

Scheme GA08: Hills Street and Gateshead Quays sustainable access

Value for Money Statement

The Strategic Case sets out the underlying rationale for the scheme proposals. Existing pedestrian and cycle infrastructure serving Gateshead Quays is inadequate to support the safe and sustainable regeneration of the area and would impair its ability to act as a catalyst for future growth. The proposals that have been developed represent a realistic and affordable approach to tackling some of the major pinch points and constraints, and providing the basis for improved pedestrian and cycle connections to the Gateshead Quays area.

This Value for Money statement considers whether the expected cost of public resources to deliver the proposed upgrades justifies the expected impacts on public value (i.e. the anticipated benefits for society, the economy and environment).

Scheme costs

The Economic Appraisal Report puts the Present Value of Costs at a total of £2.386 million. As all works are within the adopted highway maintenance costs will be provided for via general highways maintenance budgets.

Monetised benefits

The monetised benefits are associated primarily with improvement in journey time for bus passengers, and also benefits for pedestrians and cyclists as derived via the Department for Transport's AMAT tool. The Covid 19 pandemic has severely restricted the ability to undertake meaningful surveys of the baseline position for the past 18 months and this has significantly impaired the ability to monetise the likely benefits of the scheme. Table 4-1 of the accompanying Economic Assessment Report highlights these difficulties, with monetised benefits estimated for only 8 of the 13 package elements.

Based on the monetised benefits assessed in the Economic Assessment Report the Benefit to Cost ratio for the scheme is **2.07**, which equates to **High** value for money. However, if benefits from the Arena were excluded from the appraisal, or if demand using the transport network reduced, the value for money based solely on the monetised benefits would reduce to medium value for money.

Non monetised benefits

There a number of benefits that have not been quantitatively appraised, as follows:

- Reliability impacts on users;
- Regeneration;
- Wider impacts;
- Environmental impacts;
- Accidents;
- Security;
- Severance;
- Option values and non-use values;
- Accessibility; and

- Personal affordability.

The economic tables (Appendix 1) highlights a number of non-monetised benefits associated with the scheme. A number of these are potentially significant in scale, notably those relating to regeneration., accidents and severance. None of the non-monetised benefits are likely to have significant negative impact.

Value for money assessment

In the light of the above it is considered that, taking all impacts into account, the proposal represents High value for money.