

Transport North East Committee

Thursday 9th February 2017 at 2.00 pm

Meeting to be held in a Committee Room, Civic Centre, Barras Bridge, Newcastle upon Tyne, NE1 8QH

www.northeastca.gov.uk

AGENDA

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| 2. | Declarations of Interest | |
| | Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer).
Please also remember to leave the meeting where any personal interest requires this. | |
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| 13. | Date and Time of Next Meeting | |

20 April 2017 at 2.00pm at County Hall, Morpeth, Northumberland

Contact Officer: Lynn Camsell Tel: 0191 211 6146 E-mail: lynn.camsell@newcastle.gov.uk

To All Members

North East Combined Authority

Transport North East Committee

3 November 2016

Meeting held Committee Room, County Hall, Durham, DH1 5UQ

Present:

Councillor: N Forbes (Chair)

Councillors: M Brain, N Foster, M Green, J Harrison, A Hepple, G Hobson, J McCarty, M Mordey and A West

63 APOLOGIES FOR ABSENCE

Councillors S Green, A Sambrook, M Speding and E Tomlinson.

64 DECLARATIONS OF INTEREST

None.

65 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 15 July 2016 were approved as a correct record and signed by the Chair.

66 TRANSPORT FOR THE NORTH UPDATE AND PRESENTATION

Submitted: A report of the Lead Chief Executive Officer for Transport (previously circulated and copy attached to Official Minutes).

Members considered the progress report, and also a presentation from I Palmer, the Senior Policy and Strategy Officer for Transport for the North, on the details of the Transport for North (TfN) Northern Transport Strategy and Investment Plan (presentation slides are attached to Official Minutes).

This is a summary of the matters noted during the ensuing discussion:

- It was understood that, whilst the new government was cautious about the Northern Powerhouse agenda and relevant discussions were ongoing, the message remained that the current momentum should be sustained and the work continue as planned. It was yet to be confirmed what message would be issued by the government with regard to TfN as part of the Autumn Statement.
- It was confirmed that the NECA was fully participating in TfN's work to improve connectivity between the partner areas in the North. This work on connectivity was informed by the strategic studies of the road network in

conjunction with DfT and Highways England, work on Northern Powerhouse Rail in conjunction with Network Rail and also by local priorities.

- Members felt that the TfN partnership should give a higher priority to the NECA area as a whole and its individual city areas. It was noted that there was a balancing act to achieve, TfN was evolving and it was critical for the North East to continue to work in partnership with TfN to ensure a stronger voice for the North overall and to bring improvements to the NECA area.
- Members felt that, notwithstanding the importance of the economic growth agenda, it was equally important to prioritise health and wellbeing, social inclusion, reduction of car use and care for the local communities that were affected by strategic road network development proposals. It was important that the strategic work continued to develop plans that were based on the right balance of priorities. This required joint thinking between TfN, central government and local authorities.
- Members welcomed the role and purpose of TfN but highlighted the importance of understanding their powers and responsibilities. Members suggested that consideration should be given to organising a policy seminar for Members on TfN at around March 2017.

RESOLVED – That the report, presentation and Members’ comments be noted.

67 **TRANSPORT MANIFESTO AND PLAN FOR THE NORTH EAST**

Submitted: A report of the Lead Chief Executive Officer for Transport (previously circulated and copy attached to Official Minutes).

Members considered the report which sought their approval of the final version of the Transport Manifesto for the North East and provided information on the next steps for the Transport Plan.

In discussion, Members commented on the good progress achieved in developing a direction of travel for the region; the inclusion of health, economy, connectivity and environment agendas in the developing Transport Plan; and the intended timescales and the importance of progressing with the next stages as quickly as possible whilst having regard to a level of sensitivity around local elections 2017. Officers reported that further work was still required, including with stakeholders. It was noted that further information on the draft Transport Plan would be provided to the Committee in due course.

RESOLVED – That:

- i. The Transport Manifesto for the North East, as attached to the report and incorporating feedback from the public consultation, be adopted as the final version; and
- ii. The contents of the report regarding the Transport Plan for the North East be noted.

68 **NECA CONCESSIONARY TRAVEL**

Submitted: A report of the Lead Chief Executive Officer for Transport (previously circulated and copy attached to Official Minutes).

Members considered the report which set out a number of issues relating to Concessionary Travel in the NECA area and proposed a way forward for each of them, including inconsistencies in discretionary concessions across the NECA area, the WASPI (Women Against State Pension Inequality) campaign in relation to concessionary travel for women born in the 1950s and concessionary fares for young people in the NECA area.

In discussion, Members commented on the lack of resources at the local level to support the national concessionary travel scheme; the complex picture across the NECA area in relation to concessionary fares for young people; the importance of working to ensure there were no artificial barriers between areas of the region; the opportunity of working with the Youth Councils and Youth Parliament to seek their views; and the need for clear timescales.

The following TNEC Members would participate in a task and finish group to consider public transport fares for young people in the NECA area in more detail: Councillors J McCarty (to chair), A Hepple, M Green, M Mordey and N Forbes. The invitation would also be extended to other Members of NECA. A report on the findings of the task and finish group would be presented to the Committee by as soon as possible.

RESOLVED – That:

- i. The establishment of a task and finish group to consider public transport fares for young people in more detail be endorsed;
- ii. The intention of Nexus and the Regional Transport Team to commission an independent report into the opportunities that an improved ticketing offer for young people could provide, be endorsed; and
- iii. The intention of the Thematic Lead for Transport to write to the government to advise that the NECA noted the points raised by the WASPI campaign and requests that the government responds to them be endorsed.

69 **BUS SERVICES BILL UPDATE**

Submitted: A report of the Lead Chief Executive Officer for Transport (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the Bus Services Bill which was progressing through Parliament, and highlighted some important issues arising from the Bill that could affect the NECA area.

As an update, it was noted that the bill had completed the House of Lords stage with the following amendments:

- bus franchising powers to local authorities;
- section 21 preventing local authorities from setting up their own bus companies had been removed;
- a requirement to provide audio/visual announcements on buses had been added; and
- local authorities could set air quality requirements.

In discussion Members commented on the importance of local authorities communicating comments and concerns to the relevant MPs.

RESOLVED – That:

- i. the update regarding the Bus Services Bill be noted;
- ii. the Bill's implications for the NECA area be noted; and
- iii. officers would commence work on preparing a new NECA Bus Strategy for Members' consideration.

70 METRO FUTURES PROGRAMME UPDATE

Submitted: A report of the Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report, which provided an update on progress and status of the Metro Futures Programme which consisted of three main projects: the introduction of a new fleet of Metrocars, securing funding for Essential Renewals (ARP Phase 3) and Metro network extensions and enhancements.

RESOLVED – That the report be noted.

71 HEAVY RAIL UPDATE

Submitted: A report of the Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report, which provided an update on the recent developments regarding the heavy rail issues affecting the North East.

In discussion:

- Members discussed the regional and more local priorities, including the importance of connectivity and HS2, and the importance of engagement of NECA in discussions on options and preferences in relation to stops on key routes.
- Members received confirmation that, in considering connectivity, capacity and journey times as part of Northern Powerhouse Rail, consideration was given to the whole region and beyond, although at this point of time it was too early to confirm any specific options.

- It was noted that information would be provided on the status of the plans to increase rail services at Cramlington Station.

RESOLVED – That the report be noted.

72 **NORTH EAST COMBINED AUTHORITY – DEVOLUTION UPDATE**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report, which provided an update on the position in relation to the devolution agreement.

RESOLVED – That the report be noted.

73 **DRAFT TRANSPORT BUDGET AND LEVIES 2017/18**

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which provided a summary of the latest information about the draft transport budgets and transport levies for 2017/18 for consideration and comment in order to inform the recommendations to be made in the report to the NECA Leadership Board meeting on 15th November 2016 about the draft Transport Budget for wider consultation. It was noted that the Delivery Agencies as referred to in paragraph 3.2 of the report were Nexus, Durham County Council and Northumberland County Council.

RESOLVED – That:

- i. the report be noted;
- ii. the current position with regard to the development of the overall potential transport net revenue budget of £84.808m proposed for 2017/18 as set out in section 3 and the potential Budget position for the following two years be noted; and
- iii. Members of the Committee would be informed of the results of consultation and given the opportunity to comment on Transport proposals that would be included in the NECA Leadership Board report to be considered on 17 January 2017.

74 **CAPITAL PROGRAMME 2016/17 UPDATE**

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which provided a monitoring update on delivery of the 2016/17 Transport capital programme.

RESOLVED – That the report, including the actions that were taken and proposed to deliver the 2016/17 capital investment programme, be noted.

75 **DATE AND TIME OF NEXT MEETING**

Thursday, 9 February 2017 at 2pm at Newcastle Civic Centre.

North East Combined Authority Transport North East Committee

DATE: 9th February 2017

SUBJECT: National Infrastructure Commission - Call for Evidence

REPORT OF: Lead Chief Executive for Transport

EXECUTIVE SUMMARY

This report provides members with details of the National Infrastructure Commission's recent Call for Evidence and a suggested NECA response, which will also be the subject of a presentation to the meeting.

RECOMMENDATIONS

It is recommended that the Committee notes this report and approves the NECA response.

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1. Background Information

- 1.1 The National Infrastructure Commission was set up in October 2015, with a remit to enable long term strategic decision making to build efficient infrastructure for the UK. It operates within the UK Treasury.
- 1.2 The Commission takes the form of a Chair, Deputy and a number of Commissioners with a wide-ranging set of expertise. The first Chair of the Commission was Lord Andrew Adonis, the former Secretary of State for Transport. Lord Adonis previously chaired the North East Independent Economic Review.
- 1.3 There are two specialist panels which support the Commission. These are a Technical Panel and an Analytical Panel. The Technical Panel includes Richard Dawson, the Director, Centre for Earth Systems Engineering at Newcastle University.
- 1.4 In the 2016 Autumn Statement, it was established that the Commission would become a permanent executive agency of the Treasury in January 2017.

2. Previous National Infrastructure Commission reports

- 2.1 In October 2015, the National Infrastructure Commission began its work on three initial topics. These were London's transport infrastructure, energy and northern inter-city connectivity. These were published in March 2016, the report on northern inter-city connectivity was known as 'High Speed North'.
- 2.2 The North East Combined Authority submitted an officer-level response to the previous consultation on 'High Speed North'. Officers also contributed to a joint response from Transport for the North.
- 2.3 The High Speed North report endorsed many of the wishes of the NECA. These included improving inter-city rail capacity in the North and continuing the program of longer-term studies on the Strategic Road Network including on the A66/69.

However, it was felt that the report's emphasis on trans-Pennine connectivity could have included greater discussion about North-South connectivity east of the Pennines.
- 2.4 In the Autumn of 2016, the Commission had an open call for ideas for new studies. As part of this work, Commission members visited the North East and met members and officers.

3. National Infrastructure Commission Call for Evidence

North East Combined Authority

Transport North East Committee

- 3.1 As part of the remit of the Commission, they are undertaking a National Infrastructure Assessment, which would be the first of its kind in the UK.
- 3.2 Between October 2016 and February 2017, they are conducting a 15 week consultation on a call for evidence to support this Assessment. The deadline for this call for evidence is the 10th February, the day following this committee.
- 3.3 The consultation is divided into cross-cutting themes, transport, digital communications, energy, water and wastewater, flood risk management and solid waste. Responses are to be evidence-led and no longer than 20 A4 pages.
- 3.4 Some of these questions fall beyond transport, however many of the cross-cutting themes have significant transport implications.

4. Response to Call for Evidence

- 4.1 Attached is the proposed NECA response to the Call for Evidence. It contains an evidence-based approach to the most relevant cross-cutting and transport questions posed in the consultation.
- 4.2 This response has sought to incorporate the ways in which the infrastructure in the NECA area can be enhanced and made future-proof and some of the most crucial transport infrastructure investments in the region.
- 4.3 Through the response, the NECA has made the case for increased revenue funding for transport, particularly maintenance and supported bus services, investment in our road, rail and Metro networks and for increased spending on active travel.
- 4.4 This response has included supporting Transport for the North and the North East Rail Management Unit as new forms of governance which are able to enhance the efficiency of infrastructure delivery.
- 4.5 Further, the response indicates the need to embrace long-term thinking about our transport networks. This includes maintenance, innovative Intelligent Transport Systems (such as the Urban Traffic Management and Control systems in Tyne and Wear and Durham) and to build upon the Low Emission Vehicle specialisms in the region.

6. Next Steps

- 6.1 With the approval of the Committee, NECA Officers will submit this response to the call for evidence.

7. Potential Impact on Objectives

- 7.1 The work of the NIC will impact on the NECA's objective to deliver an effective transport network that supports economic growth and opportunity for all.

8. Finance and Other Resources

- 8.1 There are no specific financial implications arising from this report

9. Legal

- 9.1 There are no specific legal implications arising from this report

10. Other Considerations

10.1 Consultation/Community Engagement

There are no specific consultation implications arising from this report.

10.2 Human Rights

There are no specific human rights implications arising from this report.

10.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

10.4 Risk Management

There are no specific risk management implications arising from this report

10.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

10.6 Environment and Sustainability

There are no specific environment and sustainability implications arising

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from this report

11. Background Documents

11.1 None.

12. Links to Plans in the Policy Framework

12.1 This report has no direct link to plans in the Policy Framework

13. Contact Officers:

13.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)
mark.wilson@newcastle.gov.uk 0191 211 5679

14. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

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National Infrastructure Commission
1 Horse Guards Road
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SW1A 2HQ

Phone:
Email:

www.northeastca.gov.uk

Date 9th February 2017

Dear Lord Adonis,

National Infrastructure Commission call for evidence

The North East Combined Authority (NECA) welcomes the opportunity to respond to the National Infrastructure Commission's call for evidence. Our response to the questions posed by the Commission is attached and we would be happy to provide further information or to answer any questions you may have.

Yours sincerely,

Principal Office: Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

Seven Councils Working Together

Durham County Council • Gateshead Council • Newcastle City Council • North Tyneside Council
Northumberland County Council • South Tyneside Council • Sunderland City Council

North East Combined Authority Response to the National Infrastructure Commission Call for Evidence

The NECA consists of the seven local authorities of Durham County Council, Gateshead Council, Newcastle City Council, North Tyneside Council, Northumberland County Council, South Tyneside Council and Sunderland City Council. The Combined Authority reinforces and strengthens existing partnership arrangements to collectively drive forward change and enable economic growth across an area of almost 2 million people. Maintaining and improving an integrated transport network that supports economic growth and enhances the mobility of residents, visitors and businesses is a key goal of the Authority.

1. What are the highest value infrastructure investments that would support long term sustainable growth in your city or region?

There has been a historic lack of investment in transport infrastructure in the north of England. This has resulted in lengthy, infrequent and unreliable journey times for city to city travel, which is a constraint to productivity, jobs, and housing growth. In economic terms cities in the north of England are performing well individually but they are not realising their full potential partly as a result of this poor connectivity to other cities in the north and elsewhere^{1 2 3}.

Where investments are made, it should be the case that these are created as part of an integrated transport system where possible. Users view the transport system as a whole, crossing multiple modes and boundaries, rather than separate sets and investments should reflect this.

In terms of transport infrastructure investments, these can be broadly split by mode:

Rail

The East Coast Mainline (ECML) is an extremely important rail route to NECA and to the nation as a whole and we are full members of the East Coast Mainline Authorities group (ECMA). Investments to improve capacity on the ECML along the route, but particularly north of York, have been identified as essential through multiple processes, including by Network Rail, local authorities, operating companies^{4 5 6 7} and Transport for the North (TfN)⁸. The current two-tracking north of Northallerton represents a constraint on both inter-city capacity (linking the North East to Leeds and Manchester city-regions in the North and to the economic centre of London) and intra-regional capacity, restricting the ability to increase the quantum of regional services, limiting local labour markets.

¹ *Cities Growth Commission* Unleashing Metro Growth (2014)

² *IPPR North* Rhetoric to reality: a business agenda for the northern powerhouse, (2015)

³ *Transport for the North* Northern Transport Strategy, Spring Report (2016)

⁴ *JMP Consultants* Sunderland: Rail Connectivity Improvements Study (2014)

⁵ *JMP Consultants* Prospectus for Investment in the East Coast Mainline (2014)

⁶ *Office of Rail and Road* Applications for Access on the East Coast Main Line (2015)

⁷ *Network Rail* East Coast Main Line Capacity Options Report (2014)

⁸ *Transport for the North* The Northern Powerhouse: One Agenda, One Economy, One North (2015)

Further, it is expected that there will be future restrictions on the ability to assign freight paths on the route due to high demand for passenger services operating at high speed. As a result the growth of freight and logistics within the region faces future constraints, and some freight may switch to the highway network, with attendant negative consequences.

A cost-effective and short-term measure would begin with provision of passing loops for freight services north of Northallerton, as identified in CP5 and the Hendy Review. However, this does not represent a long-term solution to match anticipated growth, which is estimated at 144% for passengers up to 2043⁹ and 13.2% annually for key biomass traffic or 11.9% for domestic intermodal up to 2043¹⁰. The best way to match both estimated growth and the ambitions for the corridor would entail four-tracking the route between Northallerton and Newcastle and investigating capacity enhancements on the line north of Newcastle up to the Scottish border.

However, considerations for improvements should not be limited to simply four-tracking along the existing route. There are other ways to grow capacity along the ECML corridor and allow for greater resilience and further development. NECA supports investigating the re-opening of the Leamside line, linking the ECML to Pelaw via Leamside and Fencehouses. The benefits from re-opening of this line have been noted in work by Network Rail, Local Development Plans, the North East LEP's Strategic Economic Plan and in TfN's 'Northern Powerhouse Rail' workstream. The initial benefits of reopening this line have been examined¹¹ and it would represent an investment in transport infrastructure in the region which would serve multiple functions. Not only would it significantly increase capacity on the corridor and allow for the development of more local and regional services, it would also increase resilience to disruption on the ECML which frequently isolates the North East from the rest of England.

The NECA also believes that improvements to other rail lines in the region are vital in continuing to support economic growth. In terms of existing passenger routes, the Bishop Auckland, Durham Coast and Tyne Valley Lines all have great potential to drive economic growth and support local connectivity, whilst improvements to the latter two routes would also enhance the resilience of the East Coast Main Line.

The NECA is supporting improvements to these lines through Rail North, including development of a new station at Horden. The NECA also strongly supports a scheme led by Sunderland City Council to redevelop Sunderland station which, in its present state, is acting as a deterrent to economic growth when it should be acting as a stimulus.

A new railway station at Cramlington in South East Northumberland has been identified as an opportunity to facilitate growth in the town and take advantage of the opportunities presented to the town by its location on the strategically important East Coast Main Line. This would involve re-siting the current station to a location closer to

⁹ *Network Rail*, Long Distance Market Study (2013)

¹⁰ *Network Rail*, Freight Network Study (2016)

¹¹ *AECOM* Conditional Output Statement for Reintroducing Rail Services Between Newcastle and Northallerton (2014)

the town centre and more able to provide effective interchange with other transport modes.

Some of the strongest potential for sustainable growth comes from unlocking growth in areas which are currently not well connected by rail to large employment areas. In the North East, we strongly support reopening the Ashington, Blyth and Tyne line to passenger traffic. This has the potential to support up to 280,000 return journeys per year for the 150,000 residents along the corridor and halve public transport journey times from the densely populated area of South East Northumberland to Newcastle City Centre¹². This would contribute to the sustainable economic growth of an area with ambitious plans for growth of over 200 hectares of strategic employment land and 12,840 houses¹³.

High Speed Rail

As highlighted above, improvements to the ECML corridor are essential to the economic well-being of the North East and its contribution to the national economy. However, these improvements are unlikely to be sufficient to cope with forecast demand, both passenger and freight, and deliver the growth we seek in the long-term (defined in the Call for Evidence as up to 2050). Therefore, if these long term travel requirements are to be met, the existing commitment to deliver High Speed 2 needs to be developed further.

Working as part of Northern Powerhouse Rail, with Rail North, we support a link from HS2 phase 2b to the East Coast Main Line. This is planned at Church Fenton. Linking HS2 phase 2b from Leeds to the East Coast Main Line will function to provide £44bn of GDP up to 2093¹⁴.

In 2016 HS2 Ltd published its report “Broad options for upgraded and high speed railways to the north of England and Scotland”¹⁵ which explored options to:

- improve journey times from Edinburgh and Glasgow to cities further south, including options that could reduce journey times to London to 3 hours or under
- provide additional passenger and freight capacity where it is projected that future demand will not otherwise be met

NECA advocates an Eastern route for HS2 Scotland, whether by a completely new route or upgrades to the existing ECML. The Eastern Route is ideal as it connects large existing centres of population more effectively, with fewer environmental constraints.

When HS2 phase 2b is delivered, stations need to be ready for the demands placed upon them by this additional capacity. Newcastle Station has been identified as a future pinch-point by Network Rail and there is a need to make it ready for HS2 services and increase capacity.

¹² AECOM Ashington-Newcastle Rail Link: Update of Scheme Business Case (2014); Jacobs Ashington Blyth & Tyne GRIP 2 study (2016); *Northumberland County Council* Ashington Blyth & Tyne Line report to Cabinet (2016)

¹³ *Northumberland County Council* Local Plan Core Strategy Pre-Submission Draft (2015), incorporating the South East Northumberland Delivery area

¹⁴ HS2 Ltd High Speed 2 phase 2b Strategic Outline Business Case Economic Case (2016)

¹⁵ HS2 Ltd [Broad options for upgraded and high speed railways to the North of England and Scotland](#) (2016)

Light rail

The Metro system connects the key centres of population in Tyne and Wear. Many employment sites are accessible by Metro, either directly or via interchange. Universities and Further Education Colleges can be easily accessed by Metro, along with many retail facilities, hospitals, GP surgeries and clinics. Metro is readily accessible¹⁶ to 350,000 individuals. Passenger surveys¹⁷ suggest that approximately one quarter of the Tyne and Wear population (297,600 i.e. 27% of 1.1m) uses Metro, with many Metro stations serving as interchanges with other modes of public transport, mainly local bus services but also taxi, national and local rail services and also air transportation.

This connectivity is important to allow people to access employment opportunities, to travel for leisure purposes or for education and training. The economic importance of these links is recognised by the North East Local Enterprise Partnership's (NELEP) Strategic Economic Plan (SEP).

The Metro and Local Rail Strategy sets out proposals to expand, improve and integrate local rail and Metro services. This is fundamentally important to the economic growth plans of the North East, and is reflected in the Transport Manifesto and SEP. The vision for the strategy is “An integrated, modern and sustainable Metro and local rail network for the NECA region that supports the local economy, environment and society”. In order to take Metro into the future by developing Metro and local rail services together to enable the North East to thrive economically and socially, the objectives are:

- To provide Metro and local rail services that are reliable, accessible and comfortable with high levels of customer satisfaction, within available resources;
- To grow the Metro and local rail network and their modal share as part of an integrated public transport network; and
- To achieve value for money.

In addition to this, Nexus is seeking funding and investment for a new fleet of Metrocars as the current 90-car fleet was built in the late 1970's and many components are life expired. A new fleet of Metrocars will provide improved reliability, journey time benefits and a better passenger experience.

Cities and their hinterlands within the NECA region would significantly benefit from investment in a new Tyne and Wear Metro fleet, which could be dual voltage and inter-operable with the local rail network. This would rejuvenate and revitalise a system by replacing a fleet which has served since the inception of the Metro in 1980. Viewed over the life of the trains, this would represent a cost-effective investment, particularly when compared to a do-minimum alternative. This would allow a more flexible and comprehensive local rail network that creates new journey opportunities for the region.

¹⁶ Defined as living within 800m of a Metro station

¹⁷ Nexus Business Intelligence patronage figures, adjusted for the frequency of Metro travel

Connectivity to major employment, rail and airport hubs is integral to securing job growth and productivity not simply between but also within city-regions. In this respect, investments in expansion of light rail and metro systems can be complementary to larger inter-city investments, which can represent the 'hubs' of a 'hub and spoke' model. Correspondingly, expansion of the Metro system would represent one of the highest value infrastructure investments in the region and in the North more widely.

Highways

NECA supports the delivery of schemes identified and committed to within the current Road Investment Strategy (RIS) to 2020 and beyond in the North East. These schemes are integral to managing growth on the Strategic Road Network in the future and to addressing current, longstanding congestion issues. It is important that where funding has been secured for works, such as improvements on the A1 between Scotswood and North Brunton or A19 improvements at Testos and Downhill Lane, timely delivery is ensured to enable the benefits to be secured as early as possible.

It is the ambition of NECA to achieve an upgrade of the A1 to provide continuous dual carriageway standard between London and the Scottish Border and we believe this should be a priority as it addresses identified weaknesses in city-to-city connectivity and inter-regional connectivity. We welcome commitments made by the Government as part of the RIS, City Deals and through other mechanisms to address existing capacity issues.

The A19 Corridor and A1 Western Bypass are integral to passenger and freight movements in and through the region, including for access to regional ports.

The A19 is integral to both city-to-city (the Tees Valley to Tyne & Wear) and enterprise (industrial to international gateway) connectivity. NECA welcomes current Highways England (HE) investment on key links such as the Testos and Silverlink junctions. Future investment along this corridor must be prioritised in order to unlock further enterprise growth such as that planned for the International Advanced Manufacturing Park (IAMP).

The A1 Western Bypass has already been recognised as nationally important and NECA support the current RIS programmes. However, in order to unlock additional capacity, further investment must be made a priority within the region and form a significant part of RIS2 to continue to unlock growth and drive productivity.

The NECA has consistently supported the case for investment in the A66 and A69 to improve connectivity between this region and North-West England. We welcome the improvements announced in the Autumn Statement but note that, as part of the Transport for the North programme, studies are continuing into the benefits of further upgrading TransPennine routes.

While delivering the above improvements is essential, there will still likely be future capacity issues on our network. In particular, this applies to capacity across our major rivers. We are looking to work with partners, particularly Highways England, to explore this issue.

Where improvements to the Strategic Road Network are prioritised, this must be done with consideration of the impacts this will have on the associated local road network. The interface between the two must be considered holistically to ensure the greatest possible support of growth from any intervention. This should also be a consideration with regard to asset management as well as new infrastructure.

Active Travel

Investment in cycling and active travel is among the most cost-effective forms of infrastructure investment^{18 19}. The relative proximity of the North East's towns and cities means cycling infrastructure is well placed to replace car journeys for shorter trips. By removing many car based local commuter journeys, particularly on the Strategic Road Network, cycling infrastructure supports the efficient functioning of highway infrastructure in general.

NECA would expect investment in the strategic road network to include cycling infrastructure improvements, including cycle routes along road corridors as well as reducing severance at interchanges. This will complement investment at a local level through local resources and the Government's forthcoming Cycling and Walking Investment Strategy.

The North East Independent Economic Review noted that ensuring consistent investment in cycling facilities was required to secure continuous improvement to the quality of the built environment, community life and public health and thereby retain the skills needed to deliver the economic strategy.

Technology

The NECA is strongly in favour of low-emission vehicle technology, and the international expertise of the region in this sector is emphasised within our Strategic Economic Plan (SEP). We believe that it should be a priority to future-proof the Northern road network so that it is capable of supporting the next generation of vehicles. We have incorporated this aspiration into our bid to OLEV as part of the Go Ultra Low City Scheme opportunity, emphasising the region's role at the forefront of Low Emission Vehicle adoption.

There are further additional technology opportunities which can complement and enhance transport investments. With increases in both the number of people with flexible working patterns and an increasing recognition of the importance of being productive while travelling, the provision of fast and reliable 4G coverage across the transport network is a priority. When allied to Wi-Fi at public transport nodes and on vehicles, this can dramatically improve the productivity benefits of investment although this is not currently picked up in appraisal practices.

¹⁸ *Raje, F., Department for Transport [The Value of Cycling](#) (2015)*

¹⁹ *Cabinet Office Strategy Unit [An Analysis of Urban Transport](#) (2009)*

2. How should infrastructure most effectively contribute to the UK's international competitiveness? What is the role of international gateways for passengers, freight and data in ensuring this?

Two of the ways in which international competitiveness can be addressed are to improve access to and from international gateways (such as ports and airports) but also to improve connectivity within the country for freight and passengers. The NECA believe that both aspects need to be tackled equally to improve competitiveness.

While the North East has a well-developed freight and logistics industry, lifting 88 million tonnes per year by road²⁰ we are hampered by the lack of a Strategic Rail Freight Interchange (SRFI), providing the facilities to enable large volumes of freight to be transferred to and from road vehicles and freight trains. The provision of Rail Freight Interchanges is a national government objective and the National Planning Statement (NPS) on National Networks²¹ is clear about the need for new Strategic Rail Freight Interchanges (SRFIs) across the regions to boost economic growth. The NPS stresses that rail freight interchanges are required 'particularly in areas poorly served by facilities at present' and that new SRFIs 'are likely to attract substantial business, generally new to rail'. The NECA has therefore identified the need for an SRFI as a goal in our Transport Manifesto and also in our submissions to the Transport for the North Freight and Logistics workstream.

NECA welcomes the National Infrastructure Commission's focus on the long-term future international needs of the region. As the only region in the UK with a positive balance of trade and over £13bn of annual exports across the globe, international connectivity is at the heart of the economic strategy of the NECA.

The NECA would welcome improved surface access to Newcastle International Airport which, due to its location, has a unique catchment area. Improved surface access is likely to increase the attractiveness of the airport to both passengers and airlines with a view to improving international connectivity. Improved surface access can also widen the catchment area by bringing more people to within two hours journey time of the area which has the potential to increase demand for services. Airlines may choose to address this demand through increasing the frequency of new routes and introducing new services. In particular we would welcome improvements to the A696 and its junctions associated with the A1 in order to accommodate forecast growth at the airport. These measures will enhance the North East's connections to international markets and will contribute to our ability to compete in the global marketplace.

Our ports serve dual roles as key international gateways for not only goods but people. We have seen strong growth, particularly in the cruise sector, an industry with growth potential²². Ensuring that ports in the UK are not only more accessible for freight movements but for the movement of people by improving surface access will improve UK international competitiveness.

²⁰ *Department for Transport Road Freight Statistics* (2016)

²¹ *Department for Transport [National Policy Statement on National Networks](#)* (2014)

²² 43 cruises visited the region in 2016 – this included the Disney Magic vessel and the Koningsdam, the largest cruise ship to berth at a Northumbrian Quay. 60 cruise ships are expected to visit the Port of Tyne in 2017

3. How should infrastructure be designed, planned and delivered to create better places to live and work? How should the interaction between infrastructure and housing be incorporated into this?

The NECA supports the government's wish to see new development centred on brownfield sites as these are likely to be close to existing town and city centres and current transport routes. Where new housing or business developments take place outside these locations, it is essential that these are permeable, encouraging rather than deterring sustainable travel modes, and that, by use of the Community Infrastructure Levy where applicable, they are underpinned by investment in suitable transport links, including bus services and infrastructure, cycling and walking routes.

4. What is the maximum potential for demand management, recognising behavioural constraints and rebound effects?

The North East Combined Authority recently responded to a Transport Select Committee on urban congestion²³ and we support measures which enable demand management, particularly in the urban areas where it is most appropriate. Demand management may not be appropriate for all areas and should be part of an overall package of integrated transport where appropriate.

Being able to guide people and influence behaviour change is a key aspect of addressing congestion in urban areas where there are feasible transport alternatives. In central Newcastle, measures have recently been introduced to try to remove cars from the core of the city centre and create more space for public transport, cycling and walking. These schemes can result in less congested roads in the city centre and encourage car users to think about alternative travel options.

The NECA recognises the contribution sustainable travel can make to congestion reduction and our Go Smarter programme for Tyne and Wear, Durham and Northumberland encourages everyone to think about changing their behaviour to use more sustainable ways of travelling on their daily journeys to work and school. Previous research has indicated that this can have a meaningful impact, with schools targeted for intervention experiencing declines in car trips and increases in walking and cycling.²⁴

Changing travel behaviour to more sustainable modes of transport can cut congestion, tackle poor air quality, improve health and ultimately help improve our economy. The Go Smarter to Work business engagement programme focuses on key employment sites served by the A1 Western Bypass and A19 corridors, and motivates employers and their staff to travel more sustainably. Schools Go Smarter encourages pupils and their parents to travel more actively on their daily journeys to school, helping to keep young people fitter and healthier, and reducing congestion around the school gates

²³ *Transport Select Committee* [Urban Congestion Inquiry](#) (2016)

²⁴ *Go Smarter* Monitoring data (2015) Using data up to 2014 proportion of car trips in intervention schools declined from 34% to 30%; whereas car use increased by a similar level in control schools, from 32% to 36%. Walking mode share declined from 54% to 48% in control schools throughout the period while the proportion increased slightly in intervention schools from 55% to 56%. Cycling mode share increased slightly by 2% in intervention schools whereas it remained roughly similar in control schools.

and local areas. Go Smarter can also help people gain greater access into employment and training.

When there are attractive active travel options, this can help reduce future demand on networks by encouraging modal shift and help sustain the travel time and congestion benefits of investment over longer periods.

The NECA believes that, addressed in the right way, disruption and congestion can provide an opportunity to encourage sustainable travel. Go Smarter's Make the Switch²⁵ campaign seizes the opportunity to leverage the frustration felt by motorists held up in traffic congestion caused by major road improvement schemes that are happening across the area as a 'hook' or opportunity to encourage behaviour change to make the switch to more sustainable modes of transport.

The Go Smarter programme aligns with the DfT's draft Cycling and Walking Investment Strategy which states that increased cycling and walking improves health, enhances air quality and eases congestion. The NECA acknowledges that the draft strategy aims to deliver benefits through increased cycling and walking. However, we are concerned at the lack of funding allocated to delivering on the ambition.

Current national appraisal and assurance frameworks present challenges when developing innovative cycling, walking and public transport infrastructure in congested urban areas. As user benefits and travel time are such a great proportion of the benefits of urban transport schemes, investments which aim to reduce and reallocate road space away from motor vehicles often do not meet Cost-Benefit thresholds despite very positive air quality, health and environmental impacts. In spite of their widespread use there remains very limited empirical evidence to support the emphasis given to cost/benefit calculations in transport appraisal.

Safety of road users, particularly cyclists and pedestrians, needs to be a key consideration when determining proposals to ease congestion and a balanced package of measures will help to achieve this.

5. How should the maintenance and repair of existing assets be most effectively balanced with the construction of new assets?

The role of Tyne and Wear Metro is fundamentally important to the economy and people of Tyne and Wear. It connects key centres of population allowing access to employment opportunities, to travel for leisure purposes or for education and training.

Following, the acceptance of Nexus' business case by government in 2007, the DfT granted Nexus significant capital funding to undertake the Asset Renewal Programme which, when combined with a 10% local contribution amounts to around £352 million spread over 11 years. This has meant that life expired assets have been renewed and replaced. This includes track, overhead lines, lifts, escalators and refurbishment of the current Metro Rolling Stock. This investment has improved the operational performance of the system's infrastructure across a number of factors.

²⁵ [Go Smarter Make the Switch](#) (2016)

In recognising the importance of renewals and maintenance, Nexus had developed ambitions plans to continue the long term approach to capital funding, through an Outline Business Case submission to the DfT.

As well as the plans for Metro renewal, the North East has an ambitious programme to construct a new generation of transport infrastructure in the region. However, this should be balanced with commensurate investment in revenue funding.

Prizing capital investment at the expense of revenue²⁶ could lead to perverse incentives for local authorities to build new infrastructure at the expense of maintaining their existing assets. In order to better balance this, revenue funding made available to local authorities to provide activities such as maintenance and planning should be increased.

Recent work from the Urban Transport Group indicates that increasing maintenance funding could provide returns of £6.50 for every £1 invested²⁷ and TRL suggested that cuts in road maintenance budgets could result in wider costs to the economy of between £1.50 and £2 for every £1 saved²⁸. This has been backed up by the National Audit Office, which has called for long-term certainty in funding of road maintenance²⁹.

This should also be backed by more balanced investment in maintenance between the strategic and local road networks. The Highways England Network has a spend of £111,000 per km per year, while Local Authority B, C and U roads only spend £7,000 per km per year³⁰. While these are different types of road, these gaps should be narrowed.

7. What changes in funding policy could improve the efficiency with which infrastructure services are delivered?

One of the primary barriers to efficient transport funding is a preponderance of competition-based funding. While this may have some merit in allowing a more flexible approach from central government in terms of project selection, on the ground at a local level it produces challenges in terms of project selection and delivery. This means that it is challenging to bring forward projects which fall outside traditional 5 year funding envelopes or are at a very early stage and there is a bias toward 'shovel ready' projects, which may not be the most optimal to achieve long-term benefits.

As noted under Question 5, the preponderance of capital funding over revenue based funding means that there are significant challenges for authorities to deliver infrastructure services efficiently. The lack of revenue funding can mean that longer term priorities are not addressed efficiently.

²⁶ Urban Transport Group [The Revenue-Capital Mismatch](#) (2015)

²⁷ Urban Transport Group [A Bumpy Ride: The Funding and Economics of Highways Maintenance on local roads in the English City Regions](#) (2015)

²⁸ TRL for Transport Scotland, National Roads Maintenance Review (2012)

²⁹ National Audit Office, [Maintaining strategic infrastructure: roads](#) (2014)

³⁰ See 21

10. What changes could be made to the planning system and infrastructure governance arrangements to ensure infrastructure is delivered as efficiently as possible and on time?

This response can be broadly split into two points, one on the devolution of existing powers and another on alterations to the planning and governance structure.

The NECA is supportive of the principle of the government's proposals for devolution of powers, which if developed appropriately, will have significant benefits for delivery of areas such as transport and housing in all devolved areas. Devolution of powers would mean that a long term programme of activity can be planned, rather than dealing with schemes on an ad hoc basis, therefore enabling projects with transformational impacts to be properly planned, appraised and delivered.

Transport for the North (TfN) is establishing unique governance arrangements to enhance its role as the voice of the North on Transport, bringing together representatives for the whole of the North through Combined Authorities and Local Enterprise Partnerships with an independent chair.

An embedding of the governance of TfN in its constituent transport authorities provides for the ability to better align strategic priorities both inter and intra-regionally. When allied to long-term planning and appraisal this presents the most effective governance to deliver transformative infrastructure.

In terms of alterations to the planning and governance structure, NECA is a transport authority rather than a highway authority and does not currently believe highway authority powers would be appropriate over the large spatial area of the region. However, there are potential alterations to the planning and governance structure which would help ensure that infrastructure is delivered efficiently.

NECA believes in delivering not merely transformational infrastructure, but public transport service delivery in the North and has pursued innovative governance and management solutions to enhance long term planning and outcomes for stakeholders. In terms of rail, it is anticipated that the North East Rail Management Unit, involving the North East Combined Authority, Tees Valley, Cumbria, and North Yorkshire, will be integral to our ambitions to deliver a step change in quality for rail users in the North and support this model of more localised service delivery. This partnership, which includes train operators, is the first of its kind and will be helping the authorities in the North East ensure that new franchises truly deliver their ambitious upgrades for the regions trains.³¹

The NECA would like to see full implementation of the 2004 Traffic Management Act which would equip local authorities with the powers to enforce and issue penalties for moving traffic offences such as blocking yellow box junctions, ignoring one-way systems and banned turns. The Local Government Association notes that 'gaps in council powers at even the most prosaic level hamper attempts to manage transport as a whole.'

³¹ Nexus [North East passengers to benefit from rail deal](#) (2016)

As stated by the Local Government Association in their response to the Bus Services Bill, enforcement by local authorities will help to improve traffic flow at congestion hotspots and improve journey times. The NECA believes that full implementation of the Traffic Management Act would significantly enhance traffic flows in urban areas and therefore encourages government to fully implement the Act. This improved traffic flow would prevent the need for significantly more expensive infrastructure investment. It is disappointing to see that the Department for Transport does not currently wish to endorse this.³²

12. What improvements could be made to current cost-benefit analysis techniques that are credible, tractable and transparent?

Contemporary cost-benefit techniques are frequently critiqued within^{33 34 35 36}and outside the transport industry³⁷. NECA welcomes the DfT, and government more widely, being open to the review of their analysis and methodologies and has been supportive of the Understanding and Valuing Impacts of Transport Investment (UVITI) programme at the DfT. This has included partnership working with the Urban Transport group on a joint response to the recent DfT consultation on changes to wider economic impact assessment and on values of time.³⁸

However, there are a number of further changes which would make the system credible and transparent, reducing its appearance as a 'black box' and ultimately increasing public trust in the appraisal process.

These are:-

- Current DfT guidance assumes that there is 100% displacement from transport schemes, unless they are additive at a national level³⁹. We would question this, particularly in the context of Foreign Direct Investment (FDI). The North East has an extremely strong record in FDI, competing to win contracts internationally. When global businesses choose to locate in the North East, they are frequently not choosing against other parts of the UK (as assumed in current guidance) but against the wider world.
- As noted in our response to question 3, we are committed to making better places to live and work in the region. Part of this has been done through successful urban regeneration and improvement projects such as Newcastle Station Portico⁴⁰ funded through the Regional Growth Fund. However, the current appraisal system does not allow us to capture the land value increases caused by these improvement schemes and consequently there are challenges

³² Transport Network [Exclusive: Government refuses to move on moving traffic violations](#) (2017)

³³ Prof. David Metz, The Myth of Travel Time Saving, Transport Reviews Vol 28. No.3, p321-336 (2008)

³⁴ Dr Rachel Aldred, *British Cycling*, Benefits of Investing in Cycling (2014)

³⁵ Passenger Transport Executive Group/Urban Transport Group [Response to Department for Transport WebTAG consultation](#) (2010),

³⁶ Sintropher/University College London [The Problematic application of CBA in transport appraisal](#) (2015)

³⁷ As summarised in Steer Davies Gleave, [Is there a crisis in transport appraisal?](#) (2011), *What Works Centre Evidence Reviews: Transport* (2015)

³⁸ Urban Transport Group [Response to Value of Time Consultation](#) (2016)

³⁹ Department for Transport [Understanding and Valuing Impacts of Transport Investment: Updating Wider Economic Impacts Guidance](#), (2016)

⁴⁰ Ryder Architecture, [Newcastle Central Station](#) (2014)

in terms of their appraisal. A more open appraisal system would better capture these benefits

- The current appraisal system struggles with appraisal of highway and public transport maintenance schemes. As noted in our response to Question 5, with declining revenue budgets, highway maintenance is more and more being addressed through competitive bid funding. However, to put these schemes up against capital improvement projects puts other schemes at a disadvantage. Ultimately, the solution to this is to increase revenue budgets available to local authorities.
- It can often be challenging to present a positive cost-benefit analysis case for public transport projects, particularly ones which extend into areas experiencing significant deprivation. This is despite such projects meeting many of central and local government's wider policy objectives. Social and Distributional Impacts are currently accounted for in transport guidance, but should play a far greater role in infrastructure appraisal, even for national-scale projects.

13. How will travel patterns change between now and 2050? What will be the impact of the adoption of new technologies?

This is an exciting time for transport. Travel demand has varied considerably over the past 50 years and technological developments mean that changes are likely to continue apace over next 33 years. We believe that the North East is well placed to be at the forefront of new technologies and adaptation to change.

NECA anticipates the following changes in travel patterns between now and 2050, resulting from the impact of new technologies and other trends:

1. Continuation of the trend away from traditional "Monday to Friday 9 to 5" working patterns, with technology enabling more homeworking, flexible working, video conferencing, dispersed employment locations and part-time working⁴¹
2. A readiness among younger people, especially in urban areas, to consider alternatives to the car, where these are supported by an adequate public transport, cycling and walking network. This has led to a fall in mileage travelled by these people⁴²
3. Increased online shopping and banking, with consequent rise in delivery van traffic and reduced off-peak home to city centre or retail development travel demand⁴³
4. An increasingly older population, resulting in : fewer work-related trips ; much greater focus on travel to health facilities ; more leisure journeys ; higher expectations of independent mobility ; increased need for appropriately designed infrastructure and services including door-to-door transport provision⁴⁴

⁴¹ There is a large body of work on this literature. Some relevant publications are: *Department for Transport, National Travel Survey* (2015); Gordon Stokes [Has Car Use Per Person Peaked?](#) Transport Statistics User Group (2012);

⁴² *Transport for London Travel In London 9* (2016)

⁴³ *Department for Transport Road Use Statistics Great Britain* (2016)

⁴⁴ *International Longevity Centre The Future of Transport in an Aging Society* (2015); Shergold et al., [Future Mobility in an Aging Society: Where are we heading?](#), *Journal of Transport and Health*, Vol 2. No.1, p86-94 (2015)

5. Increased expectations of the quality of public transport in terms of speed, reliability punctuality, comfort, seamless ticketing and comprehensive technology-based information before, during and after a journey⁴⁵
6. The potential for new technologies, such as driverless cars, to change the way in which we approach car ownership, mobility and the user of our time while travelling⁴⁶

14. What are the highest value transport investments to allow people and freight to get into, out of and around major urban areas?

The NECA contains major urban areas of Tyneside and Wearside and supports a number of transport investments which will allow people and freight to move more freely in and around these areas. The NECA Transport Manifesto outlines our position on major investments in our region⁴⁷ and sets out our key themes and guiding principles for transport. This builds upon our Strategic Economic Plan⁴⁸, which set out our region's ambition for investment that would enable more and better jobs.

Some of the highest value investment in urban transport can come from complementary investment in traffic management and control. In the North East, Tyne and Wear and Durham have Urban Traffic Management and Control (UTMC) systems which provide notice of disruption, help us to manage major events and enable the smooth flow of traffic through connected traffic signals. Research⁴⁹ indicates that further investment in these systems can deliver high value for money, with UTMC services providing £60m of network benefits over a decade. These systems also provide an ideal testbed for future research projects to better understand the impact of transport investment. In Tyne and Wear, the UTMC Centre is working with Newcastle University and other partners as part of the Newcastle Urban Observatory and Compass4D projects⁵⁰ which will deliver significant benefits to the city.

The benefit cost ratio of cycle schemes can be as much as 20:1⁵¹. Findings from Cycle Demonstration Towns have found that for every £1 invested in cycle measures, the value of decreased mortality was £2.59. When considering infrastructure costs alone, it was found that a piece of cycle infrastructure costing £1 million, only requires an extra 109 people each year to become regular cyclists for payback when considering the benefits to health, congestion and pollution⁵². Enabling greater use of these active modes will also lead to reduced levels of congestion, fewer Greenhouse Gas emissions, lower noise levels and improved air quality.

⁴⁵ *Transport Focus*, [Smart Ticketing in the north: What do passengers think?](#) (2016); *Passenger Focus*, [The Future of Transport](#) (2012)

⁴⁶ *Department for Transport*, [Driverless Vehicles: Impacts on Traffic Flow](#) (2016)

⁴⁷ *North East Combined Authority*, [Transport Manifesto](#) (2016)

⁴⁸ *North East Local Enterprise Partnership*, [Strategic Economic Plan](#) (2014)

⁴⁹ *ITS UK*, [Intelligent Transport Systems and their benefits](#) (2016); *AECOM NECA UTMC Review* (2016); *Kolosz, B.* Extending cost-benefit analysis for the sustainability impact of inter-urban Intelligent Transport Systems, *Environmental Impact Assessment Review*, Vol 50. p167-177 (2015)

⁵⁰ *Compass 4D* [Newcastle's 'talking' traffic lights could cut congestion](#) (2015)

⁵¹ *Sustrans* Economic Appraisal of Local Walking and Cycling Routes (2005)

⁵² *Department for Transport*, *Valuing Increased Cycling in the Demonstration Towns* (2009)

To maximise their benefits both walking and cycling provision must be fully integrated with the road and public transport networks. Moreover, although cycling has been declining in much of the country prior to changes in government policy, there are still places where it has retained a significant modal share of journeys, such as Oxford and Cambridge, and there are cities in Europe like Copenhagen and Stockholm that have successfully increased cycle use to even greater levels, more than a third of journeys to work, and are frequently rated highly for quality of life and liveability.

In dense urban areas which suffer from motor traffic congestion, cycling is an ideal solution which can allow for rapid communication between different parts of the city, and this is ideal for assisting in the benefits of agglomeration. There is a growing use of cycling in many congested cities for not only cycling for the movement of people, but also for the rapid movement of goods as well, for larger packages using adapted bicycles such as cargo bicycles. The efficiency gains from switching from motorised transport to pedal powered transport in congested urban areas are enormous.

15. What are the highest value transport investments that can be used to connect people and places, as well as transport goods, outside of a single urban area?

The NECA has the largest rural footprint of any Combined Authority area and contains large rural areas of Durham, Northumberland and Gateshead. Rural transport presents different issues to that in single urban areas and it can be difficult for it to secure equal funding opportunities. This is highlighted in our recent Transport Manifesto and Strategic Economic Plan, as noted in our response to Question 14.

In more rural areas, it is important for capital investment to be matched by revenue spending which can help support the provision of services that are vital lifelines to communities. While these investments may perform less well on traditional Value for Money metrics they are crucial to sustaining the vitality of these areas.

In terms of connecting multiple urban areas and regions, as noted in Question 10, the Combined Authority and its constituent authorities is a member of a sub-national transport body, Transport for the North. This body will, through its Strategic Transport Plan, identify the highest value transport investments to deliver economic growth across the urban and rural areas of the North of England.

North East Combined Authority Transport North East Committee

DATE: 9th February 2017

SUBJECT: Transport for the North update

REPORT OF: Lead Chief Executive for Transport

EXECUTIVE SUMMARY

Following the reports presented to previous meetings, this report provide members with a further update on the Transport for the North programme. It is suggested that a Members Seminar be arranged to enable further discussion of the proposed Major Route Network (outlined in section 4 of the report) and other emerging parts of the TfN strategy.

RECOMMENDATIONS

It is recommended that the Committee notes this report and agree to the proposed Members Seminar.

North East Combined Authority

Transport North East Committee

1. Background Information

- 1.1 Members will recall that Transport for the North (TfN) aims to transform connectivity between the large city regions of Northern England in order to promote economic growth and help to re-balance the UK economy.
- 1.2 The 19 Local Transport Authorities and 11 Local Enterprise Partnerships that TfN represents across the North of England have been operating in democratic partnership since January 2015 and have collectively developed an ambitious, transformational, pan-northern transport strategy and investment programme that seeks to drive and support economic growth in the North. The prize for the North is a better performing, more unified economy that could add more than £97 billion and 850,000 jobs by 2050 and realise significant transport user benefits for the region's communities and businesses.
- 1.3 The NECA are taking an active involvement in all elements of TfN's work in order to ensure that our aspirations for the key strategic transport links serving this region are taken into account.
- 1.4 The latest key stage in TfN's work is the production of a Transport Strategy and Investment Plan, which will be supported by two daughter documents covering Rail (Integrated Rail Report) and Road (Strategic Roads Report). Development of the Transport Plan is currently in progress and an initial version will be published later this year for public consultation.

2. Governance

- 2.1 Under powers available through the Cities and Local Government Devolution Act 2016, Transport for the North can propose to become a statutory body, drawing down powers to deliver investment and improve services, devolved from central government. Following agreement by all northern transport authorities (including NECA), on 14th October 2016 TfN submitted a formal proposal to the Department for Transport to become a statutory Sub-National Transport Body.
- 2.2 The proposal sets out the powers the organisation is seeking to have transferred from central government, and the basis on which these powers will be governed and delivered by Transport for the North.
- 2.3 The Secretary of State will consider the proposal, and if he accepts it, will draft a Statutory Instrument, which then needs to be approved by both the House of Commons and the House of Lords. Once approved, TfN would then become the first sub-national transport authority in England.

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3. Rail

- 3.1 The “Rail Projects update” report elsewhere on this agenda provides the latest information about progress with the Northern Powerhouse Rail improvement programme.

4. Road

- 4.1 Transport for the North is developing a Major Route Network (MRN) and the Strategic Roads Report will outline a policy framework for the MRN, identifying how the TfN Partnership can help to agree priorities for investment in the network (as part of Highways England’s Roads Investment Programme) and can secure funding from central government, including making the case for additional funding.

- 4.2 Major roads in England (designated as the Strategic Road Network - SRN) are managed by Highways England and include the A1, A19, A66 and A69 in this region. The MRN provides a similar way of describing a network of roads, managed both by Highways England and Local Authorities, which are of strategic importance to the economy of the north.

- 4.3 The development of the MRN for the North is based on the following key principles;

- Connect Core Centres
- Connect to Core District Centres
- Connect to the Strategic Road Network and tactical diversion routes
- Perform Ring Road/Bypass functions to Core Centres and District Centres
- Connect Ports, Airports, Universities and Key Freight Nodes

A review of economic centres has also been undertaken to gain an understanding of how the MRN can best serve these areas.

- 4.4 TfN’s role does not involve managing the MRN or setting local policies for highway authorities.

- 4.5 A set of conditional outputs for the MRN will be produced, focussing on Reliability, Efficiency, Resilience, Journey Quality and facilitating multimodal opportunities.

- 4.6 NECA and Local Authority officers have fed into the production of the MRN for the North at various stages, including providing comments to the economic centre review and attending a TfN roads workshop where the MRN was heavily discussed.

Furthermore, there is NECA representation on the TFN Roads Group to ensure that our priorities are reflected.

- 4.7 A study into ways of improving strategic road links across the Pennines is continuing and the Chancellor’s Autumn Budget Statement announced plans for new investment in the A66 and A69. Remaining sections of the A66 will be dualled as part of the second Roads Investment Strategy (2020 to 2025)

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and there will also be upgrades to two junctions on the A69 (Bridge End roundabout at Hexham and Styford roundabout at Corbridge).

- 4.8 The latest Trans-Pennine Tunnel Study has found that there are no insurmountable geological barriers to building a new tunnel and that a new strategic road link between Manchester and Sheffield would bring economic benefits, including some benefits for this region. However, this would be a very expensive and long-term project - current cost estimates range between £7.8bn and £11.6bn, depending on the corridor/route used.

5. Freight

- 5.1 Work is underway on a further study examining growth opportunities, barriers and bottlenecks affecting freight movement in the north and also reviewing the recommendations made in last year's Northern Region Freight and Logistics Report. This study, being carried out jointly by MDS Transmodal and Arup, was due to report its initial findings in late January, to help inform the draft TfN Transport Strategy and Investment Plan. As part of the process, consultation will be carried out with key freight stakeholders in every northern LEP area. The freight sector in this area will continue to be kept informed via the North East Freight Partnership.

6. Smart Ticketing

- 6.1 In the 2015 Autumn Statement, the Chancellor of the Exchequer announced £150m of funding for the development of Smart and Integrated Ticketing across the Transport for the North (TfN) area, which was confirmed in the March 2016 budget, subject to receipt of a satisfactory Strategic Outline Business Case (SOBC) and Delivery Plan. This commitment remains, although the method of delivery is still emerging.
- 6.2 This initiative is intended to contribute towards the economic development of the North through providing seamless public transport provision, thereby widening the labour market reach of any given conurbation. Whilst attention is inevitably drawn to the M62 corridor, this is equally valid in terms of linking the NECA region with Teesside and Leeds in particular.
- 6.3 Nexus officers continue to work closely with colleagues from TfN, the Department for Transport and other metropolitan areas in the development of delivery plans. With the North East, and Tyne and Wear Metro in particular, being further advanced in the implementation of Smart Ticketing in comparison to other metropolitan areas, the region is well placed to play a central role in the delivery of TfN's ambitions in this area.
- 6.4 It is currently expected that the delivery of a "Smart Back Office", which would enable the use of contactless bankcards, allow price capping and enable retrospective payment ("Account Based Ticketing") will be delivered through a collaborative arrangement between participating operators, including Tyne and Wear Metro and Manchester Metrolink. Nexus officers continue to play an active role in this activity.

7. Next Steps

- 7.1 The key action to be carried out over the next few months will be the publication of the draft TfN Transport Strategy and Investment Plan, which will be informed by the ongoing rail, road and freight studies. NECA officers continue to participate in all aspects of the TfN programme to ensure that our regional aspirations are realised and that Government, Highways England and Network Rail deliver on their commitments. The officer time committed by NECA officers is a formal contribution to the process.
- 7.2 It is proposed that a Members Seminar be held in March to enable further discussion of the Major Route Network and other emerging elements of the TfN strategy.

8. Potential Impact on Objectives

- 8.1 Progress on delivery of the measures included in the Transport for the North programme will assist the Combined Authority in delivering its objective to maximise the area's opportunities and potential.

9. Finance and Other Resources

- 9.1 There are no specific financial implications arising from this report

10. Legal

- 10.1 There are no specific legal implications arising from this report

11. Other Considerations

11.1 Consultation/Community Engagement

Once the draft TfN Transport Strategy and Investment Plan is published later this year, it will be subject to widespread consultation.

11.2 Human Rights

There are no specific human rights implications arising from this report.

11.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

North East Combined Authority

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11.4 Risk Management

Failure to engage fully with the TfN programme could result in this region not securing necessary improvements to transport connectivity, putting the NECA area at an economic disadvantage compared to other regions of the North. The Combined Authority is actively participating in all aspects of the programme to mitigate against this situation.

11.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

11.6 Environment and Sustainability

Many of the measures identified by the Transport for the North programme will, if implemented, assist the Combined Authority in achieving a more sustainable transport system for the region.

12. Background Documents

12.1 None.

13. Links to Plans in the Policy Framework

13.1 This report has no direct link to plans in the Policy Framework

14. Contact Officers:

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15. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

North East Combined Authority Transport North East Committee

EXECUTIVE SUMMARY

DATE: 9th February 2017

SUBJECT: Transport Manifesto and Plan for the North East

REPORT OF: Lead Chief Executive for Transport

This report describes progress with the Transport Manifesto and the next steps for the Transport Plan.

RECOMMENDATIONS

It is recommended that the Committee notes the contents of this report and endorses the next steps in development of the Plan. .

North East Combined Authority

Transport North East Committee

1. Background Information

- 1.1 A report to the November 2016 Transport North East Committee described what were then the next steps for the Transport Manifesto and the Transport Plan.
- 1.2 As reported to previous meetings of this Committee, NECA has a statutory duty to produce a Transport Plan for the area; among other functions this will replace the existing Local Transport Plan (LTP) documents for Durham, Tyne and Wear and Northumberland. The Plan will set out NECA's policies and priorities for all modes of transport for the next 20 years.
- 1.3 The Plan will therefore need to be a very comprehensive document. Therefore, to provide a high-level, shorter precursor setting out the main themes that will be explored more fully in the Plan, a Transport Manifesto was produced early in 2016 and was the subject of a public consultation. This consultation generated a total of 1,736 responses, which compares favourably with previous consultations and experiences elsewhere.

2. Transport Manifesto

- 2.1 The Manifesto consultation responses were reported to the July meeting of this Committee. They were therefore then incorporated into a final version of the Manifesto which was approved by the November meeting of this Committee. This was accordingly then professionally designed and placed on the NECA website. Alternative format versions of the document are in preparation
- 2.2 The main elements of the final Manifesto, which reflect the views expressed by consultation respondents, are as follows:

Vision

The Manifesto vision, which will be repeated in the draft Plan is:

"To provide affordable, attractive, reliable, safe, healthy transport choices for businesses, residents and visitors while enhancing the environment"

Themes

The Manifesto states that, for transport to work for everyone, it needs to be:

- 1. Accessible
- 2. Affordable
- 3. Reliable
- 4. Easy to Use
- 5. Safe
- 6. Sustainable
- 7. Integrated

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Guiding principles

These points are then expanded into a series of Guiding Principles for transport, which will govern what NECA is trying to achieve:

1. Good access to workplaces, services, shops and leisure
2. Well-maintained, climate-resilient and safe transport networks
3. Less road congestion
4. More sustainable travel
5. Growth in economic activity
6. Better air quality and lower carbon emissions
7. Healthy, active lifestyles
8. Efficient use of transport assets
9. Land use planning that favours sustainable travel
10. Equality of opportunity
11. Better cycling network
12. Better connectivity across the UK
13. Expand the public transport network

3. Transport Plan

3.1 The above Vision, Themes and Guiding Principles are being used to shape the draft Transport Plan.

3.2 Progress since the November meeting of this Committee has been as follows:

- A further revised draft Plan has been produced. This incorporates comments on the previous draft made by Lead Members and relevant officers of each Council last autumn, including at the individual meetings with each Council held in September-October 2016 and the workshop for Members of this Committee on 14th October 2016.
- This further revised draft Plan was circulated to relevant officers in each Council on 16th December 2016, together with a log of comments received previously.
- Relevant officers in each Council were asked to circulate this further revised draft Plan within their Councils, including Lead Members, and send comments to the Regional Transport team by mid-January.
- Individual meetings with the relevant officer and Lead Member from each Council have been arranged for mid/late January to further discuss the Plan and receive comments.

3.3 In addition to setting out the Vision, Themes and Guiding Principles from the Manifesto, there are a number of key changes which have been taken on board following stakeholder feedback, including

- Greater consideration of rural areas
- An increased focus on the future possibilities of technology to affect transport
- Incorporation of recent policy changes, such as the NECA report “Health & Wealth : Closing the Gap in the North East”
- Distinction between road safety and safety on public transport in terms of crime

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- and fear of crime
- Clearer definitions of success and key indicators

Where possible, the Plan has been edited to reduce length and eliminate duplication.

As stated previously, a professional designer and photographer have been appointed to ensure the finished product is of high-quality with legible and clearly understandable maps, tables and diagrams.

3.4 Next steps are as follows:

- Production of another draft Plan incorporating feedback received from officers and Elected Members.
- Reports to this Committee and Leadership Board later in 2017, seeking approval for the latest draft Plan to be adopted as the version for public consultation. This version will be fully designed-up with tables, maps, diagrams and illustrations.
- A full 12-week public consultation, the time of which needs to reflect the elections to be held in some Councils on 4th May 2017 and the preceding Purdah period.
- Incorporation of all the comments from the public consultation into a final version for approval and publication.

4. Finance and Other Resources

- 4.1 The budget for the Transport Manifesto and Plan is £140k of which £34k has already been spent, leaving £106k. Although the cost of producing the Transport Plan will need to reflect the substantial consultation exercise and extensive assessment and other work that is required for the production of a significant statutory document of this type, it is the intention to contain the cost of the production of the Transport Plan within the funds available.
- 4.2 The Transport Budget for future years will take into account the Manifesto and the Transport Plan will be set in the context of the availability of local funding and the success of bids for external funding.

5. Legal

- 5.1 NECA is under a duty to prepare a Local Transport Plan. The Transport Plan is required to develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within NECA's area and NECA must carry out its functions to implement these policies. The Transport Plan will be subject to a period of statutory consultation and also will be adopted in accordance with the "Budget and Policy Framework Rules of Procedure" set out in the NECA Constitution

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6. Other Considerations

6.1 Consultation/Community Engagement

There will be a full public consultation on the Transport Plan in 2017.

6.2 Human Rights

There are no specific human rights implications arising from this report.

6.3 Equalities and Diversity

Many of the measures likely to be advocated by the Transport Plan would, if implemented, assist the Combined Authority in promoting greater equalities and diversity in the region's transport system.

6.4 Risk Management

Failure to proceed with the Transport Plan would firstly be contrary to NECA's statutory duty and secondly could undermine the credibility of this region, compared to other Combined Authorities, when dealing with central government.

6.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

6.6 Environment and Sustainability

Many of the measures likely to be advocated by the Transport Plan would, if implemented, assist the Combined Authority in achieving a more sustainable transport system for the region.

7. Background Documents

7.1 None

8. Links to Plans in the Policy Framework

8.1 This report has a direct link to the forthcoming Transport Plan for the North East.

9. Contact Officers:

9.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)

mark.wilson@northeastca.gov.uk 0191 211 5679

North East Combined Authority

Transport North East Committee

10. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

North East Combined Authority

Transport North East Committee

Date: 9th February 2017

Subject: Rail Projects Update

Report of: Managing Director (Transport Operations)

Executive Summary

The purpose of this report is to provide members of the Committee with an update on various rail projects currently being progressed in the North East

Recommendations

It is recommended that the Committee agrees to support the continued progress of these schemes aimed at improving the short and medium term rail services in the North East.

North East Combined Authority

Transport North East Committee

1 Background Information

- 1.1 This reports sets out the position on a number of rail schemes being pursued by constituent authorities of NECA and Nexus.
- 1.2 Members' support is sought to lobby for the resources required to bring about significant changes to the rail network and facilities in the North East. This includes both support for local schemes within constituent authorities as well as the wider network enhancements needed throughout the NECA and regional geographies. Using direct channels to the Department for Transport, and Network Rail, through local members and MP's and indirect channels through influencing Rail North Ltd / Transport for the North Board to reiterate the case for an increase in rail investment in the North.
- 1.3 To progress rail projects requires close working with both Network Rail and the train operating companies who may ultimately be required to operate new services or stop at new stations. The development process is controlled by Network Rail through a process known as 'GRIP '. Various rail projects within the North East going through this control process.
- 1.4 Network Rail's GRIP (Governance for Railway Investment Projects) process is compulsory for all rail projects. Regardless of the organisation undertaking the GRIP study, Network Rail must approve each stage. It is designed to manage and control projects that enhance or renew the national rail network. GRIP divides the project into eight distinct stages as outlined below:
 - GRIP 1: Output definition
 - GRIP 2: Feasibility
 - GRIP 3: Option Selection
 - GRIP 4: Single Option Development
 - GRIP 5: Detailed Design
 - GRIP 6: Construction Test and Commission
 - GRIP 7: Scheme Hand Back
 - GRIP 8: Project Close Out

2 Proposals

Sunderland Station

- 2.1 Sunderland station is owned by Network Rail and managed by Northern Rail. Tyne and Wear Metro is a user of the station alongside Northern Rail, Grand Central Trains, and Virgin Trains East Coast. The station's operational costs are met by Northern Rail, and are offset by retail unit rental income and departure charges paid by the operators using the station.
- 2.2 Since 2013 a project has been attempting to deliver improvements to the 'above ground' concourse area focusing on redeveloping the concourse area with

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improved access, retail offering and passenger information. The exterior of the building will provide a light and bright focal point for the area incorporating artwork. Wider public realm improvements are being considered by the City Council as a second phase to the scheme. Sunderland City Council has been leading this project, working with Network Rail, Northern Rail and Nexus as partners.

- 2.3 Although a design has been agreed to by all parties, progress in developing this scheme has been slow and two obstacles to delivery remain:
- a. There is a funding 'gap' of £6.1m. The scheme is estimated to cost in the region of £13.35 million with £7.25m already secured through the City Council and Nexus; and
 - b. Network Rail, who own the station and are responsible for delivering the works, do not yet have a confirmed programme. Discussions continue with Network Rail to resolve this matter, particularly around the GRIP status of the work undertaken to date.
- 2.4 The need to address these obstacles in order for the project to progress has been raised with Government officials and with the Secretary of State and Ministers in a letter of support by the LEP Chair. Sunderland City Council, with the support of Nexus and the NECA, will continue to work with Network Rail and the Government to progress the scheme.

Horden Peterlee Station

- 2.5 Following the assessment of five possible locations for the new station site and a stakeholder and public consultation a preferred location has been chosen at South East View. The land availability and assembly is considered to be straightforward, with all of the required land either in the possession of Durham County Council or Network Rail. Horden Peterlee station will be located between Seaham station 8.5km to the north and Hartlepool station 12km to the south, and will operate on the Durham Coast Rail Line, which runs from Middlesbrough to Newcastle via Hartlepool and Sunderland.
- 2.6 Horden Peterlee station has been selected as one of the six transport schemes prioritised by The North East Local Transport Board with a, £3.4m share of committed Local Major Scheme funding totalling £31.1m as outlined in the North East Strategic Economic Plan (SEP). Durham County Council have also reiterated their commitment to the scheme in the latest iteration of the *Regeneration Statement* and in identifying Horden Peterlee as one of the Council's six foremost priority projects.
- 2.7 A Full Business case was submitted to NECA in December 2016 following a full application to the DfT New Stations Fund in November 2016. The balance of funding for the project will be provided by Durham County Council. Extensive

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validation work has been undertaken to analyse the benefits of the project and ongoing design and value engineering work is continuing.

- 2.8 A Development Services Agreement (DSA) with Network Rail has been agreed to take the preferred option of South East View through the GRIP process. The initial design and facilities are for a simple design including
- New unmanned railway station, with two opposing platforms of circa 100m length;
 - Platform construction to be modular (steel or precast concrete) and have all usual platform furniture (waiting shelters, benches, lighting columns, help points, CCTV, CIS screens etc.);
 - Steel footbridge with stairs and ramps;
 - Car park for 100 cars with associated taxi, drop off and bus layby;
 - New access roads (and footways) from nearby highways to be sufficient for two passing buses;
 - General external lighting to the platforms, bridge and car parks;
 - Small power outlets for CIS, CCTV, PA, Ticket Machines, Help points etc.;
 - CCTV covering any public area, especially ticket machines, with either on site 30 day storage of information or remote monitoring;
 - Customer information screens;
 - A Public Address System; and
 - Water Services: A new cold water mains service will be required and/or a water tap, for cleaning only.

Ashington, Blyth and Tyne line

- 2.9 The reintroduction of passenger services on the Ashington, Blyth and Tyne line has been an aspiration of Northumberland County Council for many years and accords with key local and regional policy in terms of promoting economic growth across South East Northumberland. The scheme would introduce passenger services on the fully operational and maintained freight line between Ashington and Newcastle, a 32 km corridor serving a population of approximately 150,000 residents. It will regenerate the region by providing access to employment and training facilities in North Tyneside, Newcastle and beyond. It will also enable movement of people from the urban centre to South East Northumberland.
- 2.10 Station stops are proposed at Woodhorn, Ashington, Bedlington, Bebside, South Newsham, Seaton Delaval and Northumberland Park with an estimated journey time of approximately 40 minutes between Woodhorn and Newcastle.
- 2.11 Studies commissioned as part of preparing the business case have predicted in excess of 380,000 annual passenger journeys by 2034 and that delivery of the scheme would lead to an increase in annual incomes and GVA of over £70 million. The Council has commissioned Network Rail to undertake the GRIP stage 2 study and this has now been completed. This confirms that the scheme

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is feasible but requires a significant upgrade to existing infrastructure including track, level crossings and signals. As part of the GRIP 2 study, Network Rail estimated a total capital cost for the scheme at approximately £191 million. However these costs include 40% risk and significant items of expenditure, particularly in respect of signaling, permanent way (track) and structures which do, or will, form part of Network Rail's future maintenance and investment programmes irrespective of the ABT scheme progressing or not. The overall programme for the GRIP study provided by Network Rail suggested that trains could be running on the line in early 2021.

To help with the development of the proposal, the North East recently submitted an application for funding for three schemes from the government's Large Local Major Scheme Fund, one of which was Ashington Blyth and Tyne rail improvements. Unfortunately, this funding application was unsuccessful.

Newcastle Central Station

- 2.12 Train capacity at Newcastle Central Station cannot accommodate future planned levels of service as both HS2 and Northern Powerhouse Rail will both impact on the current East Coast Main Line station. As yet rail service planning work is still in the early stages and the overall quantum of trains is not yet determined. Thus very preliminary plans for reconfiguring the platform layout are being developed. It is however, evident that the Newcastle Central Station of the future may look very different from today, albeit that the solution must be sympathetic to the Grade 1 listed features of the building.
- 2.13 Plans to develop a Southern Entrance to the station are progressing in advance of the reconfiguration of the station platforms and are now incorporated within the Transport for the North's Rail Workstream. An underpass linking Stephenson Quarter to the south of the station, each of the island platforms, the station concourse and possibly the Metro station is being considered.
- 2.14 It is likely that a staged approach will be required to enhance the station over time to accommodate future train service increases. The first of these changes is required within the next few years to accommodate the new, longer Hitachi trains (TransPennine Express) which are due to enter service in 2019.

Cramlington Station

- 2.15 A new railway station at Cramlington in South East Northumberland has been identified as an opportunity to facilitate growth in the town and take advantage of the opportunities presented to the town by its location on the strategically important East Coast Mainline.
- 2.16 An option exists to move the entire station at Cramlington 300 metres to the south, adjacent to the pedestrian subway under the A1171 Westmoreland Way.

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This opens up direct access to Manor Walks Shopping Centre, and also, via the existing step free pedestrian footbridge, access to the Cramlington South West Sector and proposed extended northbound platform.

- 2.17 Northumberland County Council is looking to commission professional services to carry out a pre GRIP feasibility study to assess the potential of replacing the existing Cramlington Railway Station with a new improved modern station closer to the town centre capable of attracting and supporting future rail services. The study will also assess the practicality of developing the existing station site to match the above objectives. The study will include consideration of the potential need and demand for the new station by local residents, commuters and visitors to the town centre considering present and proposed rail franchise agreements.

Gilsland Station

- 2.18 Gilsland Station is situated on the Tyne Valley Line just within Northumberland between Haltwhistle (Northumberland) and Brampton (Cumbria) stations and was closed in the 1960s with the former station buildings sold and converted into private residence. The opportunity exists to reopen the station to act as a gateway to Hadrian's Wall.
- 2.19 Network Rail has completed a high level feasibility study which reported an indicative cost of over £28 million and areas of risk which require further investigation. A bid to Northern Rail, the incumbent franchise operator is being prepared for seed corn funds to identify the demand and revenue forecasts which will be required to support a positive business case based on the assumed scheme cost. Further work is ongoing to review and challenge elements of the current scheme cost.

Northern Connect

- 2.20 As part of the Northern Franchise Bid, Arriva (Rail North) submitted a proposal for 12 new 'Northern Connect' services across the North. This proposal was over and above the train service specification that was in the tender documentation. One of the proposed new services is between Carlisle and Middlesbrough via Newcastle. The proposal is for a fast, high quality hourly service to link Cumbria, the North East and Tees Valley to reduce the lengthy journeys times between these centres and to make rail travel more competitive in relation to car journeys.
- 2.21 There are two potential routing options for this service between Tees Valley and Newcastle: either on the upgraded 'Stillington Line' and up the East Coast Main Line (Arriva's original proposals); or using the Durham Coast line.

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- 2.22 NECA officers have been clear that they consider that the routing via the Durham Coast line is preferable, because not only would it increase connectivity to and from Sunderland and Hartlepool, but it would also preserve valuable paths on the East Coast Main Line for long-distance, high speed traffic. This view is supported by officers from the Tees Valley.
- 2.23 This new service must commence by December 2019, and so over the next few months Northern will be undertaking a detailed study to firm up the options.

East Coast Main Line / Northern Powerhouse Rail (NPR)

- 2.24 At the Transport for the North Partnership Board on the 15th December 2016, a report was presented covering the feasibility and route option prioritisation work of the NPR Workstream. The following extract was reported in respect of the Leeds – Newcastle corridor:

“A new line East of Leeds, including major capacity upgrades to the Marsh Lane Viaduct, connecting with the HS2 line for onward link to ECML (including upgrades), is to be taken forward. This option meets the conditional outputs and will provide capacity and improved reliability for existing / new local services and stations in this congested area.

A new line option fully Leeds to Newcastle was also considered at sequence 2 and whilst comfortably meeting the conditional outputs, costs were shown to be significantly higher than the route upgrade costs and did not present opportunities to connect into Other Significant Economic Centres (defined as York, Durham and Darlington). This was not prioritised to be explored further.

Continued upgrades of the existing ECML corridor, including line speed enhancements is also to be explored further, in collaboration with existing rail industry planning processes, to identify options for early progression. Work to date, produced by the East Coast Route Study, suggests that interventions required are consistent with those detailed in the Network Rail sequence 2 report. Options that enable calls at York, Darlington and Durham are to be assessed in the next stage of NPR development.

Two options considered for connecting NPR services into the existing station at Newcastle, using through platforms to allow services to continue northwards rather than terminating are to be further investigated.”

- 2.25 The above approach was approved at the Board meeting and thus the next phase of work is to develop the on line option in further detail. The work also includes the consideration of improvements to the Northallerton - Stillington – Leamside – Pelaw route to provide an alternative route for local and freight traffic between York and the North East to relieve the East Coast Main Line.

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- 2.26 The development of the NPR proposal may provide other opportunities to develop local rail services as outlined in 'Metro Futures' aspirations.

3 Next Steps

- 3.1 As outlined above there are a number of key local and regional rail projects currently being progressed at various stages of development. Local lead sponsors are working with varying levels of assistance from Nexus officers to deliver projects within the NECA area. An overall network development approach is being overseen through the North East Rail Management Unit working with NECA and Tees Valley colleagues, Transport for the North, Rail North, Network Rail and the various train operating companies.
- 3.2 TNEC will be provided with regular update report on each of the schemes as they progress to fruition.

4 Potential Impact on Objectives

- 4.1 The delivery of all of the enhanced services and stations are being pursued to increase rail capacity and connectivity with the twin objectives of assisting with economic growth and improving public transport services.

5 Finance and Other Resources

- 5.1 Each of the schemes described above are subject to their promoting organisation's financial controls.
- 5.2 Through the development of NERMU, the working partnership of local authorities is strengthening its key relationships with Network Rail, Rail North Ltd, Transport for the North and the train operators to use the scarce rail officer resources within the North East to maximum effect. Individual projects will need at times to call on external expertise as part of the development costs of projects.

6 Legal

- 6.1 There are no direct legal implications for NECA arising from this report. Where grant funding is proposed to be provided by the North East LEP, this will be secured through appropriate grant funding agreements and full consideration of any State Aid implications.

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7 Other Considerations

- 7.1 **Consultation/Community Engagement** – As each scheme progresses through the project development and delivery stages, the promoting authority undertakes consultation and engagement as appropriate.
- 7.2 **Human Rights** – The development and delivery of these schemes enhance connectivity to local rail services and as such do not negatively impact on Human Rights
- 7.3 **Equalities and Diversity** - The development and delivery of these schemes enhance connectivity to local rail services for all and as such do not negatively impact on Equality and Diversity.
- 7.4 **Risk Management** - Each of the projects outlined in this report are subject to their own risk management approach.
- 7.5 **Crime and Disorder** – Safety and Security are fundamental consideration in the design of new services and facilities and thus impacts will be assessed for individual projects at the appropriate stage of development.
- 7.6 **Environment and Sustainability** – by improving connectivity and capacity to rail travel overall benefits will be accrued with regards the environmental impacts of sustainable rail travel. However each of the projects will undertake an appropriate impact assessment as part of the scheme development and delivery considerations

8 Background Documents

- 8.1 None.

9 Links to the Local Transport Plans

- 9.1 Each of the schemes have been identified as priorities in the existing North East Local Transport Plans as well as featuring in the development of the emerging NECA Transport Plan and the Integrated Rail Report (part of Transport for the North's strategic Transport Plan).

10 Appendices

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10.1 None.

11 Contact Officers

11.1 Tobyn Hughes, Managing Director (Transport Operations)
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0191 203 3203

12 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

North East Combined Authority

Transport North East Committee

Date: 9th February 2017

Subject: Horden Rail Station – Approval of Local Growth Funds

Report of: Lead Chief Executive for Transport

Executive Summary

The purpose of this report is to seek approval for the issuing of a Local Growth Fund grant agreement by the NECA to Durham County Council as the project sponsor for the Horden Rail Station project. This is based on the production of a full business case for the scheme by Durham County Council and a subsequent independent review. A significant point is that the full budget for the project against the current cost estimate has yet to be secured; however mitigating actions and grant funding conditions have been proposed to address this risk. The issuing of a full grant funding agreement with conditions will help to strengthen the prospects of timely progress on the project and the securing of further funding.

The Transport North East Committee has delegated authority from the NECA Leadership Board to approve the release of funding to a set of major transport projects that were previously prioritised by the Local Transport Body that included NECA Leaders. Horden Rail Station was one such project.

Recommendations

The Committee is recommended to agree to proceed to a full Grant Funding Agreement for a Local Growth Fund grant of £3.34m, with a phased release for progressive stages of work, to the Horden Rail Station project based on production and review of a full business case and subject to the specific funding conditions set out in Section 2.4 of this report.

North East Combined Authority

Transport North East Committee

1 Background Information

- 1.1 Horden Rail Station was one of the 'Six Majors' prioritised by the North East Local Transport Body, initially for inclusion as a submission to government for devolved 'Local Major Transport Schemes' funding in 2013. These funds were subsequently absorbed into the Single Local Growth Fund in 2014, and Horden Rail Station was given endorsement by the NECA Leadership Board and North East Local Enterprise Partnership Board to form part of the Local Growth Fund (LGF) programme, with a provisional LGF allocation of £3.34m. An LGF allocation to an approved set of projects, including Horden Rail Station, was confirmed by the government later in 2014. The project also has a commitment of £2.739m from Durham County Council budgets.
- 1.2 Horden Rail Station would serve the communities of Horden and Peterlee with a population of over 40,000, and be located on the 'Durham Coast Line'. The objectives of the project are to connect these large communities to the rail network, improve the local sustainable transport offer, improve connectivity to jobs and urban centres, and to relieve local travel demand on the A19.

2 Proposals

- 2.1 Since programme entry, a very substantial level of site feasibility and other design, costing and business case development works have been progressed by Durham County Council (DCC) in partnership with Network Rail and train operators. Following early site investigation and feasibility works, it became apparent that a number of otherwise favourable sites were constrained by land conditions and/or operational safety issues. More recently, a preferred site has been identified and a construction window, which begins in 2019, programmed-in with Network Rail. However, following the more advanced feasibility works and refining of costings, the project costs – inclusive of an appropriate risk-funding allocation – have risen significantly (to £10.5m) since programme entry. DCC has recently submitted a bid to Network Rail's 'New Stations Fund' for which they have received positive feedback, however it is anticipated that a decision on successful projects will not be announced until at least March 2017.
- 2.2 A public consultation exercise on the station proposals was conducted by DCC in late 2016. This received an excellent response rate (1,300) and overwhelming support for the station, including 12% of respondents that said they would use the station 'everyday' and 53% of respondents that said they would use the station 'at least once a week'.

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- 2.3 DCC submitted a full business case (approaches to demand forecasting and modelling and an outline business case had previously been submitted and independently examined) in December 2016. This has been through an independent review where a number of other minor issues were identified. A meeting has since taken place between NECA, DCC and the independent reviewer and set of resolutions agreed. These have now been made in a resubmission of the full business case, which has been submitted for an additional 'light-touch' review to check compliance with the resolutions.
- 2.4 Whilst at the current time the full budget for the project has yet to be secured, DCC has identified a set of actions to potentially secure the project if the New Stations Fund bid is unsuccessful. These actions include a value-engineering / cost-reduction exercise and seeking funding from alternative sources. However, due to the risk to cost and budget at the current stage of project development, three specific conditions (in addition to standard LGF grant terms & conditions) have been identified by NECA in consultation with DCC that would be entered into a grant funding agreement, subject to the TNEC approval of the recommendation. These are:-
- i) That the current project funding gap, as set out in the Full Business Case of January 2017, is met through the New Stations Fund and/or alternative funds identified by Durham County Council and/or a cost-reduction exercise, the latter of which does not materially reduce the project's scope;
 - ii) That the Local Growth Fund grant of £3.340m is apportioned to a development works stage allocation of £600,000 to be claimed by the end of June 2017, and the remaining £2.740m allocated to further development works and construction works, which will be released and claimable when the full project budget has been secured and cost risk associated with design and works price has been mitigated;
 - iii) That expenditure risk associated with claimed LGF during the development works stage is shared equally between the NECA and Durham County Council.

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3 Next Steps

- 3.1 Subject to approval of the recommendation by TNEC, the NECA will enter into a full grant funding agreement with Durham County Council. Development works, including a Delivery Service Agreement between DCC and Network Rail, will be progressed. Discharge of the special conditions set out in Section 2.4 will be monitored by the NECA before the remaining LGF can be released for advanced development works (detail design) and construction.
- 3.2 Should a major issue arise with costs and scope alterations, a further report will be brought back to either TNEC or NECA Leadership Board (depending on timing) for a decision on a resolution.

4 Potential Impact on Objectives

- 4.1 The Horden Rail Station project represents a priority project for the North East in delivering greater connectivity and capacity by sustainable travel means with pan-regional benefits. The project contributes to the delivery of objectives and outcomes within the North East Strategic Economic Plan, Durham County Local Transport Plan and the emerging Strategic Transport Plan for the North East.

5 Finance and Other Resources

- 5.1 The recommendation will allow the staged release of £3.34m LGF. Project management resources have been accounted for in DCC's resources and programme management resources, through NECA/ NELEP. This funding is included in the LGF programme.

6 Legal

- 6.1 The funding proposed to be provided will be subject to relevant Grant funding Agreements and appropriate consideration and resolution of any State Aid implications.

7 Other Considerations

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7.1 Consultation/Community Engagement

As set out in Section 2.2, a comprehensive consultation exercise on the scheme proposals has been conducted by DCC.

7.2 Human Rights

There are no specific Human Rights implications of this report.

7.3 Equalities and Diversity

Equality considerations and compliance with legislation have been addressed by DCC in development of the scheme proposals and full business case.

7.4 Risk Management

Given the current stage of development of the project, a substantial risk allowance has been included in the project cost estimate and Financial Case.

7.5 Crime and Disorder

There are no specific Crime & Disorder considerations to this report.

7.6 Environment and Sustainability

The Horden Rail Station scheme promotes sustainable transport and will deliver significant transport-related environmental benefits that have been identified in the business case in more detail.

8 Background Documents

8.1 Horden Rail Station Business Case, January 2017.

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9 Links to the Local Transport Plans

9.1 County Durham Local Transport Plan 3.

10 Appendices

10.1 None.

11 Contact Officers

11.1 Robert Stanley, Strategic Transport Advisor, NECA/LEP
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12 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

Please use ✓

13 Glossary

North East Combined Authority

Transport North East Committee

Date: 9th February 2017

Subject: Summary of market research and consultation for new Metrocars design

Report of: Managing Director, Transport Operations

Executive Summary

Nexus is developing its proposals to secure funding for new Metrocars with an Outline Business Case submission that was approved by the Leadership Board in July 2016 and then submitted to the Department for Transport (DfT). As part of this, Nexus undertook three strands of public consultation and market research during Autumn 2016 to obtain feedback in relation to the design of the new fleet of Metrocars. This report summarises the headline findings from this research.

Recommendations

The Committee is recommended to:

- a) Note the headline findings emerging from the market research and consultation and that the findings will inform the development of the final detailed fleet specification; and
- b) Agree to receive an update report in April 2017 in relation to the high level fleet specification, prior to it being submitted to the Leadership Board for full approval.

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1 Background Information

- 1.1 The Metro and Local Rail Strategy sets out plans to secure investment for the future of Metro operations. This includes procuring a new fleet of Metrocars to replace the current fleet, a continuation of essential renewals to 2035 and exploring the case(s) for future extensions to the Metro network, and integration with local rail. Metro Futures is the brand that brings these elements together.
- 1.2 In order to secure investment for fleet replacement and essential renewals, Outline Business Cases have been developed and submitted to the DfT setting out our proposals, costs and economics for both. A key component of the Strategic Case for the fleet replacement is identifying what the problems with the current fleet are. Passenger satisfaction is an element by which Nexus can gauge current feeling amongst passengers regarding the Metro.
- 1.3 Ultimately, Metro passengers want their Metro to be reliable. The number of passengers who have become more dissatisfied with reliability, has risen from 2% in 2010 to 17% in 2015; Also, there has been a dramatic reduction in the number of people who are very satisfied in Metro reliability, from 24% in 2010 down to 1% in 2015. Inevitably therefore, a high proportion of people when asked for their view on Metrocar design will identify reliability as the area they most want to be improved. Significantly better reliability than the current fleet will be a major part of the fleet specification, and is one of the key benefits of the business case.
- 1.4 Market research has been undertaken in order to obtain feedback in relation to other aspects of the design of the new fleet of Metrocars. This took the form of three strands to ensure that there was broad coverage.
 - i. The first strand was carried out by Transport Focus, the independent voice for the passenger.
 - ii. The second strand was Nexus' own in house consultation, undertaken by Nexus' Business Intelligence team.
 - iii. The third element was collaboration with Newcastle University's Open Lab, through a series of 7 'pop-up' labs across Tyne and Wear. A team of co-researchers were recruited and were asked to record their experiences on Metro, and also participate in a number of sessions to design a Metrocar for the future.
- 1.5 As part of the Transport Focus work, almost 1,000 passengers were interviewed at stations across the network between September and October 2016 and 6 focus groups were held across a section of ages and frequent and infrequent Metro passengers.
- 1.6 Nexus received almost 1,500 responses to its own consultation which ran from the end of October to 2nd December 2016. This was conducted through a questionnaire, which was online and available through libraries and travel shops. Nexus Customer Relations team also attended a number of stakeholder groups across the area.

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- 1.7 The Open Lab research held 7 'pop-up' labs across Tyne and Wear in November 2016. It is estimated that a total of 300 people interacted and participated. In addition, the material generated by the co-researchers, school and FE participants is being shared on the Metro Futures website (www.metrofutures.org.uk) to generate further discussion and prioritisation of observations and ideas. This part of the consultation is on-going and has, so far, attracted over 3,000 website visitors and 16,000 web page views.
- 1.8 Open Lab also engaged with schools. They ran an "Imagine Metro's Future" activity, which six schools across the region chose to participate in (3 primary, 3 secondary schools). A school-based activity produced 29 creative responses to the challenge to "imagine a journey on the Metro in 2036". From these entries, 55 children and their teaching staff spent an 'imagination day' at St. James' Metro station.
- 1.9 This report provides headline findings across all 3 strands of the research, for Members' information and attention.

2. Consistent messages from the research

- 2.1 Across all three strands of the research, common items associated with the current fleet and layout included:
 - Metro is regarded to be relatively easy to board/alight;
 - Lack of space in the middle of the carriage way results in overcrowding at the door area;
 - Lack of standing capacity at peak times on some routes is exacerbated by overcrowding at the door area;
 - Not having any storage areas results in seats being used for luggage, shopping etc. This prevents other passengers from using them;
 - The current seating layout was not one to consider in a future design;
 - Lack of dedicated space for pushchairs and bicycles;
 - Having seats facing each other leads to some passengers putting their feet on the seats and some passengers do not like to travel backwards;
 - Perceptions of anti-social behaviour have a negative impact on passengers; and
 - There are some concerns regarding the cleanliness of the current fleet.
- 2.2 A key component of the research was to ascertain what people would like to see in a new fleet of Metrocars. Consistent messages here, included:
 - A linear style of seating arrangement, similar to that on the London Underground, although the in-house strand of research showed there was no clear preference given of the options asked;
 - A need for flexible seating to provide additional capacity;
 - Additional space for luggage and baggage, perhaps under seat storage;
 - Live CCTV footage to be shown on screens to improve perceptions of security;

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- Updating the internal décor of Metro, to make it feel less dated;
- Inclusion of real time information about where trains are on the system;
- Electronic information screens on board; and
- Wifi and charging points.

3. Differences of views in the research

3.1 Areas from the research which drew some differing views included:

- Type of seating - The Transport Focus research pointed towards a preference for 'leatherette' style seating that could be easily cleaned, helping overcome the hygiene issues highlighted. The Nexus research pointed to a preference for deep seated cushioned seats, similar to now.
- Linear seating was a clear preference in the Open Lab and Transport Focus research, although the Nexus research showed that there wasn't a clear preference across the options
- Temperature – The issue of temperature inside the carriage divided opinion amongst participants. Some felt that the inclusion of air conditioning on new Metrocars would be beneficial. Others felt that having windows that open helped regulate the temperature.
- One long vehicle or 2 separate Metrocars running together - The Transport Focus research drew on discussions at the focus groups, where people thought that having 2 Metrocars running together helped with perceptions of security, in that if there were issues with anti-social behaviour on one train, then passengers could choose to get on the other one. The Open Lab research indicated preference towards a single carriage, as it would provide for more space. The varying nature of these views will need to be factored in when setting the specification for the new fleet.

4 Next Steps

- 4.1 The results of the research will be collated and a summary of this will be provided to stakeholders along the lines of a 'You said, We did' approach. The results will help inform the development of the final fleet specification for the new Metrocars. Headline findings have also been incorporated into the Outline Business Case for the Metrocar fleet replacement.
- 4.2 Nexus will be bringing a high level fleet specification to TNEC in April 2017, prior to it being submitted to the Leadership Board for full approval, in advance of the procurement process commencing. The market research will be available to companies bidding for the fleet replacement contract.
- 4.3 Nexus will liaise with Open Lab and Transport Focus to publicise the findings of the market research exercise and consultation. The results of the Transport Focus strand of Market Research are attached as Appendix 1. The summary from Open Lab is attached at Appendix 2.

5 Potential Impact on Objectives

- 5.1 The future design of new Metrocars is important in meeting objectives set out in the Metro and Local Rail Strategy, 2016, particularly in terms of:
- providing Metro and local rail services that are reliable, accessible and comfortable with high levels of customer satisfaction, within available resources; and
 - To grow the Metro and local rail network and their modal share as part of an integrated public transport network.

6 Finance and Other Resources

- 6.1 Nexus has submitted an Outline Business Case for Metrocar Fleet Replacement and Essential Renewals which is over £1bn in value.

7 Legal

- 7.1 There are no legal implications in this report.

8 Other Considerations

8.1 Consultation/Community Engagement

Market Research and Consultation had already been undertaken for the future design of new Metrocars. There will be a requirement to continue to engage with communities on the proposals.

8.2 Human Rights

There are no human rights implications in this report.

8.3 Equalities and Diversity

The design of the new Metrocars will be fully compliant with the latest accessibility guidelines from Government.

8.4 Risk Management

There are no risk management implications in this report.

8.5 Crime and Disorder

There are no crime and disorder implications in this report.

8.6 Environment and Sustainability

There are no environment and sustainability implications in this report.

9 Background Documents

- 9.1 19th July 2016 Metro Futures paper

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10 Links to the Local Transport Plans

- 10.1 The NECA Transport Manifesto, the Strategic Economic Plan and Local Transport Plans all set out the importance of investing in a new fleet of Metrocars, for continued operation of the Metro system.

11 Appendices

- 11.1 Appendix 1 – Transport Focus Research, Executive Summary
Appendix 2 – Open Lab Summary

12 Contact Officers

- 12.1 Tobyn Hughes Managing Director (Transport Operations)
E-mail Tobyn.Hughes@nexus.org.uk
Tel: 0191 203 3246.

13 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

Please use ✓



Tyne and Wear Metro: what passengers want from new trains

Summary report
February 2017



Forewords



Anthony Smith
Chief Executive, Transport Focus

Transport Focus considers it essential to involve passengers in the design of new rolling stock at the earliest opportunity. While aspects related to train design often feature in our research about passengers' priorities for improvement to rail services generally, it is important that local and network specific factors are taken into account so passengers do not travel on trains that fail to meet both their existing and future needs. We have previously looked at other rolling stock design, most recently with Merseyrail in 2014. There are similarities and differences in each location.

Transport Focus' purpose is to secure the best possible deal for passengers. This joint project between Nexus and ourselves ensures that passenger views will be used to shape all stages of the procurement and delivery of the project, and that the design features and facilities passengers think new trains should incorporate are fully considered.



Tobyn Hughes
Managing Director, Nexus

Our Metro Futures programme sets out bold and ambitious plans to invest in and secure the future of Metro over the next 20 years. This involves developing Business Cases for investment for:

- a new fleet of Metrocars to replace the current fleet;
- a continuation of our asset renewal programme to invest in Metro's infrastructure to 2035; and
- extensions to the current Metro network.

I am delighted that Transport Focus have worked with us to understand the thoughts and aspirations of our passengers in what they want to see in a new fleet of Metrocars. The outcomes of this research will play a significant role when it comes to designing and building a new fleet. We look forward to working with Metro passengers and stakeholders further over the coming months to ensure that their priorities have been captured and are picked up as we speak to train manufacturers in specifying and designing a new fleet of Metrocars for the 21st century.

Background

The North East Combined Authority has recently agreed a strategy for investment in Metro and local rail to improve journeys for passengers and to kick start an expansion of high quality local rail for the region. The strategy sets out the case for more than £1 billion of new investment in the existing Metro system over the next 20 years.

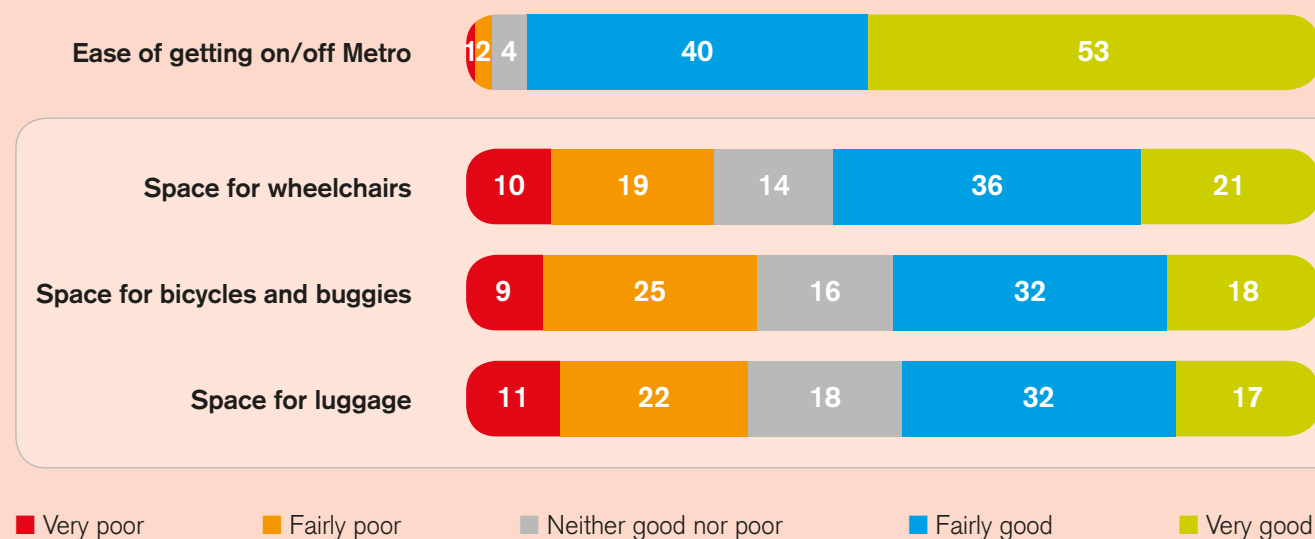
As part of this investment Nexus is developing a bid to central government for funding to replace its Metrocar fleet. The current fleet of Metrocars is approaching 40 years old and despite having had multiple refurbishments, is now nearing the end of its operational life. Nexus is particularly keen to ensure that the views of passengers are understood and incorporated. The passenger view has separately been collected by Nexus via a customer consultation exercise, by working alongside Newcastle University's 'Open Lab' to host pop-up events, and also by commissioning independent research, involving face-to-face interviews at Metro stations and focus groups with Metro passengers. The results of this independent research are summarised in this report.

Key findings

The provision of space in the carriage

The research clearly indicates that perception of space in the train is a key issue for passengers on the Metro. Passengers indicate that they are relatively dissatisfied with the extent to which the current Metro trains provide space for bicycles, buggies and luggage. This finding reflects that of similar research Transport Focus has conducted previously for Merseyrail in 2014¹. While passengers are happy with the ease of getting on and off the Metro, trains can become congested and future designs should include features that encourage passengers to move down within the carriages.

Passengers' rating of aspects inside the carriage (%)



Q Thinking specifically about the environment inside the carriages of Metro trains, how would you rate the following aspects?

Base all with an opinion: 813 – 971

¹ <http://www.transportfocus.org.uk/research-publications/publications/future-merseyrail-rolling-stock-what-passengers-want/>

"When there is a lot of people everybody seems to congest towards the doors, and you haven't got time to get off the Metro before the doors close."

Frequent passenger

"Getting to the airport you've not got anywhere to put your cases. If you've got a couple with a big case they've got to take two sets of seats."

Frequent passenger

"I think there could be more for people with luggage, especially because I've used it before for going to the airport and... Longbenton. There's a lot of people travelling from the main central lines to Longbenton or to Tyne View Park who have suitcases, a lot of other people travel. There's just not that space for them."

Infrequent passenger

Passengers with visual and mobility impairments told us that they occasionally find it difficult to get on and off the trains. For those with visual impairments, it is sometimes difficult to see the gap between the train and the platform, while negotiating congestion near doors and relatively poorly signed priority spaces is sometimes problematic for those with mobility impairments.

Passengers mentioning the need for priority spaces, and highlighting the need for clear signage about its use, was similarly highlighted by users in the Merseyrail research.

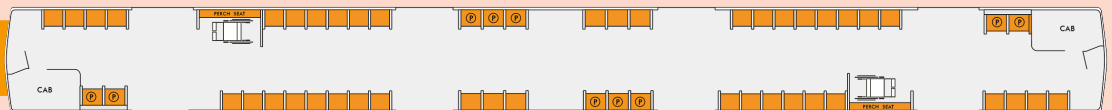
Seating layout

Passengers identify the current layout of seats to be a key contributor to a lack of space within Metrocars. Against other designs, those featuring linear seating (along the length of the carriage) tend to be favoured as they are felt to provide plenty of space for luggage and for standing passengers.

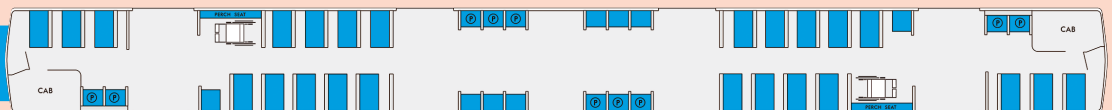
Linear seating designs are therefore seen to be most suitable for commuters. However, designs involving a greater mix of seating styles are favoured by those travelling outside of peak times because they offer a variety of seating options.

Examples of potential new carriage layouts for Metro, as shown to passengers:

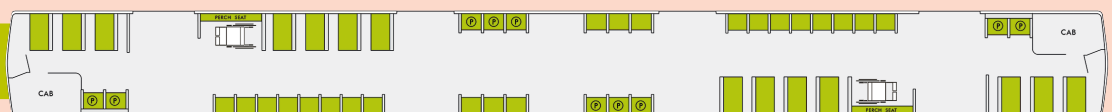
Linear seating



Mixed layout 1



Mixed layout 2





"I like [option] three because it seems that you've got more seats in the back, and people will sit together privately and you've still got a lot of space in the middle."

Frequent passenger

"I like the linear one, because if you do get on when it's really busy there are plenty of spaces to stand."

Frequent passenger

"I don't like the seats where there are two seats facing each other because you feel like you're on top of people."

Frequent passenger

"At the minute it's creating a bottleneck, where the seats come in together, so by removing that and having a linear module, you've got more space in the middle to manoeuvre."

Frequent passenger

"I like the first one with the seats up the side. It's actually busy times, they just look less claustrophobic."

Frequent passenger

Should trains be a single carriage or remain as two carriages coupled together?

The possibility of designing new Metro trains as a 'single unit' (made up of one inter-connected carriage) as opposed to two coupled carriages as they are currently was discussed in focus groups. While single unit designs might offer advantages such as providing additional space where carriages are currently joined, Metro passengers tend to favour two-carriage designs.

Passengers tend to feel that having two carriages offers a way in which to escape from anti-social behaviour, though passengers recognise that their opinion is generally formed because the current design is what they are used to. And, of course, the concerns about personal security and anti-social behaviour could be addressed in other ways in the design of new rolling stock.

"I think it's good having two carriages, because if you're waiting and there is a group of people going on, you know, that are maybe a bit drunk, or a group of teenagers, you can then just choose to go into the other carriage."

Frequent passenger

"Yes, I quite like the two, but again, that's just something that we've got used to over the years."

Infrequent passenger

"If you see a big group on one carriage, and you want to avoid that, you've got a choice to pick a different carriage."

Infrequent passenger

Standing on Metro trains

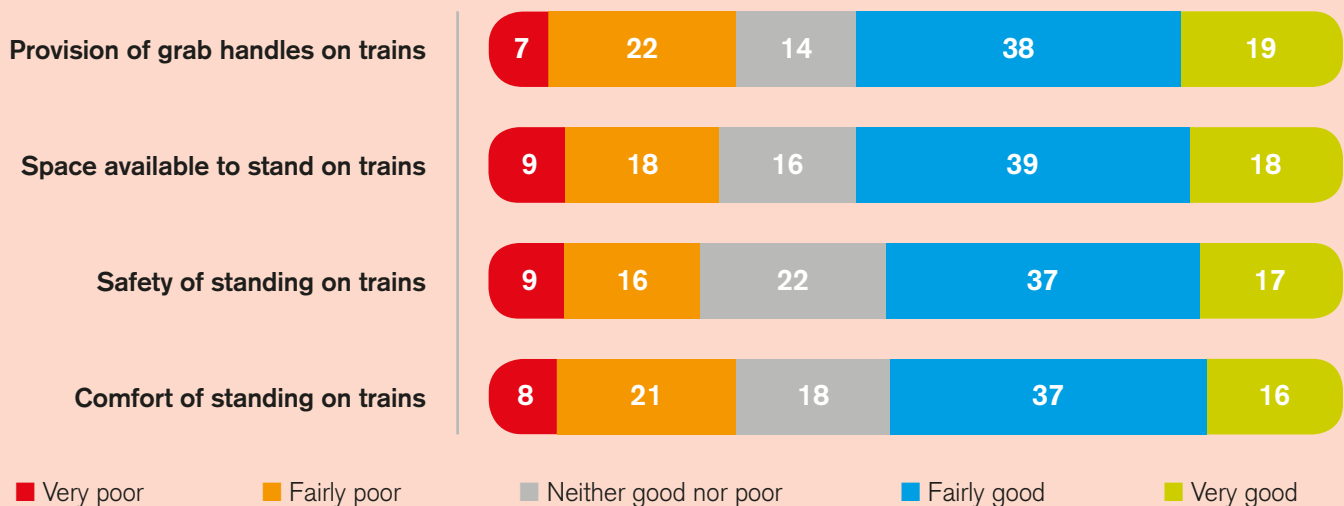
Around 16 per cent of passengers usually stand when travelling on the Metro. Amongst these passengers the provision of space available to stand in the current trains is rated relatively poorly and therefore is considered a priority for improvement. More than a quarter of those who usually stand rate the safety and the comfort of standing on Metro trains as poor.

Passengers feel that current Metrocars offer an insufficient number of grab-handles, and that the location of the pole (near the door) in current carriages was a cause of congestion. They therefore say that grab-handles should be provided throughout the train in order to encourage passengers to move down the carriage.

"If you're on the other side of these two and it's a bit rowdy on one, you can go on the other one, you know."

Frequent passenger

Passengers' rating of aspects relating to standing on Metro trains (%)



Q How would you rate the following in relation to standing on Metro trains?

Base all who stand on trains with an opinion: 205 - 209

Internal environment

Passengers tend to feel that the overall appearance of the current trains is outdated and that the design of future Metrocars offers a priority area for improvement which could be used to develop a sense of civic pride.

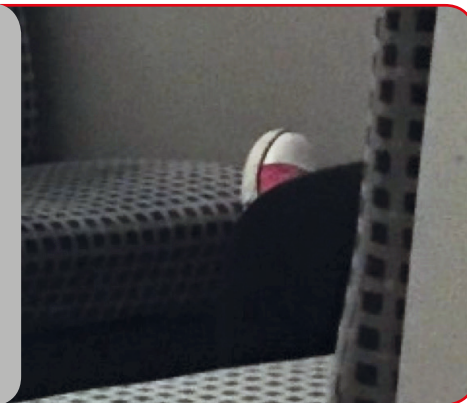
Similarly the cleanliness of seats and trains is seen as an issue. Passengers indicate a preference for leather type seats which they suggest could be cleaned more easily rather than the cloth-covered upholstery which is used currently. 48 per cent said they would like to see litter bins included as an additional feature on trains; the single most chosen new feature. This is a pattern we also saw in the previous work with Merseyrail.

Upon reflection however, passengers identify that litter bins may not provide an appropriate solution to improving the environment, as they could become smelly, dirty or a security risk.

As with litter bins, while passengers also mention air conditioning as a feature they would like to see installed, the issue becomes more contentious upon reflection. Participants at focus groups acknowledged that a range of views and tolerances to different temperatures exist, and that therefore the installation of air conditioning would not be universally welcomed.

"I was on one a couple of weeks ago and somebody must have had their feet on the seats, and I ended up with dirt all over the back of my jeans."

Frequent passenger



"A bin could potentially be a security risk."

Frequent passenger



Features passengers would most like to see on Metro trains (%)

Top three features

Litter bins	48
Wi-Fi in the carriages	39
Air conditioning	29

Q Which three of the following features which could be included on Metro carriages in the future would you most like to see?

Connectivity and Wi-Fi

After litter bins the provision of Wi-Fi is the new feature most commonly selected by passengers to include on future Metrocars. Passengers specifically mention the availability of Wi-Fi on some local buses and indicate that this feature, alongside the provision of charging points for small devices, is becoming a basic expectation for people using public transport.

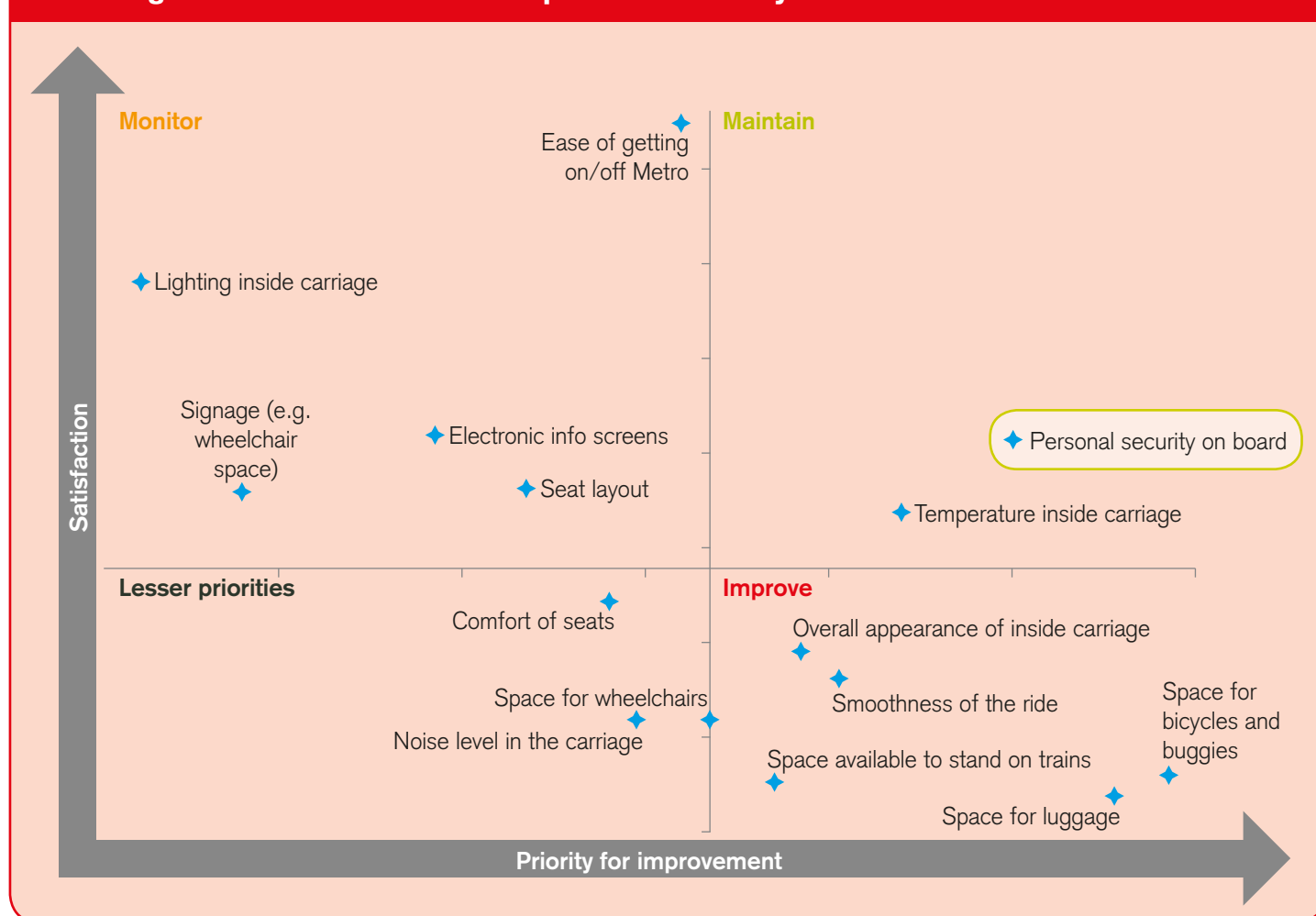
"Everybody has technology don't they, so, if you're on a journey and you're using it constantly, you think, 'Oh, I'll just plug it in the mains.' Everybody's looking for an outlet, aren't they?"

Infrequent passenger

Personal security

Instances of passengers feeling unsafe on trains is relatively rare. However, when they occur these instances can have a significant impact. Accordingly findings indicate that though passengers are generally happy with personal security on trains, they also mention it as a priority issue for improvement in the design of future Metrocars.

Passengers want efforts to ensure personal security maintained



Passengers most frequently associate personal security on trains with anti-social behaviour such as swearing and aggressive behaviour, people putting feet on seats, and littering. Passengers mention several possible solutions to the issue including a more frequent staff or police presence, and better monitoring such as use of a live CCTV feed.

"Put guards on when it's crowded, like on match day or Saturday afternoons."

Frequent passenger

"Jobs at night throwing chips and cans about. There should be guards in to stop them."

Infrequent passenger

Information and signage

Passengers are generally happy with the current provision of signage and electronic information screens on Metro trains. The information they feel should be provided include: next stop and journey duration, news related to the local area, and live images of the carriage in order to prevent anti-social behaviour. The use of CCTV and making its presence obvious to passengers are measures which are welcomed with passengers elsewhere, as well as in this work.

Passengers with hearing impairments are also generally satisfied with the current provision of signage and information screens on trains, though they indicate that it would be important to provide visual information of calling-points and final destination on future trains. Similarly, passengers with impaired sight are generally happy that announcements on trains are clear.

"Travelling on the Metro doesn't give me a problem. I can hear the announcements fine as they are in a loud clear voice."

Passenger with hearing impairment

Passengers also say that the signage indicating priority seating and spaces for wheelchairs could be improved on future Metrocars as this is a factor in preventing these seats and spaces being offered to those who require them.





Conclusions and recommendations

While the research suggests some clear recommendations for the design of future Metrocars, it also indicates that on some issues a variety of opinion exists. It is therefore important that Nexus regularly and clearly communicates with passengers up to the introduction of the new rolling stock about what the new design offers, and how passengers will need to adapt their behaviour accordingly.

Space, seating layout and standing

- Design trains which encourage people to move down within the carriage
- A range of types of seats should ideally be available, but definitely use linear styles to provide space for those standing and to encourage people to spread out and not cluster by the doors
- Install more grab handles or poles for those standing which extend further throughout the carriage
- Consider spaces to store luggage or other bulky items.

Internal environment

- Make future designs more modern looking and theme in such a way to develop civic pride
- Use materials, particularly for seats, which can be cleaned easily
- Provide Wi-Fi in carriages and consider charging points for small devices – although future technology trends may need to be catered for.

Personal security

- If possible consider additional staff or police presence or ways in which the driver can intervene to prevent anti-social behaviour
- Install an obvious CCTV system which makes it clear to those likely to exhibit it that anti-social behaviour is being monitored.

Information and signage

- Provide next stop, destination, and journey length information both by announcement and visually so this is clear to all passengers
- Improve signage for priority seating and spaces to ensure that these are used by those who most require them.

How we carried out this research

Passenger priorities for the design of future rolling stock on the Metro were collected at the end of September and in early October 2016 in three ways:

- face-to-face interviews with almost 1,000 passengers as they exited Metro stations
- a series of six focus groups with different types of Metro passengers
- in-depth interviews with passengers with sight, hearing or mobility impairments.

Transport Focus commissioned Chime, an independent research agency to conduct this project.



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Transport Focus is the operating
name of the Passengers' Council

This research was carried out by
Chime Insight and Engagement

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Initial Findings

January 2017

This document summarises the initial key findings from Open Lab's public engagement activities during November 2016. These findings are broadly split into important concerns relating to the present Metrocars, and 'wish list' items for future Metrocars.



1 Public Engagement

1.1 Co-Researchers

The Open Lab team recruited a group of 20 members of the public as ‘co-researchers,’ of whom 17 attended three or more of the four two-hour design workshops in November. Two further participants joined this group at the last design workshop.

These co-researchers also contributed to the project outside of design workshops – recording their experiences and ideas, and contributing to discussions on the project website.

1.2 Pop-Up Labs

Seven public drop-in events (‘Pop-Up Labs’) were held throughout November in Newcastle, South Shields, Gateshead, Sunderland, Tynemouth, and Newcastle Airport. Although we did not tally the exact numbers of members of the public spoken to, we estimate speaking to on average 40 people per Pop-Up Lab (with others taking leaflets and questionnaires), giving an estimated total of 280 people.

1.3 Schools Activity

The Open Lab team ran an “Imagine Metro’s Future” activity, which six schools across the region chose to participate in (4 Newcastle, 2 Sunderland; 3 primaries, 3 secondaries).

A school-based activity produced 29 creative responses to the challenge to “imagine a journey on the Metro in 2036”. From these entries, 55 children and their teaching staff spent an ‘imagination day’ at St. James’ Metro station.

1.4 Further Education Activity

15 BTEC students from South Tyneside College volunteered their services as freelance ICT specialists, and produced reports on potential developments in design, physical security, and data security over the next ten years.

1.5 Metro Futures Website

The material generated by the co-researchers, school and FE participants is being shared on the Metro Futures website (www.metrofutures.org.uk) to generate further discussion and prioritisation of observations and ideas. This part of the consultation is ongoing and has, so far, attracted over 3000 website visitors and 16,000 web page views.



2 Present Metrocars: Important Concerns

Public participants described numerous aspects of travelling on Metro (positive and negative) that should be considered in commissioning and designing the new fleet:

2.1.1 Clear Announcements and Displays

Participants discussed driver and automatic announcements, and digital displays on trains.

2.1.2 Preventing Anti-social Behaviour

Participants discussed preventing anti-social behaviour such as unwelcome noise, fare-dodging, feet on seats, refusing to give up seats to those in need.

2.1.3 Storage Space

Participants saw the lack of space for shopping and luggage as important.

2.1.4 Enjoying the View

Participants discussed the views available through current large windows, particularly the front windows.

2.1.5 Overcrowding at Busy Times

Participants discussed difficulties with crowded trains at busy times, and mentioned the current seating layout and poles in doorways as worsening this situation.

2.1.6 Platform – Train Access

Participants mentioned both the distance and height difference between platform and Metrocars, and the safety concerns that these aspects raise.

2.1.7 Accompanying a Wheelchair or Pushchair

Participants noted that the current seating layout does not enable someone accompanying a wheelchair user or with a child in a pushchair to sit close to them.

2.1.8 Climate and Comfort

Participants noted difficulties maintaining a comfortable temperature on current trains. Overheated cars, and draughts and noise from windows left open and loose-fitting doors were mentioned. Button-operated doors were preferred as they prevent heat loss during colder months, although some participants would like to see automatic door opening at busy times.

2.1.9 Wasted Space

Participants thought that the extra drivers cabs where two Metrocar sets are joined is wasted space and could be used for more seating or storage.



3 Future Metrocars: 'Wish list' Items

In design workshops and Pop-Up Labs, participants suggested several 'wish list' items for new Metro trains.

3.1.1 More and Accessible Information on Trains

In addition to existing announcements and displays, participants suggested that final destination, station-specific, connection, and delayed train information should be provided. They also requested that such information was made accessible to people with hearing and visual impairments.

3.1.2 Visible Metro Staff

Participants suggested both more staff on trains (particularly late at night) and making drivers visible. Participants also suggested help-points within trains, if staff were not available. Some participants found CCTV reassuring in this respect, others questioned whether CCTV was for the benefit of passengers or Metro.

3.1.3 Adaptable/Re-configurable Seating

Some participants suggested ways for enabling more people to stand at busy times, including flip-up seats and special trains or seating layouts for peak commuting times. Other participants were concerned that people would not give up flip-up seats at busy times to make more room for standing passengers. Some participants also preferred the linear seating in the vestibule areas as it provides more standing room, and others suggested airline-style seating so that small bags could be stored under seats.

3.1.4 Clear Identification of Train Features

Participants requested that grab rails, seating and other features was clearly identifiable. This included clear labelling of wheelchair and pushchair spaces, priority seating, and luggage space; and a high contrast colour scheme for visually impaired passengers. Some participants also mentioned clear identification of doors in the external livery of the train for similar reasons.

3.1.5 Grab Rails and Handles

Participants asked for more grab rails and handles, particularly near doorways.

3.1.6 A Single Carriage Space

Some participants also liked the idea of a Metro train being open along its length (as a single carriage), to allow movement at busy times and enable them to see and be visible to the driver. Other participants were concerned that this would mean they could not move cars to get away from anti-social behaviour.

3.1.7 Buying and Validating Tickets on Trains

Participants would like to be able to purchase tickets (e.g. to extend a journey) and validate pop cards on trains, and suggested both Metro staff and ticket machines on trains. Some school participants also suggested ticket-operated doors for trains.



3.1.8 Resilience and Reliability

Participants also proposed dual-power trains and other means of enabling trains to provide a reliable and extended service.

3.1.9 Cycle Space

Participants wanted designated spaces for cycles, and suggested a marking doors and platforms to indicated where these spaces could be accessed.

3.1.10 Waste Bins

Participants noted the lack of waste bins on trains.

3.1.11 Sustainability

Participants suggested various features to make the new Metrocars more environmentally friendly, e.g. solar panels on the roof

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North East Combined Authority Transport North East Committee

EXECUTIVE SUMMARY

DATE: 9th February 2017

SUBJECT: Overview and Scrutiny Committee Policy Review :
Transport related barriers to education, employment
and training

REPORT OF: Lead Chief Executive for Transport

This report summarises and comments on the recent Policy Review undertaken by the NECA Overview and Scrutiny Committee into transport-related barriers to education, employment and training.

RECOMMENDATIONS

It is recommended that the Committee welcomes the Policy Review and its findings, including the comments and recommendations made by the Overview and Scrutiny Committee, which can be incorporated into the Transport Plan.

North East Combined Authority

Transport North East Committee

1. Background Information

- 1.1 The Policy Review originated from an Overview and Scrutiny Committee work programme planning meeting in September 2014, at which Committee Members raised a number of issues emerging from their wards. These issues included the availability and affordability of transport to work and education. It was intended that the results of the Policy Review would feed into the Transport Plan for the North East which is currently in preparation.
- 1.2 An inquiry was therefore begun, with the following terms of reference:
 - a) An assessment of current transport projects to help people get to interviews, jobs, training etc.
 - b) The potential impact of future spending cuts and how to maintain accessibility of public transport
 - c) An assessment of the different problems across the NECA area, e.g. the particular needs of rural areas.
- 1.3 A Call for Evidence was issued, inviting individuals and organisations to submit written evidence to the Committee. General comments were invited and, additionally, specific questions were posed as follows:
 - a) The accessibility of public transport (i.e. whether people can travel at reasonable cost, in reasonable time and with reasonable ease)
 - b) The availability of public transport and the extent to which it is adequate to access employment sites
 - c) What alternative transport approaches could be considered to support people being actively engaged in work?
- 1.4 Written and oral evidence was gathered between June 2015 and September 2016. A total of 40 responses were received from a range of training providers/educational establishments, members of the public, travel advisors, voluntary groups and transport providers within the NECA area. Some of those who submitted evidence were invited to address the Committee.

2. Call for evidence findings

- 2.1 Appendices 1 – 3 to this Report comprise the report to December 2016 Overview and Scrutiny Committee, and the two Appendices that accompanied that report. Section 3.2 of that report states that five problems in particular were apparent from the responses to the Call for Evidence:
 - a) The cost of public transport can be a disincentive to take up employment and widen horizons for employment opportunities
 - b) Accessibility of transport, for example, people in rural areas without access to a car face particular difficulties and reductions in weekend and evening services makes it difficult for those working outside of the core working week.
 - c) Changing working patterns beyond the traditional core working hours.
 - d) The location of out of town employment sites can cause difficulties for those using public transport

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- e) The lack of an integrated transport network and coordination across services leads to complex and uncoordinated services for commuters.

3. Overview and Scrutiny Committee recommendations and comments thereon

3.1 Four recommendations were made by the Overview and Scrutiny Committee in their report. These are listed below, with comments in italics.

- 3.2 a) The Scrutiny Committee fully supports young people's concessionary travel to reduce the cost of travel for 16-19 year olds, and welcomes the opportunity to contribute to the NECA Task & Finish Group Review.

Comment:

The support for the TNEC Task & Finish group, that has been established to investigate transport cost issues faced by young people, is welcomed, including the nomination of Councillor Eagle to be part of the group. The Transport Manifesto states that transport should be Affordable and this theme is continued in the draft Transport Plan.

- b) The Committee welcomes improvements to the ticketing system and urges further action to ensure: i) the system does not penalise passengers who need to change between buses or from buses to other types of transport; ii) access to work places and timetables should meet the needs of workers and the need for onward connections.

Comment:

(i) *The North East Smart Travel Initiative (NESTI) has been progressing this issue successfully. As a result, Pop Pay As You Go can now be used as payment on the majority of services provided by the three major bus operators (Arriva, Go North East and Stagecoach); on Metro (with a daily price cap); the Shields Ferry; and a range of small operators, including the Park and Ride service in Durham. This means that passengers with Pop Cards can use the same card for each leg of their public transport journey without having to pay cash each time, although it should be noted that bus operators have not yet agreed to offer a price cap in the way that Metro does. Uptake of Pop Cards has increased sharply since Pop Pay As You Go Cards became available on-line. Again, the Transport Manifesto (in response to consultation replies) includes a theme that transport should be integrated and this too is expanded upon in the draft Transport Plan.*

(ii) *The comments from the Call for Evidence about the difficulty of accessing employment locations which are away from the public transport network, and of getting to work at shift times, are noted. This point is also already reflected in the Transport Manifesto; one of its themes is that transport should be Accessible in terms of running*

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as near as possible to where people live and want to travel to. The draft Transport Plan deals with this in more detail.

- c) The Committee urges continued efforts to deliver improvements to the walking and cycling network whenever the opportunity arises, and to promote the use of cycle paths as an alternative form of transportation focusing on accessing Metro stations, bus stations and bus stops and the walking routes to employment sites. This needs to include lighting, signage and pavements, providing an environment around transport facilities that feels safe and secure.

Comment:

The Transport Manifesto has a specific section devoted to Walking and another one on Cycling. These two topics are extensively covered in the draft Transport Plan.

The North East Combined Authority and all seven Councils are fully committed to promoting walking and cycling, including investing in walking and cycling infrastructure wherever possible. For example, North Tyneside Council's "Preston Grange (A191 Rake Lane) cycling and walking improvements" project sought to provide a convenient cycling and walking route which would support active travel to local schools, encourage cycling to work and improve links in North Tyneside's cycling and walking network. The project was funded from various sources including the Government's Linking Places Fund, regional Go Smarter School Links funding, and developer funding from a neighbouring sports pavilion development.

Disappointingly, however, the region's "Access Fund" bid, intended to help maintain the NECA-wide Go Smarter programme, has been declined for funding by the Department for Transport. This will hamper our plans to promote sustainable travel alternatives for journeys to schools and workplaces and means that a number of existing successful initiatives may have to be ended due to lack of further funding.

The implications of this announcement are currently being evaluated by officers and a subsequent detailed report will be produced advising Members of the consequences for activities that have been delivered through the Go Smarter programme and the staff involved.

- d) The Committee recognises the prospect of some people being disadvantaged and cut off from prosperity and opportunities that most people take for granted, due to transportation issues. Policy should seek to create a vision that no one in the area is seriously disadvantaged by where they live.

Comment:

Public transport's role in enabling access to essential facilities, including

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education, training and employment, without the need to use a car, is noted. The particular needs of isolated communities, especially rural areas, in this regard are also noted. As stated above, the Transport Manifesto includes a theme on the Accessibility of transport, and the section on bus services sets out the intention to have “good network coverage reflecting local needs including in rural areas”. Again, the question of how to ensure an effective public transport network is covered extensively in the draft Transport Plan, which includes sections on the needs of rural areas.

4. Conclusions

- 4.1 As shown in Appendix 1, the Overview and Scrutiny Committee report states that “the evidence and conclusions from the policy review will be submitted to the Transport North East Committee for advice and comment, and then to the Leadership Board as part of the development of the Transport Plan for the North East.”
- 4.2 The Overview and Scrutiny Committee report is therefore to be welcomed, as it highlights some of the issues that were identified in the Transport Manifesto and will be expanded upon in the draft Transport Plan. The evidence and conclusions from the policy review can accordingly be incorporated in a future draft of the Transport Plan to be submitted to this Committee.

5. Impact on objectives

- 5.1 Reducing transport-related barriers to employment will assist the North East Combined Authority in delivering its objective to maximise the area’s opportunities and potential.

6. Finance and Other Resources

- 6.1 There are no direct finance implications arising from this report

7. Legal

- 7.1 There are no direct legal implications arising from this report

8. Other Considerations

- 8.1 Consultation/Community Engagement

A call for evidence was carried out as part of the policy review described in this report

- 8.2 Human Rights

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There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

Measures to overcome transport-related barriers to employment would, if implemented, assist the Combined Authority in promoting greater equalities and diversity in the region's transport system.

8.4 Risk Management

There are no specific risk management implications arising from this report.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

8.6 Environment and Sustainability

Measures to overcome transport-related barriers to employment would, if implemented, assist the Combined Authority in achieving a more sustainable transport system for the region.

9. Background Documents

9.1 None

10. Links to Plans in the Policy Framework

10.1 This report has a direct link to the forthcoming Transport Plan for the North East

11. Appendices

11.1 Appendix 1 : North East Combined Authority Overview and Scrutiny Committee Report, 14th December 2016 : Policy Review - Transport related barriers to education, employment and training

Appendix 2 : Written Evidence Submissions

Appendix 3 : List of witnesses

12. Contact Officers:

12.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)

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13. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

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Appendix 1

Date: 14th December 2016

Subject: Policy Review: Transport related barriers to education, employment and training

Report of: Monitoring Officer

Executive Summary

The purpose of this report is to consider the conclusions of a policy review on transport related barriers to education, employment and training. This review will be submitted to the Transport North East Committee, and the Leadership Board to assist in the development of the Transport Plan for the North East.

Recommendations

It is recommended that the Committee receives and considers this report.

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1. Introduction

- 1.1 This review focussed on one central aspect: transport and the provision of access to employment, training and education. The more efficient this access, the greater the economic benefits.
- 1.2 The conclusions are intended to contribute to the Transport Plan for the North East and to focus on how to support delivery of key transport-related priorities for the NECA area.
- 1.3 Barriers in transport provision can prevent people from accessing key local services or activities, such as jobs, learning, healthcare, shopping or leisure. This report is primarily concerned with options for removing the barriers to accessing employment, training and education facilities, including whether transport is available at a reasonable cost, in reasonable time and with reasonable ease.
- 1.4 This report reflects how different barriers impact directly on service users and how this may impact on their ability to take up employment and training.

2. Background

- 2.1 The Scrutiny Committee took written and oral evidence over an 18 month period. To ensure that a wide range of interested parties could submit evidence to the review, a Call for Evidence was issued inviting stakeholders to submit written evidence to the Scrutiny Committee.
- 2.2 General comments were invited and, additionally, specific questions were posed as follows:
 - (a) The accessibility of public transport (i.e. whether people can travel at reasonable cost, in reasonable time and with reasonable ease)?
 - (b) The availability of public transport and the extent to which it is adequate to access employment sites?
 - (c) What alternative transport approaches could be considered to support people being actively engaged in work?
- 2.3 Access to health services had not been part of the original remit, however, it became clear that access to healthcare was a significant concern for residents and comments were submitted in relation to accessing health services. It is anticipated that this may become more of an issue for patients as health services are re-located, centralised and travel to health providers increasingly requires the crossing of local authority boundaries.

3. Findings

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- 3.1 Evidence submitted to the review indicates that transport barriers are most acute for young people, those who live in more isolated areas, and those on low incomes who are particularly reliant on local public transport services yet often find that the cost of fares constitutes a disproportionately high percentage of their expenditure unless they are entitled to some form of concession.
- 3.2 From the evidence, five problems in particular are apparent:
- a) The cost of public transport can be a disincentive to take up employment and widen horizons for employment opportunities
 - b) Accessibility of transport, for example, people in rural areas without access to a car face particular difficulties and reductions in weekend and evening services makes it difficult for those working outside of the core working week.
 - c) Changing working patterns beyond the traditional core working hours.
 - d) The location of out of town employment sites can cause difficulties for those using public transport.
 - e) The lack of an integrated transport network and coordination across services leads to complex and uncoordinated services for commuters.

3.3 Cost of Transport

Bus fares have consistently risen faster than inflation for many years. This has a significant effect on those on lower incomes and without access to a car. This restricts where people look for jobs and can impact the level of wages they accept and subsequently any prospective job opportunity. This is particularly the case for jobseekers who may (initially at least) only be able to secure relatively low-paid work so that public transport fares account for a disproportionately high percentage of their expenditure – perhaps to the point where accepting a job ceases to be worthwhile.

Fares setting is still a matter for the individual operators to agree between themselves and that can give rise to anti-competitive behaviours. All of the companies we spoke to described the range of discounts and concessions on offer but these are often only available on their own services.

For young people, a rise in fares has been exacerbated by the removal of the Education Maintenance Allowance (EMA) which provided a financial resource to 16-18 year olds accessing education or training. A survey of Association of Colleges members in 2011 showed that the impact of ending EMA would be particularly felt in terms of transport.

Many of the discounts and concessions on offer are targeted at young people and this is to be welcomed. Nevertheless, we were informed that in some cases the cost of this travel exceeds £1000 per learner and it is necessary to pay two or even three different transport providers.

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It was noted that these matters may be examined in more detail through other work streams. In 2105, the Department for Business Innovation and Skills (BIS) announced that as part of its review of post-16 education and training institutions, it will carry out a series of area-based reviews (ABR). Area-based reviews will take stock of the skills landscape in local areas and ascertain whether the skills provision on offer meets the Government's objectives, which include access to appropriate good quality provision within reasonable travel distances, particularly for 16-19 year olds and students with special educational needs and disabilities. It is expected that all ABR's will be completed by March 2017.

It was further noted that a recent report to the 3rd November meeting of Transport North East Committee (TNEC) ("NECA Concessionary Travel") included a section covering the issues faced by young people, highlighting similar concerns to those raised above. It has been agreed that a TNEC 'Task and Finish' group will be established to investigate this and the TNEC report states that: "The work that Overview and Scrutiny Committee has undertaken will be cross-referenced with what is proposed here, and will feed into the proposed 'Task and Finish' group."

Where cost is a barrier, the Committee considered the alternative transport modes that may be available, including an assessment of the impact of the various regional Local Sustainable Transport Fund programmes delivered since 2011-12 (now branded as Go Smarter). Additional funding was awarded in 2015 although it was noted that funding was due to end in 2016. NECA has bid for follow-on funding through the Department for Transport's Access Fund and a decision on this is expected shortly.

The Go Smarter programme includes two schemes specially aimed at helping people access employment or training – a 'Jobseekers Ticketing' scheme that helps jobseekers with the cost of public transport fares and a 'Scooters to Work' scheme that provides low-cost scooter loans for people without access to a car and no available public transport option.

Although there is clear evidence that sustainable transport projects of the kind delivered through the Go Smarter programme are good value for money and deliver benefits for public health, accessibility and the local economy, pressures on revenue budgets mean that it is becoming more challenging for local councils to fund schemes of this kind without assistance from external funding sources.

We also heard that Nexus had done much to integrate cycling with Metro travel. More needs to be done to build on this and focus on accessing Metro stations, bus stations and bus stops and the walking routes to employment sites. This needs to include lighting, signage and pavements, providing an environment around transport facilities that feels safe and secure.

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3.4 Accessibility and network coverage

Evidence to the Committee showed that those in rural areas were more likely to report less frequent and limited access to transport services. Replies from residents of rural communities complained of discontinuation of services, infrequency of service, and residents feeling like they're 'forgotten'.

The Passenger Transport User Group notes in their evidence to Committee *"We've seen a number of marginal changes to bus services over the past years that have all made it more difficult for some people to get to work. The changes have included lessening frequencies or removal of services in some areas covered by the Combined Authority."*

Rural residents complained of some villages having no bus service or only a weekday service, or of services not fitting in with working patterns (for instance the earliest bus for the nearest town leaving at 9.30 am).

"It is not possible to travel to work anywhere as the first service is at 9.32 am and there are no public services after 2.30 pm so return from work is impossible".

"In order to be in Newcastle at 9am, I must leave Rothbury at 6.39 am. The bus that leaves after that is the 7.39 am, which gets into Newcastle at 9.06am, which is too late for many people who need to be in their offices by 9am."

"Even when we had a service it started too late for people to get to work and it stopped before 6 pm so you could not get home."

There was a strong view amongst people submitting evidence that, while some routes do not make a profit, they serve a valuable community role, either covering isolated areas or reaching people who could otherwise not travel or extending the options for working people.

The Committee notes that policy should include efforts to overcome the prospect of some people being disadvantaged and cut off from prosperity and opportunities that most people take for granted, due to transportation issues. Policy should seek to create a vision that no one in the area is seriously disadvantaged by where they live.

We also know from the evidence submitted that accessibility to health services continues to be a barrier for people relying on public transport. During the course of the review there were announcements by health providers through Sustainability and Transformation Plans (STP) of an intention to change where and how services are delivered, moving further towards a concentration of health services and this will require an appropriate response from transport providers. The Scrutiny Committee notes that there is

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an opportunity following the recently published Health and Wealth – Closing the Gap in the North East to align with the STP process and an opportunity to achieve better travel options with some travel impact work already having started in some areas through the STP process.

3.5 Patterns of work

In identifying the barriers people face to good accessibility it was noted in evidence that sometimes, when complaints are made that there are no buses, it is likely there are bus services but that the service does not actually get them to where they need to go on time.

“Work experience at Nissan starts at 7.00 am for a 12 hour shift. The first bus arrives at 7.08”

Patterns of working are varied with the traditional working day from 9-5 Monday to Friday no longer being applicable for many workers. A combination of out of town business locations, changes in working hours and limited public transport provision outside of peak hours creates a significant barrier for some people when they don't have access to a car.

From a Training Provider *“The trek to the site leading onto Nissan Way is extremely long and there are isolated open areas where there is no protection from the elements. We would request that the bus companies extend the route and at times that service the supply chain and ourselves who are trying to close the skills shortage gap.”*

I should start work at 8 am but the bus does not get to Newcastle until after 8 am. I have had to ask my employer to adjust my start and finish times to accommodate bus times.

“The first bus on a Saturday gets into Newcastle at 8.41 which is no good unless you start at 9 am.”

“It is impossible to get work to start at 8 am Saturday or 10 am Sunday.”

Whilst the Transport Plan will include policies aimed at increasing public transport use, the Committee notes that significant changes to the bus network which would overcome problems of the kind described above would in most cases require additional revenue funding. This would have to be found at local level, since it is unlikely that such funding will be forthcoming from central government against a background of continuing austerity.

3.6 Location of Employment Sites

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Changes in the locations of employment and training sites have meant that they are often in more dispersed locations and on the outskirts of towns and cities, where public transport availability is more limited.

Nexus and bus operators described the efforts they take to provide services to new industrial and office sites. For example Stagecoach has extended some services to Silverlink and Cobalt Business Parks and Go North East has worked with some major employers to stagger start and finish times, helping to spread the effect of peak hour congestion at some known pinch points on the road network. However, it was noted from evidence that at peak times, the roads in these areas are clogged with cars and as a result bus connections are likely to be slow thereby reducing the effectiveness of services. The Committee felt that more should be done to give public transport priority in these areas, particularly at peak time.

Within the Tyne & Wear area the Metro system provides a flexible, convenient option for many commuters and students. A frequent comment from passengers was that it should be a priority to look at extending the Metro system to cover all of the main employment locations.

The Transport Plan is expected to note that new developments in out of town locations, whether residential or business, will increase usage of private cars and carbon emissions, unless the developments concerned can be supported by public transport or planned around the existing public transport network and also linked to good quality cycling and walking routes.

The Committee is concerned that how people will reach key employment sites without a car is often little more than an afterthought in the land-use planning process. Involvement in land-use planning decisions should take place at the earliest stages to look at:

- Locating developments so that they connect to existing public transport networks
- Developing and improving walking and cycling routes to proposed developments

Through better integrating transport infrastructure within the planning of developments, these measures could pre-empt situations that are very difficult (and costly) to remedy retrospectively.

3.7 Co-ordination of transport services

People submitting evidence to the review complained about a lack of coordination and the complication of using public transport to travel to work even in core working hours. The current arrangement often leaves people having to take more than one bus, run by different operators, in order to get to work, quite often incurring high costs as a result. This acts as a disincentive to

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work, increases poverty, and discourages people from using public transport networks.

We took evidence about improvements to the ticketing system but more needs to be done to make sure this does not penalise passengers who need to change between buses or from buses to other types of transport. The Pop Pay As You Go Card overcomes the need to pay separately for different stages of a public transport journey. It can be used as follows:

- a) Pop Cards can be purchased on line, at Nexus Travel Shops or from selected Payzone shops
- b) They can be topped up i.e. money put on the card on-line, in a range of ways
- c) They can be used in Durham, Northumberland and Tyne and Wear on most buses, the Metro and the Shields Ferry.

Although a number of specific barriers have been identified in this report and, where possible, some action is being taken to address them, in the longer term it appears likely that additional funding will be needed to fully address the issues that this report has identified.

The Committee notes that much can be achieved within the existing partnership arrangements, but there are clearly situations where the local market is not working as well as it could. We were informed that lobbying had taken place on the Bus Services Bill to widen the existing quality partnership legislation. The amendment, which comes after lobbying to widen the franchising powers, would allow local transport authorities to access the powers under the Bill without going through an onerous permission process. Previously only mayoral combined authorities could automatically opt for a franchise scheme.

It is clear that there are a number of constraints and challenges to utilising the full range of the legislative provisions, and the Committee welcomes the opportunity the Bus Services Bill provides to clarify and improve the options for the north east.

4. Extracts from Written Evidence

- 4.1 Appendix 1 to this report includes a table summarising the written evidence submitted by stakeholders which has been used in compiling the conclusions.

5. Conclusions & Recommendations

- 5.1 The barriers described in this report can undermine policies to increase use of sustainable transport, achieve growth in employment, to increase participation in education, to access healthcare and participate in social activities.

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- 5.2 The Committee welcomes the measures being taken to achieve the greater co-ordination of transport policies across the NECA area and the potential benefits that will follow. However, the Committee also notes the need for additional revenue funding to solve the kind of transport problems highlighted in this report and Appendix 1, and also the need for better co-ordination between planning and transport, to ensure that facilities are located and decisions taken with regard to the need, firstly to cater for people who do not have access to a car and secondly to encourage those who can access a car to switch to more sustainable means of transport.
- 5.3 All agencies whose policies or decisions have a transport impact should show that the transport dimension has been taken into account. For example, benefits policy needs to take account of people's transport difficulties. Where public services are being reorganised and relocated, access plans to show how those without cars will access these services should be required and relocation/reorganisation should not go ahead unless the access plans have been implemented.
- 5.4 The Scrutiny Committee makes the following recommendations :
- (a) The Scrutiny Committee fully supports young people's concessionary travel to reduce the cost of travel for 16-19 year olds, and welcomes the opportunity to contribute to the NECA Task & Finish Group Review.
 - (b) The Committee welcomes improvements to the ticketing system and urges further action to ensure: i) the system does not penalise passengers who need to change between buses or from buses to other types of transport; ii) access to work places and timetables should meet the needs of workers and the need for onward connections.
 - (c) The Committee urges continued efforts to deliver improvements to the walking and cycling network whenever the opportunity arises, and to promote the use of cycle paths as an alternative form of transportation focusing on accessing Metro stations, bus stations and bus stops and the walking routes to employment sites. This needs to include lighting, signage and pavements, providing an environment around transport facilities that feels safe and secure.
 - (d) The Committee recognises the prospect of some people being disadvantaged and cut off from prosperity and opportunities that most people take for granted, due to transportation issues. Policy should seek to create a vision that no one in the area is seriously disadvantaged by where they live.

6. Next Steps

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- 6.1 The evidence and conclusions from the policy review will be submitted to the Transport North East Committee for advice and comment, and then to the Leadership Board as part of the development of the Transport Plan North East. In relation to young people, the work that Overview and Scrutiny Committee has undertaken will feed into the TNEC 'Task and Finish' group that is exploring the ticketing issues faced by young people.

7. Potential Impact on Objectives

- 7.1 Reducing transport-related barriers to employment will assist the North East Combined Authority in delivering its objective to maximise the area's opportunities and potential.

8. Finance and Other Resources

There are no direct finance implications arising from this report.

9. Legal

There are no direct legal implications arising from this report.

10. Other Considerations

10.1 Consultation/Community Engagement

Consultation with a range of stakeholders has been carried out as part of this policy review.

10.2 Human Rights

There are no human rights implications identified at this stage.

10.3 Equalities and Diversity

Measures to overcome transport-related barriers to employment would, if implemented, assist the Combined Authority in promoting greater equalities and diversity in the region's transport system.

10.4 Risk Management

There are no specific risk management implications arising from this report.

10.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

10.6 Environment and Sustainability

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Measures to improve public transport, walking and cycling provision would, if implemented, assist the Combined Authority in achieving a more sustainable transport system for the region.

11. Background Documents

- 11.1 Health and Wealth - Closing the Gap in the North East: Report of the North East Commission for Health and Social Care Integration (2016)

12. Links to the Local Transport Plans

- 12.1 This report links to the forthcoming Transport Plan for the North East that is covered in a separate report for this meeting.

13. Appendices

- Written Evidence Submissions Appendix 1
- List of witnesses Appendix 2

14. Contact Officers

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15. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

16. Glossary

LSTF – The Local Sustainable Transport Fund (the ‘Fund’) was launched in 2010 with two objectives: to grow the economy, and to cut our carbon emissions.

DfT – Department for Transport

EMA – Education Maintenance Allowance

STP – NHS Sustainability and Transformation Plans

ABR – Area Based Reviews of 16-19 Education

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Appendix 2

NECA Overview and Scrutiny Committee – Summary of Written Evidence

A Call for Evidence was intended to provide members of the community the opportunity to submit their views, opinions and experiences. General comments were invited and, additionally, specific questions were posed as follows:

- (a) The accessibility of public transport (i.e. whether people can travel at reasonable cost, in reasonable time and with reasonable ease)?
- (b) The availability of public transport and the extent to which it is adequate to access employment sites?
- (c) What alternative transport approaches could be considered to support people being actively engaged in work?

A summary of the key points is set out below:

Barrier identified by service users	Problems caused for service users	Solution suggested by service users
Cost of Public Transport	<p>Fares have increased at above the rate of inflation for a number of years.</p> <p>Can be £5 per day for learners Barrier to part time work / those on benefits</p> <p>Can be cheaper annually to run a car</p> <p>Travelling across zones adds to cost</p> <p>Exacerbated by the end of the Educational Maintenance Allowance for young people & lower minimum wages for those on apprenticeships</p> <p>Approaches which focus on</p>	<p>Clients registered to access concessionary rates on public transport for the days when they are actively involved in the training or placement?</p> <p>Specific deals are available to college students, apprentices and trainees, and to the lower paid.</p> <p>Need to replicate Transport for London in NE.</p> <p>A shared taxi/bus scheme whereby JC+ clients could access empty seats on school buses or taxis at a reasonable rate</p> <p>Car clubs / cycle hire</p> <p>Better cycle and walking links</p>

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	financial support only, can jeopardise retention of participants in training, education or employment once the subsidy ends.	from residential to employment areas
Coordination of services / integration	<p>Bus services are not designed to connect on time to allow a direct transfer</p> <p>Bus companies are 'rivals'</p> <p>Travelling across boundaries very expensive and limits employment opportunities</p> <p>It can be necessary to pay two or even three different transport providers.</p> <p>Metro only services a very small part of the NECA area - multi-modal ticketing has to be an objective for the entire region.</p> <p>Times of metros arriving and buses leaving sites (and vice versa) that don't tally up resulting in longer waits for employees coming into and leaving work.</p> <p>Bus timetables that don't reflect normal working patterns.</p>	<p>One system run by the public sector</p> <p>Transport for London which offers all students under 18 free travel across all London Borough's with a single public transport provider.</p> <p>Smart ticketing for integrated ease of travel, PAYG travel</p> <p>Demand responsive services</p>
Ticketing system	<p>A complex system operates across the NECA area.</p> <p>Free market prevents collaboration between bus companies. Area needs to</p>	<p>A consistent bus network with a simple ticketing structure</p> <p>Oyster cards are a good example but reliant on control</p>

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	<p>have the powers that London has.</p> <p>Smart ticketing helps but Nexus can't control the price.</p>	<p>of the whole network.</p>
	<p>Employment sites are often located close to the strategic road network due to the transportation of goods. As a consequence of this, the staff travel patterns are heavily reliant on the private car. Due to this, Public Transport services are often reduced / limited, as the patronage figures are not viable.</p> <p>Bus stops often located some distance from the workplace or require crossing busy roads.</p> <p>Over one third of Cobalt's workforce live within a 5 mile radius but infrastructure doesn't support cycling option.</p>	<p>Re-locate bus stops</p> <p>Extending bus routes to employment venues</p> <p>Investment in Park and Ride schemes, with free parking is a more sustainable option than temporary alternative travel modes.</p> <p>Demand-led mini bus service that would cover the areas badly served by public buses and could be booked by anyone accessing training or work placements from a range of registered providers.</p> <p>Alternative schemes – cycle, bike etc. but lack of future funding and therefore the sustainability of the schemes developed.</p>
Geographic coverage including rural communities	<p>The crossing of local authority boundaries requires different ticketing, adds to cost and leads to missed connections.</p> <p>Need to look at getting 'one service for all'.</p> <p>Travel from and within rural areas can rule out job opportunities in city centre locations</p>	<p>Re-opening closed lines</p> <p>Community transport</p> <p>Tyne & Wear Metro to be extended via the Leamside Line to Washington to provide better connections with Tyneside to give job opportunities to people in inner city areas</p> <p>Businesses promoting community transport to their</p>

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	<p>There are gaps in coverage, even in populated areas.</p> <p>Low travel horizons among those who are out of work or training</p> <p>Removal of bus services leaves rural areas even more isolated</p> <p>Poor transport links between deprived inner city wards of Newcastle and new areas of employment opportunity in North Tyneside at Cobalt and Silverlink.</p> <p>Poor transport links between West Gateshead areas of Blaydon, Ryton, Chopwell to employment opportunities on Team Valley.</p> <p>Problem of reduced bus services from Wideopen and Seaton Burn to Newcastle because most services now operate limited stop via the A1 by-pass.</p>	<p>employees.</p> <p>The Blyth & Tyne rail Line should be reopened to provide faster, easier journeys for job opportunities between Ashington, Blyth and Bedlington with Newcastle</p>
<p>Quality of journey (ease of use, packed carriages, cleanliness, noise, accessibility, safety)</p>	<p>Annual pass - not able to use the barriers as they are not programmed for this type of ticket.</p> <p>Less able-bodied people unable to travel peak times due to crowding</p> <p>Trains are too full during the peak times. People are</p>	<p>Consultation on carriages currently being carried out</p>

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	<p>standing all of the time. People with any physical disability are at a total disadvantage and possibly could not actually get on the train.</p>	
<p>Reliability (punctuality, rolling stock, weather, fire alarms, fault with lines, track problems)</p>	<p>If trains don't run to time table this impacts on my travelling time as I change trains en route. If one train is late or early in leaving or arriving at a station I often miss my connection.</p> <p>Daily problems with Metro reduces confidence levels</p> <p>Announcements on the system are slow and limited. other operators will not accept the tickets already bought for the metro therefore people have to pay twice</p> <p>Less frequent service during holiday periods and different service on weekends but people still have to travel to work</p> <p>No account of peak commuting times in timetabling</p> <p>Infrastructure cannot cope with high demand at peak times</p> <p>If running late, buses miss certain bus stops to catch up</p> <p>Missed connections</p>	<p>Infrastructure improvements and investment Incorporating other transport modes such a car clubs, cycle hire etc.</p> <p>Better cycle and walking links from residential to employment areas can be cost effective</p>

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Communication (informing passengers of delays etc.)	<p>When the system fails in peak hour the links to the other operators are diabolical and the other operators will not accept the tickets already bought for the metro system therefore people have to pay twice.</p> <p>Refunds difficult to receive and complicated</p> <p>Lack of knowledge about public transport services leading to adverse perceptions of journey length and connectivity</p> <p>The general lack of detailed information about the connections that need to be made</p>	<p>Need real-time information</p> <p>Public Transport Information via Smart Phones and other technology streams</p> <p>Social Media Outlets being utilised and harnessed to provide update.</p>
Potential impact of future spending cuts	<p>Will accessibility of public transport worsen?</p> <p>Concessionary Travel and the rising population age – is concessionary travel becoming unaffordable</p>	

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Appendix 3

Evidence Schedule

Witnesses providing evidence at Scrutiny Committee

22nd June 2015 (Durham)	John Bourn, Senior Specialist Transport Planner, Regional Transport Team, John.Bourn@newcastle.gov.uk Tel 0191 2778972	Background, Context and current service provision
21st July 2015 (Sunderland)	Liz Prudhoe, ADAPT Sarah Rowell, Northumberland Ian Jopling, Durham	LSTF Projects
8th September 2015 (Gateshead)	Huw Lewis, Corporate Manager for Customer Services and Communications	Nexus
20th October 2015 (Newcastle)	Robin Knight, Commercial Director	Stagecoach
1 st December 2015	Tom Dodds, Stakeholder Manager	Go North East
9th February 2016 (South Tyneside)	David Shaw	Passenger Transport User Group
27 th September 2016 (Sunderland)	Paul de Santis, Regional Head of Commercial	Arriva

Written Evidence Submissions

The call for written evidence ran from 27th August to end October 2015. 40 responses were received and have been sub-divided as follows:

Training providers / educational establishments – 4
Members of the Public – 11
Commuters – 16
Travel Advisors – 2
Voluntary Groups – 6
Providers – 1

Oral evidence was taken at sessions throughout 2015/16 as shown above.

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North East Combined Authority

Transport North East Committee

DATE: 9 February 2017

SUBJECT: Capital Programme 2016/17 Update

REPORT OF: Chief Finance Officer

EXECUTIVE SUMMARY

This report provides the Transport North East Committee with a monitoring update on delivery of the 2016/17 Transport capital programme.

RECOMMENDATIONS

It is recommended that the Committee notes the content of this report.

North East Combined Authority

Transport North East Committee

1 Executive Summary

- 1.1 This report provides the Transport North East Committee with the third monitoring update on the 2016/17 Transport capital programme. This is a requirement of the NECA constitution and is a function delegated to TNEC.
- 1.2 Details of the various elements making up the capital programme are presented in the narrative below with further detail in the appendices.

2 Background Information

- 2.1 At its meeting on 20 January 2016, the Leadership Board agreed a total capital programme for 2016/17 of which around £96m related to investment in Transport schemes.

3 Transport Capital Programme 2016/17

- 3.1 A summary of the Transport Capital Programme for 2016/17 is shown in the table below. The latest approved budget takes into account the outturn position for 2015/16 and any additional approvals during the year. To the end of the third quarter (December), expenditure is around £42.324m, or 45% of the latest approved programme, but is anticipated to be around £84.446m at the year end.

	Original Approved Budget 2016/17 £m	Latest Approved Budget 2016/17 £m	Quarter 3 2016/17 £m	Forecast 2016/17 £m
Local Growth Deal (Transport Schemes)	41.980	36.678	6.125	29.037
Metro Asset Renewal Programme	41.192	41.869	26.727	40.133
Nexus Non-Metro	0.650	0.842	0.091	0.895
Tyne Tunnels Capital Programme	0.000	1.743	1.312	1.743
Other Transport Grants*	12.362	12.638	8.069	12.638
Total	96.184	93.770	42.324	84.446

*Less grant funding shown in other programme lines

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3.2 Local Growth Fund Capital Schemes 2016/17

3.2.1 The total latest approved LGF programme for transport projects in 2016/17 totals £36.678m of Transport schemes. Forecast expenditure to the year end is £29.037 as set out in the table below:

Scheme	Approval Status	LGF 2016/17 Forecast (£m)
Lindisfarne Roundabout	Approved	3.800
Northern Access Corridor Ph 3 Stage 2	Business Case	1.654
Northern Access Corridor Ph 3 Stage 1	Approved	0.346
Local Sustainable Transport Fund Package	Approved	3.822
A19 employment corridor access improvements (North Tyne)	Approved	1.750
A191 junctions including Coach Lane and Tyne View Park	Approved	1.333
Newcastle Central Station to Stephenson Quarter – Stage 1	Approved	0.190
A1056-A189 Weetslade roundabout improvements and A1-A19 link (A1058)	Approved	3.031
Scotswood Bridgehead – Stage 2	Business Case	0.611
Scotswood Bridgehead – Stage 1	Approved	0.139
South Shields Transport Hub – Stage 2	Business Case	0.897
South Shields Transport Hub – Stage 1	Approved	0.873
Sunderland Low Carbon Zone	Approved	4.583
A1058 Coast Road	Approved	3.730
Northern Access Corridor – Ph 2 Stage 2	Business Case	0.410
Northern Access Corridor – Ph 2 Stage 1	Approved	0.068
Horden Rail Station	Pipeline	0.300
A185/A194/A19 (The Arches)	Pipeline	0.720
A19 North Bank Tyne (Swans)	Pipeline	0.180

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Blyth Cowpen Road	Approved	0.600
Total		29.037

- 3.2.3 At the end of the third quarter, a total of £6.125m had been drawn down by transport projects. This is clearly low against the current programme although some Q3 claims from projects had not been assessed for payment at the time of writing this report. Officers are exploring all options to maximise expenditure in the current year, including funding swaps with Enterprise Zone works, and temporarily funding works on the Tyne Pedestrian and Cyclist Tunnels. All options will be subject to approval by the Leadership Board and the LEP Board and will take into account the forecast against latest approved budget for the overall 2016/17 LGF funded programme.

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3 Metro Asset Renewal Plan (ARP)

3.3.1 The Leadership Board approved the Metro Asset Renewal Plan (ARP) capital programme for 2016/17 in January 2016 totalling £41.192m. This is the seventh year of Nexus' ambitious eleven year programme to renew the Metro network where investment is directed towards those assets where there is greatest need, according to both asset condition and a risk based approach that ensures future operational requirements are fully considered.

3.3.2 It is important that the approved budget for any particular year is seen in the context of the long term funding commitment from government where the following factors are a key feature of how Nexus delivers its renewal programme:-

- i. The approved budget is set with regard to the requirement from DfT that Nexus achieves at least a minimum level of expenditure and no more than a maximum level of expenditure in any one financial year (which for 2016/17 was set at £31.913m and £38.802m respectively). This requires the budget to be set at a level which is in excess of the maximum spending target given logistical and other planning processes associated with the delivery of around 100 individual projects (all of which are delivered, even if elements of them need to be carried forward into subsequent years);
- ii. The flexible way in which grant funding can be vired between financial years with up to 10% being carried forward into the following year or 10% being brought forward from the following year; and
- iii. The need for each individual projects comprising the overall programme to deliver value for money.

3.3.3 The 2016/17 capital budget therefore included an over programming level of approximately 20%. As highlighted in the paragraph above, experience has shown that over-programming levels reduce during the course of the year as efficiencies are delivered and/or specific projects are re-phased in order that expenditure levels are contained within the agreed DfT funding envelope. A key benefit of this approach is that it gives Nexus the ability to actively manage the scheduling and delivery of projects to drive efficiencies without a risk of falling below minimum expenditure levels. This includes obtaining procurement savings through consolidating packages of work to increase market interest and competitiveness, and ensuring that the necessary disruption to the Metro service is minimised (by avoiding key events and making best use of school holidays and lower patronage windows).

3.3.4 At the end of the ninth of 13 periods (ending 10 December 2016), the Metro capital budget for the current year, has been revised to £41.869m.

The increase in the budget for this year is due to the re-profiling of individual projects, some of which were brought into the current year when the 2015/16 year was closed down, some of which have been moved into future years and some of which have been accelerated i.e. delivered earlier than previously planned. All of these movements in budget are within the context of the agreed three year programme. Examples include

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- i. Rail Traffic Management projects, reflecting the need to re-schedule elements of the programme into future years in order to successfully deliver this complex project in conjunction with the radio project;
- ii. Radio, where the overall delivery programme is now revised following delays in finalising some detailed designs and completing works on site;
- iii. Track works carried out at Easter 2016 which were delivered in 2015/16 to a greater extent than originally forecast;
- iv. Central Station works re-profiled from 2015/16 to 2016/17 to reflect the contractor's timescales and additional works required; and
- v. Other station works re-profiled from 2015/16 to 2016/17 following DfT funding reductions.

3.3.5 These examples reflect the dynamic nature of the programme and also helps ensure spending targets are achieved.

The £0.7m movement between the original budget for 2016/17 and the latest budget for 2016/17 can be summarised as follows, with Appendix A showing the three year programme, 2016/17 to 2018/19:-

	£m
Re-phasing from 2015/16, increasing 2016/17 budget	8.2
Accelerated projects (from 2016/17 to 2015/16), reducing 2016/17 budget	(1.9)
Re-phasing from 2016/17 to future years, reducing 2016/17 budget	(10.9)
Accelerated projects (from 2017/18 to 2016/17), increasing 2016/17 budget	1.4
Other changes (largely proposed changes to financing of projects)	3.9
TOTAL	0.7

Table 1: movement between original budget and latest budget, 2016/17

3.3.6 Expenditure as at the end of Period 9 is £26.727m. This represents 84% of the £31.913m minimum expenditure level required by DfT for this financial year.

The latest forecast to the year end is now £40.133m; lower than budgeted largely because of reduced expenditure forecasts in the phasing of works relating to a number of projects and anticipated efficiencies in the need to use risk contingency budgets at individual project level.

An evaluation of the risks to delivery in this year's programme together with several options to undertake managed re-profiling of expenditure if required will ensure that

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the final outturn falls within the DfT's prescribed funding tolerance (which as previously indicated, is required to be between £31.913m and £38.802m).

At this stage any variation in expenditure against the revised budget that is not forecast to be incurred in the current year will be carried forward into the 2017/18 programme, unless projects are sufficiently advanced to allow efficiency savings to be handed back to the overall programme.

3.3.7 To the end of the ninth four week period of 2016/17, the following key projects have been progressed:

- The Newcastle Central Metro Station refurbishment is now largely complete with only 'special' roof and wall panels and artwork remaining. Final completion is planned for February 2017.
- The major track renewal scheme from Tynemouth to Northumberland Park is complete with the exception of a short section of drainage renewal scheduled for 29th January.
- Preliminary work is now underway for track renewal and refurbishment from Northumberland Park to South Gosforth. The main works will be completed, together with the replacement of Killingworth Road Bridge between South Gosforth and Longbenton stations, in summer 2017 in order to deliver efficiencies and minimise disruption by maximising the work being carried out during this significant line closure
- Track re-railing within the North / South central area tunnels completed to plan in November 2016 – the work was undertaken overnight by the Nexus Capital Delivery team to avoid disrupting the Metro service.
- A further track renewal work package is now underway to renew track between St James and Chillingham Road Stations – partly in tunnel. Preparatory work commenced in December with work largely planned in 4 consecutive weekends starting on 11th February.
- The Railway Traffic Management System (RTMS) project is now temporarily paused in order to accommodate dependencies with Radio infrastructure. Design work is complete together with substantial site installation of equipment.
- Design work is continuing on Cullercoats, West Monkseaton and Monkseaton Stations with refurbishment work planned for next financial year.
- Design work is at an advanced stage for Four Lane Ends, Regent Centre and Chichester Stations. Whilst not currently planned to be delivered within the current ARP funding envelope, the completion of the design works will assist in advancing these particular projects to the 'start line' should external funding be made available.
- Installation of the new radio equipment infrastructure is continuing and is planned for completion by January 2017. Planning for Metrocar radio equipment installation and

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staff training continues and is expected to be underway from April 2017.

- Nexus continues to work together with South Tyneside Council and its developer, Muse in relation to the South Shields Transport Interchange where detailed design is nearing completion.
- Preparation for the system wide renewal of the overhead line continues with the construction of a training environment at South Shields. All specialist plant and materials have been procured and survey work is progressing in advance of renewal work commencing in March 2017.

3.3.8 Over the next 4 four week periods of 2016/17, the Metro ARP cost loaded programme shows the following expenditure profile:

	Year to Date	Period 10 Forecast	Period 11 Forecast	Period 12 Forecast	Period 13 Forecast
	£m	£m	£m	£m	£m
In Period Spend		1.9	3.6	3.1	4.8
Cumulative Spend	26.7	28.6	32.2	35.3	40.1

3.3.9 The forecast expenditure for 2016/17 is financed as follows:-

	Latest Approved Funding 2016/17 £000	Projected Funding 2016/17 £000
ARP		
Metro Rail Grant (MRP)	31,821	31,821
Local Contribution 10%		
• Local Transport Plan (LTP)	2,640	2,640
• Reserves	896	896
Over-programming	4,788	3,335
Total - ARP	40,145	38,692
Other Schemes¹		
• Reserves/Other funding	1,724	1,441

¹ Other schemes include Killingworth Road Bridge, South Shields Station and Metro Maintenance and Renewals Skills Centre

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Total – Other Schemes	1,724	1,441
Total	41,869	40,133

3.4 Nexus Non-Metro

- 3.4.1 The latest revised budget for 2016/17m is £0.842m, with forecast expenditure at £0.895, as set out below:-

Nexus Non Metro Programme	Latest Approved Budget 2016/17	Projected Outturn 2016/17	Period 9 Spend 2016/17
	£000	£000	£000
Cycling	166	211	9
Real Time Gateway Project	261	253	19
Wi-Fi	61	22	8
Ferry works	354	409	55
Total Nexus Non Metro	842	895	91

- 3.4.2 The Cycling project will be completed in 2016/17 and it is planned to procure a concession for the utilisation of Nexus communications infrastructure with the procurement of Wi-Fi facilities underway in January 2017.

Nexus has now received the approval of its business case submission for the Real Time Gateway Project where expenditure forecast at £0.253m will be expected to be incurred in 2016/17.

3.4.3 Non-Metro Capital Programme Financing

The following table sets out how the Nexus Non Metro capital programme for 2016/17 will be financed:-

	Latest Approved Funding 2016/17 £000	Projected Funding 2016/17 £000
Grant		
Local Transport Plan (LTP)	77	77
Local Sustainable Transport Fund (LSTF)	261	261
Nexus Contribution		

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Reserves	438	491
Other	66	66
Total	842	895

3.5 Tyne Tunnels Capital Programme 2016/17

	Original Approved Budget 2016/17 £m	Revised Budget 2016/17 £m	Q3 Expenditure 2016/17 £m	Projected Outturn 2016/17 £m
Tyne Pedestrian and Cyclist Tunnels	-	1.491	1.123	1.491
New Tyne Crossing	-	0.252	0.190	0.252
Total Tyne Tunnels	-	1.743	1.313	1.743

3.5.1 Tyne Pedestrian and Cyclist Tunnels

At the time of setting the capital programme in January 2016, no programme was set for the Tyne Tunnels. The revised budget for the year is based on the need to re-schedule delivery from the 2015/16 approved programme into 2016/17.

In September 2016, the Tyne and Wear Sub Committee recommended to the Leadership Board that the project budget be increased owing to difficulties encountered in relation to asbestos removal works and the main contractor entering Administration, with the total budget assessed at £11.92m, , with a proposed increase to the risk contingency for the project of a further £0.3m, bringing the total revised budget to £12.22m, an overall increase of £2.89m. The revised budget has been included in the revised capital programme for 2016/17 and the 2017/18 and 2018/19 capital programme agreed by the Leadership Board on 17 January 2017.

The costs of the refurbishment works of the Tunnels will be met from the Tyne Tunnels Reserve, which currently stands at £27.1m. It is important to note that this reserve is ring-fenced for use on the tunnels only, so the additional budget approval was not to the detriment of any other transport projects or services in Tyne and Wear.

The completion of the project is currently scheduled for Spring 2018.

3.5.2 New Tyne Crossing

Approvals were given at the May 2016 meeting of the Leadership Board for the progression of easements with the Port of Tyne Authority and Virgin Media, and the contribution to the Tyne Tunnel Trust for the Hexham Fish Pass. The

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associated costs which amount to £271k are expected to be paid during the next few months of this financial year and the first few months of 2017/18, along with some professional fees and expenses associated with finalising legal agreements in relation to Bilton Hall Bridge, water ingress and land transactions.

3.6 Other Transport Grants 2016/17

3.6.1 LTP Integrated Transport Block grant is a flexible source of capital funding which is awarded to NECA by the DfT. This grant is provided to NECA's constituent authorities and Nexus, to deliver transport capital schemes, and is paid on a quarterly basis. In the case of Nexus, the grant provides match funding to the Metro Capital grant funding the Metro Asset Renewal Programme.

3.6.2 NECA acts as accountable body for the North East Smart Ticketing Initiative (NESTI) which is a programme of investment in smart ticketing infrastructure across the wider North East. The programme is delivered by Nexus and the works are funded by NESTI contributions held and managed centrally by NECA. This will be drawn down towards the year end.

	Original Approved Budget 2016/17 £m	Revised Budget 2016/17* £m	Q3 Expenditure 2016/17 £m	Projected Outturn 2016/17 £m
Local Transport Plan (less Metro ARP Local Contribution shown above)	11.309	11.685	7.640	11.685
North East Smart Ticketing Initiative	1.053	0.953	0.429	0.953
Total	12.362	12.638	8.069	12.638

* The revision to the budget was to update the figures to include carried forward grant from 2015/16 which is permitted under the grant conditions.

4 Next Steps

4.1 The transport capital programme will be monitored for the remainder of the financial year and the outturn position reported following the year end.

4.2 Projects that have commenced this financial year but which might require re-scheduling into next financial year will still be delivered.

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5 Potential Impact on Objectives

- 5.1 The report sets out the transport capital programme of the Combined Authority which supports the meeting of its objectives.

6. Finance and Other Resources

- 6.1 The finance implications are set out in detail in the body of the report.

7 Legal

- 7.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an Authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

8 Other Considerations

8.1 Consultation/Community Engagement

The Authority's capital programme for 2015/16 comprises previously approved budgets which were subject to consultation as part of the approval process.

8.2 Human Rights

There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

8.4 Risk Management

Financial risks associated with the authority's activities, and actions taken to mitigate these, will be factored into strategic risk management processes for the Combined Authority.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

8.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

9 Background Documents

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- 9.1 Capital Programme 2016/17 – Leadership Board 19 January 2016
Capital Programme Monitoring Update 2016/17 – TNEC 7 July 2016
Capital Programme Monitoring Update 2016/17 Q2 – TNEC 3 November 2016

10 Links to Plans in the Policy Framework

- 10.1 This report has no direct link to plans in the Policy Framework.

11 Appendices

- 11.1 Appendix A – Metro Asset Renewal Plan

12 Contact Officers

- 13.1 Eleanor Goodman, Principal Accountant,
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John Fenwick, Director of Finance and Resources, Nexus
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0191 203 3248

14 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Section 151 Officer ✓

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Appendix A – Metro Asset Renewal Plan

Asset Category	Budgets					Forecasts			
	Original Approved Budget (DfT submission) 2016/17	Approved Programme 2016/17	Approved Programme 2017/18	Approved Programme 2018/19	Total Budget 2016/17- 2018/19	Period 9 Forecast 2016/17	Period 9 Forecast 2017/18	Period 9 Forecast 2018/19	Total Forecast 2016/17- 2018/19
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Civils	1,715	2,011	1,658	382	4,051	1,698	2,007	3,299	7,004
Communications	3,650	3,656	2,745	2,018	8,420	3,363	3,097	2,251	8,711
Level Crossings	0	5	0	0	5	16	0	0	16
Mechanical & Electrical	335	344	480	80	904	265	305	280	850
Metro Cars	1,365	1,380	1,650	1,663	4,693	1,348	1,250	1,163	3,761
Miscellaneous	715	527	520	440	1,487	318	831	690	1,839
Project Management Costs	0	30	150	1,993	2,173	0	0	1,993	1,993
Inflation allowance	0	0	0	0	0	0	0	0	0
Overhead Line	3,650	3,398	3,700	3,411	10,509	3,393	3,502	3,366	10,261
Permanent Way	19,470	20,573	22,102	13,597	56,272	20,555	21,381	13,597	55,534
Plant	0	12	0	0	12	13	0	0	13
Power	0	305	0	100	405	374	11	0	385
Signalling	6,685	3,998	5,561	965	10,524	3,727	5,120	1,231	10,078
Stations	2,505	3,906	3,281	4,010	11,197	3,621	4,013	5,927	13,561
Total ARP Programme	40,090	40,145	41,848	28,659	110,652	38,692	41,517	33,797	114,006
Major Projects	1,102	1,515	4,310	1,796	7,620	1,441	4,348	1,796	7,585
TOTAL	41,192	41,660	46,157	30,455	118,272	40,133	45,865	35,593	121,591

Note 1

Stations' projections include full cost of works. Other funding opportunities are currently being explored and the forecast spend currently provides for the full project costs

North East Combined Authority

Transport North East Committee

DATE: 9 February 2017

SUBJECT: Revenue Budget 2016/17 Update

REPORT OF: Chief Finance Officer

EXECUTIVE SUMMARY

This report provides the Transport North East Committee with an update in relation to the 2016/17 revenue budget, as at the end of the third quarter of the year. This is a requirement of the NECA constitution and is a function delegated to TNEC.

RECOMMENDATIONS

It is recommended that the Committee notes the content of this report.

North East Combined Authority

Transport North East Committee

1 Executive Summary

- 1.1 This report provides the Transport North East Committee with a progress update in relation to the 2016/17 revenue budget. This is a requirement of the NECA constitution and is a function delegated to TNEC.
- 1.2 Whilst in overall terms net expenditure reported in the NECA accounts is forecast to be £166k over budget, this doesn't take into account the fact that the three transport delivery organisations, Nexus, Durham County Council and Northumberland County Council are each forecasting expenditure which cumulatively, is £899k lower than their combined revenue grant funding from NECA for the year, with any surplus achieved being retained by the respective body at the year end.

2 Background Information

- 2.1 At its meeting held on 21 January 2016, the Combined Authority received a report from the Chief Finance Officer setting out the Authority's proposed base net budget for 2016/17 for Transport activity of £87,000k and total levies of £86,894k. This report provides an update to the Committee on expenditure to the end of the third quarter (December 2016) and the forecast to the year end.
- 2.2 Significant savings on transport delivery budgets in year are forecast, with the three delivery agencies, Durham County Council, Northumberland County Council and Nexus all forecasting expenditure less than budget. Details are set out in sections 3.3, 3.4 and 3.5 below.

A smaller deficit than budgeted is forecast on the Tyne Tunnels revenue account as a result of savings delivered on financing charges.

Within the NECA retained levy budget, forecast expenditure to the year end is estimated to be £166k, slightly higher than the budget originally set for the year due to additional devolution costs relating to Transport. This is outlined in section 3.2.2 along with an explanation as to how these additional costs will be accommodated.

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3. Revenue Budget Update – Quarter 3, 2016/17

- 3.1 At the end of the third quarter, expenditure for transport delivery by the three delivery agencies is forecast to be within budget. Durham and Northumberland County Councils are both forecasting small underspends, details of which are set out in sections 3.3 and 3.4. Nexus will achieve significant savings as a result of its base budget review, details of which are set out in section 3.5. This reduces the forecast deficit to be met from reserves, but does not affect the grant to Nexus which is set for the year as outlined in table 3.2 below.

Within the Tyne Tunnels account (where all costs are met from tolls income and ringfenced reserves) savings have been made against the budget for financing charges which has reduced the deficit to be met from reserves.

3.2 NECA Retained Levy Budget

- 3.2.1 This budget relates primarily to activity inherited from the former Tyne and Wear ITA, as well as some costs such as external audit and the cost of servicing Transport Committees which relate to the whole NECA area. The majority of the budget (82%) relates to financing charges on historic supported borrowing debt. Additionally, there is budget provision to pay for support services, other supplies and services and a repayment to the Tyne Tunnels for use of its reserves in 2013/14 to pay off the former Tyne and Wear ITA's pension deficit.
- 3.2.2 Expenditure for the year is forecast to be slightly higher (£166k) than the original budget due to additional costs of Devolution activity relating to Transport. As set out in the Financial Update report to the Leadership Board in November 2016, Devolution costs are to be funded by a combination of savings in Durham and Northumberland County Council transport budgets, release of transport reserves held in Tyne and Wear and release of an amount of contingency from the North East Smart Ticketing Initiative (which was agreed by ANEC in December 2016). Forecasts are set out in the table below.

	2016/17 Original	2016/17 Forecast	Actual to Q3
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	Budget		
	£000	£000	£000
Service Level Agreement	245	230	137
External Audit	13	13	7
Members Allowances and Expenses	5	5	2
Conferences, Travel and Subsistence	3	2	1
Supplies & Services	22	20	3
Repayment to Tyne Tunnels	240	240	180
Financing Charges	2,098	2,062	1,547
Contribution to Transport Devolution Activity	110	387	387
Grant to Durham	15,435	15,414	11,576
Grant to Northumberland	6,329	6,293	4,747
Grant to Nexus	62,500	62,500	46,875
Total Expenditure	87,000	87,166	65,462
Durham Levy	(15,440)	(15,440)	(11,580)
Northumberland Levy	(6,334)	(6,334)	(4,751)
Tyne and Wear Levy	(65,120)	(65,120)	(48,840)
Misc Income	(3)	-	-
Total Income	(86,897)	(86,894)	(65,171)
Net Expenditure	103	272	291

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3.3.1 The latest forecast indicates that there will be a budget underspend of £36k for the year. The main reason for the reported variances (forecast outturn against original budget) is shown below:

- a) Subsidised Bus Services £51k under budget – this results from underspends on anticipated extra costs due to road works.
- b) Bus Shelters £36k over budget – this results from lower than anticipated advertising income.
- c) Passenger Transport Information £30k under budget – this results from underspends on computer budgets.

	Original Budget	Spend to Date (December 2016)	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Concessionary Fares	11,765	8,584	11,769	4
Subsidised Bus Services	2,822	1,728	2,771	(51)
Bus Stations	142	316	162	20
Bus Shelters	(13)	29	23	36
Passenger Transport Information	88	27	58	(30)
Staffing	631	441	616	(15)
Share of NECA Transport Costs	5	-	5	-
Net Expenditure	15,440	11,124	15,404	(36)

3.4 Northumberland

3.4.1 The latest forecast indicates that the year-end outturn will underspend by £196k. Northumberland County Council's two main areas of revenue expenditure are as follows:

- a) Subsidised Bus Services – As with Durham county council and Nexus, the County Council supports a range of socially necessary bus services, mainly in the rural North and West but some in the more urban South East. The Council reviewed all contracts that did not offer value for money during 2015/16 and retendered some routes with alternative delivery models. A slight pressure remained within the budget but the unit worked with a major operator to reduce the subsidy on a major route.
- b) Concessionary Travel Scheme – Although claims from operators are made monthly all adjustments to reimbursement rates are made quarterly to ensure that operators are being reimbursed with an accurate overall rate. The budget is forecast to underspend by £203k as at 31 March 2017. An

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analysis of the passenger numbers for the current financial year has been undertaken and this indicates a decrease in usage based on the same period for 2015/16. Using this data and previous years' trends this results in the forecast underspend of £203k at the year end.

	Original Budget 2016/17	Spend to date (December 2016)	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Concessionary Fares	4,833	3,498	4,630	(203)
Subsidised Bus Services	1,303	850	1,310	7
PT Information	3	-	3	-
Staffing	190	143	190	-
Share of NECA Transport Costs	5	-	5	-
Net Expenditure	6,334	4,491	6,138	(196)

3.5 Tyne and Wear – Nexus

3.5.1 Base Budget 2016/17 Update

When approving Nexus' revenue budget for 2016/17, the Leadership Board approved use of £3,659k of reserves in order that Nexus could set a balanced budget. In doing so, the Leadership Board acknowledged the need for a review of Nexus' services so that savings could be made in the medium term, thereby negating the use of reserves in the future.

As reported to TNEC on the 3rd November 2016, Nexus has critically examined its base budget requirement and identified several permanent reductions in its base position. The revised base position was therefore adjusted to £76k, a positive variation of £3,583k against the original base.

Since then, additional one-off budget increases totalling £298k have been approved by Nexus' Corporate Management Team. These costs are mainly in respect of emergency repairs to the ferry landing at South Shields and legal fees incurred with respect to Devolution (NB – these costs are outwith those referred to in paragraphs 2.1 and 3.2.2). The revised 2016/17 budget deficit is therefore £374k as detailed below:-

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Approved Budget		3,659
Bus Secured Services	(1,800)	
ENCTS	(552)	
Employees	(583)	
High Voltage Power	(500)	
Business Change and Technology	(148)	(3,583)
Base 2016/17 Budget Deficit		76
Additional one-off pressures		298
Revised 2016/17 Budget Deficit		374

- **Bus Secured Services** – The net cost of the Secured Bus network has reduced following the renewal of various contracts. This is in part due to low inflation levels and fuel cost savings, although the majority is through a re-profiling of services and the commercialisation of some previously secured services. Following a review the budget was permanently reduced by £1,800k.
- **ENCTS Review** – the base payment will reduce by £552k as a result of passenger boardings in 2016/17 being less than the target agreed with bus operators.
- **Employees** – Further, permanent savings of £532k will be possible following a review of vacancies, recharges to capital projects and the amount of employers national insurance contributions payable.
- **High Voltage Power** – Due to delays in the implementation of the Electricity Market Reform (EMR) by government the budget has been reduced by £500k.
- **Business Change and Technology** – Permanent savings through reductions in software licencing costs have been identified totalling £148k.
- **Additional one-off Pressures** – as described above (£298k)

3.5.2 Forecast 2016/17 Update

The forecast outturn for 2016/17 for Nexus as at the end of reporting period 9 (10 December 2016) is a surplus on its revised budget before taxation of £667k, a positive variation of £1,041k.

Service Area	Revised Page 127 Net	Net Forecast	Variation
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	Budget		
	£000	£000	£000
ENCTS	36,433	35,892	(541)
Discretionary CT	4,062	4,199	137
Metro	2,856	2,456	(400)
Ferry	1,516	1,529	13
Local Rail	204	159	(45)
Bus Services	12,448	12,344	(104)
Bus Infrastructure	2,372	2,271	(101)
Public Transport Information	1,653	1,651	(2)
Major Projects	1,331	1,331	0
TOTAL NET REQUIREMENT	62,874	61,833	(1,041)
NECA GRANT (LEVY)	(62,500)	(62,500)	0
DEFICIT / (SURPLUS)	374	(667)	(1,041)

The variations in the table above are due to the following:-

- **ENCTS** – In addition to the savings identified as part of the base review, it is now considered that further savings will be achieved during the financial year as a result of passenger boardings in 2016/17 being less than the target agreed with the bus operators.
- **Discretionary Concessionary Travel** – Income from the renewal of Under 16 passes is forecast to be significantly lower than budget at the year-end due to a reduction in the numbers of passes being replaced.
- **Metro** – It is now expected that the level of performance penalties levied on the Metro Operator (DBTW) will be £200k in excess of the budget. In addition, salary savings will be achieved during the year as a result of proactive vacancy management.
- **Ferry** – Additional repairs and maintenance costs within the financial year are expected to exceed the budget.
- **Local Rail** – The level of Direct Rail grant income received is higher than budgeted as a result of inflation rate variations since the budget setting process.
- **Bus Services** – Some previously secured services have been subsumed into commercial services within the year and therefore the net cost of these services is no longer incurred by Nexus.
- **Bus Infrastructure** – The forecast adjustment reflects savings in the reactive maintenance and cleaning contracts.

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3.5.3 Known Pressures for 2016/17 (not included in the above forecast)

Nexus' 2017/18 budget proposal requires £800k of savings in the employee budget. A minor reorganisation is expected to deliver savings slightly in excess of this target but in order to accommodate this, an anticipated £300k will be incurred in relation to voluntary redundancies. This estimate will be firmed up before the year end and will need to be accommodated from within Nexus' revenue budget.

In addition, because of the favourable budget position being forecast to the year end, expenditure being incurred on Metro Futures i.e. the development of business cases for future investment in Metro, in excess of the base budget provision, which was previously intended to be funded from reserves, will be able to be accommodated from within Nexus' revenue budget. The precise amount will be firmed up at the year end and will be dependent on both the final outturn for Metro Futures in 2016/17 as well as the final outturn in respect of Nexus' budget for 2016/17.

3.6 Tyne Tunnels

3.6.1 The Tyne Tunnels are accounted for as a ring fenced account within the NECA budget, meaning that all costs relating to the tunnels are wholly funded from the tolls and Tyne Tunnels reserves, with no call on the levy or government funding at all. The budget for 2016/17 has been revised to reflect a decrease in traffic levels in recent months compared to the forecast position, which has coincided with ongoing works being carried out by the Highways Agency at the Coast Road and A19 Junction, and the completion of works on the A1.

3.6.2 Lower tolls income as a result of reduced traffic flows is largely offset by lower contract payments to the Tunnels operator, TT2 Ltd. Further savings have been made on financing charges for borrowing related to the Tunnels and, as a result, the forecast deficit for 2016/17 is expected to be around £160k, compared with the original budget of £289k. This deficit will be met from Tyne Tunnels reserves.

	2016/17 Original Budget	2016/17 Forecast	Actual to Q3
	£000	£000	£000
Income			
Tolls	(29,243)	(28,775)	(21,550)
Interest / Other Income	(200)	(100)	(87)
Repayment from TW Transport reserve	(240)	(240)	(180)
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Expenditure			
Contract Payments	22,277	22,049	16,364
Employees	37	37	27
Pensions	58	52	38
Support Services	90	90	5
Supplies & Services	35	35	17
Community Fund	10	10	-
Financing Charges	7,465	7,002	5,252
Net (Surplus)/Deficit	289	160	(114)
Contribution to/(from) Tunnels reserve	(289)	(160)	114
Total	-	-	-

4 Next Steps

- 4.1 The transport revenue budget will be monitored for the remainder of the financial year with the next update reported to the committee at its scheduled meeting in April 2017.

5 Potential Impact on Objectives

- 5.1 The report sets out the transport revenue budget of the Combined Authority which supports the meeting of its objectives.

6 Finance and Other Resources

- 6.1 The finance implications are set out in detail in the body of the report.

7 Legal

- 7.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an Authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

8 Other Considerations

8.1 Consultation/Community Engagement

The Authority's revenue budget for 2016/17 comprises previously approved budgets which were subject to consultation as part of the approval process.

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8.2 Human Rights

There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

8.4 Risk Management

Financial risks associated with the authority's activities, and actions taken to mitigate these, will be factored into strategic risk management processes for the Combined Authority.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

8.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

9 Background Documents

- 9.1 Revenue Budget 2016/17 – Leadership Board 19 January 2016

10 Links to Plans in the Policy Framework

- 10.1 This report has no direct link to plans in the Policy Framework.

11 Appendices

- 11.1 n/a

12 Contact Officers

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13 Sign off

North East Combined Authority

Transport North East Committee

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓