensure that the full £40.468 million BSIP capital allocation, agreed by the North East Combined Authority (North East CA) Cabinet on 30 July 2024, is committed.

All schemes have completed required scheme-level assurance processes, including detailed consultation and local approvals. In line with the Single Assurance Framework thresholds and the delegation to the Chief Executive, agreed by Cabinet in December 2025, approval is therefore sought to enter into Grant Funding Agreements with the promoting authorities to progress delivery.

Recommendations

The Chief Executive is recommended to approve the entry into grant funding agreements for the following schemes:

- Gateshead Sunderland Road (Gateshead Council) which has total BSIP capital funding of £598,634.14
- A195 New Road (Gateshead Council) which has total BSIP capital funding of £893,975.98.
- Lingey Lane (Gateshead Council) which has total BSIP capital funding of £927,809.29
- A191 Benton (North Tyneside Council) which has total BSIP capital funding of £689,591.09
- A167 Coundon Gate (Durham County Council) which has total BSIP capital funding of £3,209,569.
- A193 Byker (Newcastle City Council) which has total BSIP capital funding of £1,800,000.
- Sunderland Park Lane (Sunderland City Council) which has total BSIP capital funding of £3,742,581 and total CRSTS capital funding of £937,419. The overall project total is £4,680,000.

A. Summary of Investment Proposals

Project Outline	
Funding Source	Bus Service Improvement Plan Capital
Proposal Name	Gateshead Sunderland Road
Delivery Areas	Gateshead
Start Date	June 2026
Financial End Date	September 2026
Practical completion date (date by which all outputs will be achieved)	August 2026
Total Project (s) Value	£598,634.14
Grant Amount Requested	£598,634.14
Budget Implications	The requested grant can be met within the overall BSIP capital budget.
Project Outline	
Funding Source	Bus Service Improvement Plan Capital
Proposal Name	A195 New Road
Delivery Areas	Gateshead
Start Date	April 2026
Financial End Date	September 2026
Practical completion date (date by which all outputs will be achieved)	June 2026
Total Project (s) Value	£893,975.98
Grant Amount Requested	£893,975.98
Budget Implications	The requested grant can be met within the overall BSIP capital budget.
Project outline	
Funding Source	Bus Service Improvement Plan Capital
Proposal Name	Lingey Lane- Leam Lane
Delivery Areas	Gateshead
Start Date	April 2026
Financial End Date	July 2026
Practical completion date (date by which all outputs will be achieved)	September 2026
Total Project (s) Value	£927,809.29

Grant Amount Requested	£927,809.29
Budget Implications	The requested grant can be met within the overall BSIP capital budget
Project Outline	
Funding Source	BSIP Capital
Proposal Name	A191 Benton
Delivery Areas	North Tyneside
Start Date	September 2026
Financial End Date	March 2027
Practical completion date (date by which all outputs will be achieved)	November 2026
Total Project (s) Value	£698,591.09
Grant Amount Requested	£698,591.09
Budget Implications	The requested grant can be met within the overall BSIP capital budget
Project Outline	
Funding Source	Bus Service Improvement Plan Capital
Proposal Name	A167 Coundon Gate
Delivery Areas	Durham
Start Date	July 2026
Financial End Date	March 2027
Practical completion date (date by which all outputs will be achieved)	February 2027
Total Project (s) Value	£3,209,569
Grant Amount Requested	£3,209,569
Budget Implications	The requested grant can be met within the overall BSIP capital budget
Project Outline	
Funding Source	Bus Service Improvement Plan Capital
Proposal Name	A193 Byker
Delivery Areas	Newcastle
Start Date	September 2026
Financial End Date	March 2027
Practical completion date (date by which all outputs will be achieved)	February 2027

Total Project (s) Value	£1,800,000
Grant Amount Requested	£1,800,000
Budget Implications	The requested grant can be met within the overall BSIP capital budget
Project Outline	
Funding Source	Bus Service Improvement Plan Capital & City Region Sustainable Transport Settlement Fund
Proposal Name	Sunderland Park Lane
Delivery Areas	Sunderland
Start Date	September 2026
Financial End Date	March 2027
Practical completion date (date by which all outputs will be achieved)	February 2027
Total Project (s) Value	£4,680,000
Grant Amount Requested	BSIP funding allocation: £3,742,581 CRSTS funding allocation: £937,419
Budget Implications	The requested grant can be met within the overall BSIP and CRSTS capital budgets

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 make bus travel faster, more affordable, and a more attractive offer to customers.
- 1.2 At Joint Transport Committee (JTC) in March 2023, Members approved a funding award of £163.5m of Bus Service Improvement Plan funding, of which £73.75m was allocated for capital delivery. This approval also confirmed funding allocations to enable BSIP Key Performance Indicators (KPIs) to be delivered.
- 1.3 In July 2023, the JTC approved £33.29m of BSIP capital funding for investment in Bus Priority Infrastructure and Intelligent Transport Systems. In March 2024, JTC Members approved and allocated the remaining unallocated BSIP capital funding totalling £40.468m.
- 1.4 At the 30 July 2024, meeting of the North East CA Cabinet, Members re-confirmed the decisions previously made by the JTC and delegated authority to the Chief Executive (in consultation with the Mayor, relevant Cabinet Member, Monitoring Officer and Director of Finance and Investment) to enter into agreements for up to £40.468m of BSIP capital funding (Cabinet Decision C24/7/24 (9)).
- 1.5 At the 30 July 2024, meeting of the North East CA Cabinet, Members agreed a programme of investment supported by the City Region Sustainable Transport Settlement (CRSTS) totalling £181m, inclusive of overprogramming Cabinet also endorsed a phased approach to CRSTS scheme approvals, supported by assurance through the Single Assurance Framework.

- 1.6 At the 9 December 2025 meeting of the North East CA Cabinet, Members resolved to approve a revised Scheme of Officer Delegations enabling the Chief Executive to award and sign a grant offer or agreement up to £5m (Cabinet Decision 50/12/25 (Governance Update)).
- 1.7 In line with the Single Assurance Framework, and in line with the delegation agreed at Cabinet held on 9 December 2025, the schemes outlined in Section A, have now come forward for approval following successful assurance.

2. The Investment Proposals

2.1 This paper requests the endorsement of the following schemes:

- **Gateshead Sunderland Road - £0.598million**
This scheme proposes extending the existing eastbound bus lane towards Heworth Metro and Bus Interchange to provide continuous bus priority along a key section of the corridor. The extension will run eastbound from Stoneygate Lane through Ridley Terrace Back to the Heworth Interchange, helping buses bypass congestion and improving journey time reliability.
- **Gateshead A195 New Road - £0.893million**
The A195 New Road bus priority scheme will introduce a new northbound bus lane along New Road between the A194(M) and the existing bus lane at Lingey Lane. The scheme will create a continuous section of bus priority along this part of the A195 corridor, enabling buses to bypass congestion and improving the reliability of bus services operating along the route.
- **Gateshead A195 Lingey Lane- £0.927million**
The A195 Lingey Lane bus priority scheme will introduce a northbound bus lane on Lingey Lane linking with the proposed bus lane on the A195 New Road corridor. The scheme will provide continuous bus priority along this section of the A195, allowing buses to bypass congestion and improving the reliability of bus services travelling towards Wardley and the A194(M).
- **North Tyneside A191 Benton- £0.698 million**
The scheme will reconfigure the pedestrian crossing arrangement to create staggered signal-controlled crossings, reducing signal stage times and improving traffic flow through the junction. These changes will improve reliability for buses using the corridor while maintaining safe crossing facilities for pedestrians.
- **Durham A167 Coundon Gate - £3.2 million**
This scheme focuses on Coundon Gate roundabout and introduces measures which will unlock congestion at a key junction. Deliverables include additional capacity on approaches, thereby improving overall junction operation, reducing queuing and improved traffic flow for bus services.
- **Newcastle A193 Byker - £1.8 million**
The A193 Shields Road (Byker) bus priority scheme will introduce dedicated bus priority and associated highway improvements along the Shields Road corridor. The scheme is intended to improve the reliability of bus services travelling along this key route whilst maintaining safe operation for all road users.
- **Sunderland Park Lane- £4.68m**
The scheme will enhance bus journey reliability and pedestrian safety by upgrading junctions and rerouting buses away from pedestrian heavy areas. It supports regional transport objectives including carbon neutrality, health, safety, and economic growth.

3. Outputs and Outcomes

For the six schemes seeking approval the following outputs apply:

Gateshead Sunderland Road

Outputs	26/27	Total
New bus lane	250m	250m
New pedestrian Crossing	1	1

Gateshead A195 New Road

Outputs	26/27	Total
New bus lane	550m	550m
Relocation of traffic signals	2	2

Gateshead Lingey Lane

Outputs	26/27	Total
New bus lane	200m	200m
New Pegasus Crossing	1	1

North Tyneside A191 Benton

Outputs	26/27	Total
Reconfigured staggered signalised pedestrian crossings	1	1
Traffic signal upgrades and optimisation	1	1
Traffic signal detection / control upgrades	1	1

Durham A167 Coundon Gate

Outputs	26/27	Total
Widening of carriageway to accommodate additional traffic capacity	60m	60m
Reallocation of carriageway from northbound to southbound	200m	200m

Newcastle A193 Byker

Outputs	26/27	Total
Traffic signals Improvements at key junctions	2	2
New bus boarding kerbs to improve accessibility	2	2
New bus lane	150m	150m
Pedestrian crossing improvements	1	1

Sunderland Park Lane

Outputs	26/27	Total
New direct access and egress to and from A1231	1	1
Carriageway and footway Improvements	200m	200m
New Traffic signals	5	5

Outcomes

For all schemes seeking approval, the following outcomes apply

Description of Outcomes	Timeframe for achievement	Totals
Improved bus service reliability on corridor	5 years post completion	Increase from baseline (identified in M&E)
Improved journey times on corridor	5 years post completion	Increase from baseline (identified in M&E)
Increased bus patronage on corridor	5 years post completion	Increase from baseline (identified in M&E)

4. Timetable for Implementation

Anticipated milestones are outlined in section A (Summary of Investment Proposals).

5. Evaluation

Evaluation will be undertaken by the scheme promoter for each scheme, in partnership with the Enhanced Partnership Team; a monitoring and evaluation plan has been produced and will be embedded into the forthcoming Grant Funding Agreement.

6. Appraisal

Independent appraisal identified no fundamental issues to programme delivery or viability of all schemes contained within this report. This provides comfort that proposals are sufficiently developed and pose limited delivery risk.

7. RAG Assessment

Both programme level business cases and assurance statements have been assured by specialist independent appraisers who have provided the following summary across each scheme presented for decision:

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

8. Recommended Conditions of Funding

The award of funding will be subject to the following proposed funding conditions.

No.	Condition
1.	All funding must be defrayed by March 2027
2.	All funding can only be spent on scheme deliverables set out in the project business case.

B. Potential Impact on North East Combined Authority Objectives

The LTP and its associated Delivery Plan are centred on delivering a fully integrated public transport system, better travel planning to ensure smoother journeys, with a key focus on safety and security of women and girls. The proposals included within this report directly contribute towards achieving these aims, and in turn, support the North East Combined Authority corporate objectives of delivering a Home of real opportunity and a North East we are proud to call home. The benefits that will be realised through the schemes included in this report will improve the attractiveness, accessibility and reliability of public transport, leading to more people choosing to travel sustainably, journey time savings for people choosing to travel sustainably and a reduction in harmful emissions owing to an uptake in public transport.

C. Key risks

The key risk associated with this report is the ability of the scheme promoters to defray BSIP and CRSTS capital expenditure within the overall programme timescales as required by the Department for Transport (31 March 2027). Approval and agreement of the proposals outlined within this report will aid in the delivery of the interventions within the required timescales.

D. Corporate Implications

D1. Financial and other resources implications

The current estimated financial profile for schemes seeking approval is included below:

Scheme name	2026/7	Total
Gateshead Sunderland Road	£598,965.14	£598,965.14
Gateshead A195 New Road	£893,975.98	£893,975.98
Gateshead A195 Lingey Lane	£927,809.29	£927,809.29
North Tyneside A191 Benton	£698,591.09	£698,591.09
Durham A167 Coundon Gate	£3,209,569	£3,209,5697
Newcastle A193 Byker	£1,800,000	£1,800,000
Sunderland Park Lane (BSIP)	£3,742,581	£4,680,000
Sunderland Park Lane (CRSTS)	£937,419	
Total (£)	£12,808,910.50	£12,808,910.50

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 to the schemes seeking approval via Cabinet decisions in July 2024 (C24/7/24) and (C25/7/24).

D2. Legal implications

The comments of the monitoring officer are included in this report.

D3. 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 distinct roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

D4. Consultation and engagement

Extensive consultation and engagement was undertaken in the development and agreement of the BSIP and CRSTS programme, as such the schemes included within this report have been consulted on and considered by Heads of Transport of the LA7 constituent authorities, Transport Advisory Board and at the North East CA Cabinet.

Scheme promoters have undertaken consultation and engagement for each of the schemes outlined in this report. This includes engagement with local ward members, the public and businesses, which has been evidenced through the assurance process.

E. Appendices

None.

F. Background papers

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

G. Contact officers

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H. Glossary

North East CA: North East Combined Authority
BSIP: Bus Service Improvement Plan
CDM- The Construction (Design and Management) Regulations
CRSTS: City Region Sustainable Transport Settlement
DfT: Department for Transport
FIB: Finance and Investment Board
GFA: Grant Funding Agreement
JTC: Joint Transport Committee
TOG: Technical officers Group

I. Consultee

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