



Transport North East Committee

Thursday 26th February, 2015 at 3.30 pm or following the conclusion of the Transport North East (Tyne and Wear) Sub-Committee

Members' Pre-meeting at 3.00 pm or following the conclusion of Transport North East (Tyne and Wear) Sub-Committee

Meeting to be held at Gateshead Civic Centre, Regent Road, Gateshead, NE8 1HH

www.northeastca.gov.uk

AGENDA

Page No

1. **Apologies for Absence**

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.

3. **Minutes of the Previous Meeting held on 9 October 2014** **1 - 4**

For approval

4. **Notes of Inquorate Meeting held on 4 December 2014** **5 - 8**

For confirmation

5. **Capital Programme 2014/15 - Monitoring Report** **9 - 20**

6. **Revenue Budget 2014/15 - Monitoring Report** **21 - 36**

7. **Local Highways Maintenance Challenge Fund** **37 - 44**

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| 8. | Office for Low Emission Vehicles Go Ultra Low City Scheme Funding Opportunity | 45 - 50 |
| 9. | Discharge of Delegated Transport Functions by Durham County Council in 2014 | 51 - 62 |
| 10. | Discharge of Delegated Transport Functions by Northumberland County Council in 2014 | 63 - 72 |
| 11. | Date and Time of Next Meeting | |

30 April 2015 at 2pm at Sunderland Civic Centre.

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@newcastle.gov.uk

To All Members

North East Combined Authority

Transport North East Committee

9 October 2014

Meeting held North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, NE27 0BY

Present:

Councillor: Forbes (Chair)

Councillors: Foster, M Green, Hobson, Lott, McCarty, McElroy, Speding, Watson and West

18 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Allen, S Green, Ledger and Swithenbank.

19 DECLARATIONS OF INTEREST

There were no declarations of interest.

20 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 29 July 2014 were approved as a correct record and signed by the Chair.

21 IMPROVING LOCAL BUS SERVICES

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

Members considered the report which provided an update on the progress of the Bus Strategy Delivery Project (BSDP). The ensuing discussion centred on the elements of the project such as ticketing and fares, the role and responsibilities of the Quality Contract Board, the robustness of the proposed Collaboration Protocol to mitigate risks for Durham and Northumberland, potential impact on the existing network, including its possible expansion, consultation with the public and other stakeholders, changes to Concessionary Travel Scheme and roll out of smart ticketing within the context of the options for the delivery of the Bus Strategy.

RESOLVED – That:

- I. the proposals for a Quality Contracts Scheme (QCS) for Tyne and Wear and a Voluntary Partnership Agreement (VPA) be noted; and

- II. the proposal that, if the Leadership Board would agree to proceed with a QCS, then the North East Combined Authority (NECA) would adopt a Cross Boundary Collaboration Protocol to manage the effects of the QCS on bus services in Durham and Northumberland, be noted.

22 **PROSPECTUS FOR INVESTMENT IN THE EAST COAST MAIN LINE**

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

Members considered the report which provided information on the key findings from the Prospectus for Investment in the East Coast Main Line (ECML) that had been recently produced by the Consortium of East Coast Main Line Authorities.

The ensuing discussion included matters such as:

- the value of the benefit that would be generated on the ECML by the services from High Speed 2 (HS2), concerns about the benefits of HS2 for the North East and the importance of an equal economic benefits for the North East;
- the importance of developing a good programme to attract investment and increase the capacity of the rail, including for the additional freight being produced;
- the need for more information for Members on rail as a whole, including on the comparison of the current and previous positions and examples of other countries;
- the need for further wider discussions on rail and the importance of including all regional partners in these discussions, including at relevant seminars; and
- the need for discussions on critical connections, frequency, regularity, sustainability and integration of rail and services.

It was noted that a briefing should be organised for Members on rail, possibly as part of a policy seminar.

RESOLVED – That the report be noted.

23 **REVENUE BUDGET 2014/15 - MONITORING REPORT**

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

Members considered the report which provided a progress update in relation to how the transport related budgets for the delivery agencies for 2014/15 were being managed. The ensuing discussion included matters such as the Metro income, the need for a discussion on the Concessionary Travel Scheme within the context of the existing public transport network and the need for a fair access to the whole region by public transport.

RESOLVED – That the report be noted.

24 CAPITAL PROGRAMME 2014/15 - MONITORING REPORT

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

Members considered the report which provided a progress update in relation to the delivery of the transport related capital programme for 2014/15.

RESOLVED – That the report be noted.

25 CONCESSIONARY TRAVEL BUDGET 2014/15

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

Members considered the report which provided further information regarding the breakdown of the concessionary travel budget, as requested at the 29 July 2014 meeting. The report also highlighted the position with regards to the national funding for the statutory Concessionary Travel Scheme and the pressure on councils' budgets as the cuts in national funding were not matched by a reduction in the cost of concessionary travel.

The ensuing discussion included matters such as:

- the importance of continuing to lobby the government and the importance of lobbying jointly across the whole NECA area for added strength;
- the increased cost of concessionary travel as opposed to the official figures;
- funding of concessionary travel for Transport for London;
- the responsibilities of the three delivery agencies for the administration of concessionary fares schemes and their powers in relation to the provision of additional discretionary concessions; and
- the importance of considering the opportunity to develop a joint policy on concessionary travel across the NECA area whilst identifying any practical difficulties and the amount of work this could entail.

RESOLVED – That:

- I. the contents of this report, in particular section 5 which advised of the scale of the Concessionary Travel budget across the NECA area and also the differences in Scheme arrangements, particularly the different discretionary add-ons that prevailed across all three Travel Concession Authorities (TCAs) be noted;
- II. the information on the additional costs of special needs home to school transport within the budgets of the seven constituent councils in their capacity as Local Education Authorities be noted;
- III. the underfunding of the concessionary travel scheme costs in Tyne and Wear and the cuts that continue to be applied to the grant funding for Concessionary Travel funding and the growing gap between the cost and

funding for statutory concessionary travel at a local and national level be noted;

- IV. the lobbying activities on the need to address the inadequacy of funding for the statutory concessionary fares scheme be continued and developed as a joint lobbying on behalf of the whole NECA area for additional strength; and
- V. consideration be given to developing a joint concessionary travel scheme within the NECA context.

26 **DATE AND TIME OF NEXT MEETING**

The next ordinary meeting would be held on 26 February 2015 at 2pm at Northumberland County Council.

There would be an extraordinary meeting on budget in early December 2014.

North East Combined Authority

Transport North East Committee

4 December 2014

Meeting held: Town Hall and Civic Offices, Westoe Road, South Shields, Tyne and Wear, NE33 2RL

Present:

Councillor: Lott (in Chair)

Councillors: Foster, M Green, S Green, Hobson, J McCarty, McElroy, Speding and West

Notes of Inquorate Meeting

27 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Allen, Forbes, Ledger, Swithenbank and Watson.

The meeting was not quorate. Members decided to proceed informally so that their comments on transport budget could be gathered in advance of the report being written to the January meeting of the North East Leadership Board on the overall budget 2015/16 for the North East Combined Authority (NECA).

Members asked that consideration should be given to the appointment of substitute members to the Committee. In response, it was noted that this matter was being addressed; work was in progress to consider the feasibility of appointing substitute members for committees of NECA.

28 DECLARATIONS OF INTEREST

There were no declarations of interest.

29 TRANSPORT BUDGET 2015/16

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

(a) Transport Revenue Budget and Levies 2015/16

Members considered the report which provided a progress update in relation to the transport related budgets for the delivery agencies for 2014/15. The report also set out the latest information about the draft transport budgets and transport levies for 2015/16 for consideration and comment in order to inform a report on budget for the 20 January 2015 meeting of the North East Leadership Board.

During the ensuing discussion it was noted that:

- A Member commented on the lack of clarity, separation and ring-fencing in relation to the transport part of the grant funding for local authorities from the government. A Member also commented that this clarity was needed particularly for understanding implications in relation to the funding of the statutory concessionary travel scheme. A Member suggested that reference should also be made to the availability of accurate data on the use of concessionary travel from smart technology. It was noted that the forthcoming consultation on the Local Government Finance Settlement would provide an opportunity to feed these comments in.
- A Member welcomed the report.
- Members commented that it was important to lobby the government in relation to funding for concessionary travel.
- A Member welcomed the significant investment in the important areas of priority for the North East Combined Authority area.
- Members commented on the importance of making sure that Metro services were efficient and effective. Members referred to complaints from residents about disruptions to services. In response, B Garner referred to the apologies that had been offered at the last meeting of the Committee for the performance of the Metro services earlier in the autumn and explained the reasons for this performance. These were the low rail adhesion which had impacted on the speed of trains and the poor performance of the train fleet. It was noted that improvements had been seen in November. It was also noted that DB Regio was working closely with Nexus to drive improvements.

AGREED – That:

- i. the report be noted;
- ii. Members' comments be noted;
- iii. the contents of the report should form the basis for an overall draft budget for NECA for 2015/16, for consideration by the NECA Leadership Board in January, taking into account any comments that might be received from the budget consultation; and
- iv. The performance of the Metro services be added as a topic for discussion at the forthcoming policy seminar.

(b) Transport Capital Programme 2015/16

Members considered the report which outlined the proposals for the Capital Programme during 2015/16 and the funding sources that had been identified to deliver the programme, which covered a wide range of transport improvements and initiatives.

During the ensuing discussion it was noted that:

- A Member welcomed the significant investment across the NECA area that, amongst other improvements, should bring improvements for cyclists and Metro users, help to improve road safety and address road congestion for car drives, which would bring improvements to all road users. A Member also welcomed the upcoming re-opening of the Tyne Pedestrian and Cyclist Tunnels.
- A Member made a reference to the Chancellor's Autumn Statement which had been announced after the publication of the report.
- Members welcomed the funding position in relation the Metro Asset Renewal Plan, as in recommendation 4.

AGREED – That:

- I. The transport capital programme as set out in the report be recommended for the inclusion in the NECA capital programme that would be recommended to the Leadership Board on 20 January 2015;
- II. Members recommended the distribution of the Tyne and Wear share of the LTP Integrated Transport Block grant to the Tyne and Wear Districts;
- III. A further report be received following the delivery of the 2014/15 programme, ensuring that any variations during the remainder of the current financial year were accommodated in the capital programme;
- IV. Members noted that for planning purposes, Nexus had received a verbal confirmation that the Department for Transport (DfT) Investment Board had resolved at its 11 November meeting, that full (100%) funding for the Metro Asset Renewal Plan for 2016/17 was to be confirmed, with an increase from 50% to 75% funding for years 2017/18 and 2018/19. In addition, Nexus had received a positive feedback from a recent DfT commissioned audit and full (100%) funding for years 2017/18 and 2018/19 was expected to be confirmed, subject to a further review as part of Spending Review 2015 in late 2015; and
- V. Members' comments be noted.

30 DIRECTOR GENERAL OF NEXUS

It was noted that B Garner, the Director General of Nexus, was leaving Nexus. Members thanked B Garner for his work on delivering and improving public transport services and congratulated him on his achievements.

31 DATE AND TIME OF NEXT MEETING

Thursday, 26 February 2015 at 2pm at Northumberland.

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North East Combined Authority

Transport North East Committee

DATE: 26 February 2015

SUBJECT: Capital Programme 2014/15 – Monitoring Report

REPORT OF: Chief Finance Officer

EXECUTIVE SUMMARY

This report provides the Transport North East Committee with a progress update in relation to delivery of the transport related capital programme for 2014/15. 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 delivery of the transport related capital programme for 2014/15. This is a requirement of the NECA constitution and is a function delegated to TNEC.
- 1.2 The capital programme for the year totals £64m taking into account any slippage from the previous year. The projected outturn is now estimated at just over £60m, as estimates have been revised further during the 2014/15 year. Details of the various elements making up the capital programme are presented in the narrative below.

2 Background Information

- 2.1 At its meeting held on 29 April 2014, the Combined Authority received a report from the Chief Finance Officer setting out the Authority's proposed base net budget of £89.73m for 2014/15 as well as a base Capital Programme for 2014/15 of up to £66m.
- 2.2 In this report, the Leadership Board acknowledged that the bulk of the capital programme for 2014/15 relates to transport.

3 Transport Capital Programme 2014/15

- 3.1 The table below summarises the Transport Capital Programme for 2014/15 with expenditure to date and projected outturn. Each element is set out in more detail in the following paragraphs and the appendices.

	Original Approved Budget	Latest Approved Budget	Projected Outturn 2014/15	Q3 Spend 2014/15
	£m	£m	£m	£m
Metro Asset Renewal Plan	38.685	34.650	31.425	19.998
Tyne Tunnels	3.500	4.500	3.700	2.387
Transport Grants	23.859	25.278	25.000	15.368
Total	66.044	64.428	60.125	37.753

3.2 **Metro Asset Renewal Plan (ARP)**

This reflects the fifth year of the ambitious eleven year programme to renew the Metro network where investment is directed towards those assets where there is greatest need, recognising that logistical and other planning processes also play a significant role in determining where resources are deployed in fulfilling the objectives of Nexus' three year rolling programme of delivery.

The ITA approved the Metro Asset Renewal Programme for 2014/15 in January 2014 totalling £38.685m. Following finalisation of the outturn and further changes to the programme, the Metro ARP capital programme was revised to a new level of £34.650m, with the reduction relating largely to re-profiling to future years together with the potential acceleration of projects into 2014/15 to ensure spending targets for 2014/15 are achieved.

Expenditure as at the end of the third quarter (the tenth four week period) of 2014/15 is £19.998m, as detailed in Appendix A. This represents two-thirds of the £30.184m minimum expenditure level required by DfT for this financial year.

The forecast for the year is £31.425m and therefore in excess of the minimum expenditure target referred to above. This Key Performance Indicator (KPI) is monitored on a four weekly basis and reported both internally and to the DfT. Experience of delivery during the previous four years shows 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 strategy is 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 procurement savings and consolidating packages of work to increase market interest and competitiveness, to ensure that the necessary disruption to the Metro service is minimised (avoiding key events and making best use of holiday and lower patronage windows).

A range of outputs are proposed for delivery during the course of the fifth year of the Metro Asset Renewal Plan. To the end of the third quarter of 2014/15 the following key projects have been progressed: -

- The Metro car refurbishment project (with 72 cars now completely refurbished);

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- The implementation of the Ducting, Cable and Fibre replacement projects that are system wide;
- Various ICT projects, including the safety critical radio project where the supplier is now developing the design together with options for mast installations at strategic points across the network;
- Planning for two weekends in February when outstanding track replacement works will take place;
- The installation of a new fire alarm system for the Metro system;
- Refurbishment works at stations, including completion of Walkergate station, together with works at Northumberland Park, Simonside and Pelaw and the progression of the detailed designs for Central Station, South Shields and Heworth Interchange.

Quarter 4

Over the next quarter to the year end, the ARP Cost Loaded Programme shows the following expenditure profile:

Expenditure	YTD	Period 11 Forecast	Period 12 Forecast	Period 13 Forecast
	£m	£m	£m	£m
In-Period Spend	-	3.000	4.266	4.160
Cumulative Spend	19.998	22.998	27.264	31.424

Key activities in Quarter 4:

- The Nexus Capital Delivery Team is continuing to deliver signalling, communications and duct route renewals with significant efficiency savings. This programme of works is being rescheduled in conjunction with other schemes to maximise delivery efficiencies and will now complete in mid-2015/16.
- Detailed design work is continuing on the Radio System replacement. Installation work within the central tunnel areas is commencing.
- Planning to develop internal capability to deliver Overhead Line (OHL) Renewal continues. Procurement of specialist equipment is continuing.
- Tender evaluation is progressing for the PTI (the Nexus Traffic Management System -Train route setting and associated functionality).
- Improvement works to the Level Crossings at Kingston Park, Callerton Parkway, Bankfoot, Fawdon and Howdon is now complete.

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- Fire alarm replacement work continued to programme with all stations now commissioned.
- Refurbishment works will complete at Hebburn, Jarrow and Bede Stations.
- Replacements of lifts at both Jesmond and Manors stations will be completed.
- Metro Car refurbishment is continuing to programme. By the end of the financial year, an anticipated 80 cars will be completely refurbished, representing in excess of 90% of the fleet.
- Following a review of Nexus delivery mechanisms in October 2014 (as was the case in 2012 before confirmation of full grant funding for Years 4 to 6) DfT have confirmed that full grant funding for Year 7 and a minimum level of funding of 75% of the amount set out in the grant offer letter from February 2010 will be made available in Years 8 and 9 (uplifted from 50%). This defers considerable uncertainty in planning and resourcing as well as enabling Nexus to achieve procurement efficiencies, particularly in the delivery of track renewal works. It is, however, essential that confirmation of full, 100% funding for Years 8 and 9 is achieved within the next 12 months and Nexus continues to liaise with departmental officials in this regard.

3.3 Tyne Tunnels Capital Programme

There are two main elements to the Tyne Tunnels capital programme: the refurbishment works of the Pedestrian and Cycle Tunnels which commenced in 2013, and residual costs and works in relation to the major New Tyne Crossing project to construct the new vehicle tunnel.

These are set out in the table below:

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	Original Approved Budget	Latest Approved Budget	Projected Outturn 2014/15	Q3 Spend 2014/15
	£m	£m	£m	£m
Pedestrian and Cycle Tunnels	3.000	4.000	3.200	2.164
New Tyne Crossing	0.500	0.500	0.500	0.223
Total	3.500	4.500	3.700	2.387

Tyne Pedestrian and Cycle Tunnels (TPCT)

The Pedestrian and Cycle Tunnels closed to the public in May 2013 to allow for a full refurbishment, installation of inclined lifts to replace the old wooden escalators, and structural works to be completed. Expenditure to the third quarter is £2.164m, mainly relating to the main contract for the refurbishment, with additional costs for the provision of a shuttle bus service to maintain the link for pedestrians and cyclists during the closure period. In line with the forecast in the second quarter report, projected outturn expenditure is forecast to be approximately £3.200m.

The refurbishment works are due to be completed and the Tunnels re-opened to the public during 2015/16.

New Tyne Crossing

The budget requirement for 2014/15 relates to remaining final elements of environmental works and monitoring, professional fees and costs associated with land transfer work, and provision made for land compensation claims and their assessment. Expenditure to the third quarter is £0.223m and is forecast to be approximately £0.500m by the end of the financial year.

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3.4 Transport Grants

NECA is the responsible body for a number of DfT grants, which are awarded to the Authority and which it pays to the constituent authorities and delivery agencies to deliver transport works and capital investment in the region.

	Original Approved Budget	Latest Approved Budget	Projected Outturn 2014/15	Q3 Spend 2014/15
	£m	£m	£m	£m
LTP – Tyne & Wear	14.786	15.172	15.172	9.051
LTP – Durham	4.475	4.475	4.475	3.356
LTP – Northumberland	2.719	2.719	2.719	2.039
Go Smarter	1.804	1.984	1.984	0.895
North East Smart Ticketing Initiative	0.075	0.928	0.655	0.027
Total	23.859	25.278	25.000	15.368

Local Transport Plan (LTP)

LTP Integrated Transport Block grant is a flexible source of capital grant funding awarded to the Authority by DfT. An element of the grant in Tyne and Wear is topsliced to meet local contribution requirements on the Metro Asset Renewal Plan (and is shown within the budget figures in the ARP section of this report) and to fund small public transport schemes, with the majority of the grant being passed to the constituent authorities to deliver capital investment in each district.

The revised budget takes account of slippage from 2013/14, where schemes will now be delivered and funding drawn down in 2014/15, which is permissible under the grant conditions.

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Go Smarter - Local Sustainable Transport Fund (LSTF)

LSTF Grant funds the Go Smarter programme in Tyne and Wear, which is a mixture of revenue and capital activity. Schools Go Smarter capital works include the School Links and Grants to Schools projects. School grants provides funding for bike sheds, to provide safe places for pupils to store their bicycles, and other works including new paths, pool bikes or tools. School links funds infrastructure works in the Districts making it easier to cycle or walk to school, such as upgrading cycle paths or installing new pedestrian crossings.

The Go Smarter to Work capital programme for 2014/15 includes works to deliver infrastructure improvements to encourage modal shift to public transport and improved information through use of Real Time Passenger Information to enable the transport user to access more reliable and up to date details about transport services.

Expenditure to Quarter 3 is £0.895m, with the remainder of the capital works scheduled to take place during the final quarter of the financial year, and the grant funding to be claimed by the Districts and Nexus at that point. All of the capital elements of this programme are scheduled to be complete by the end of the 2014/15 financial year, in line with the grant conditions.

North East Smart Ticketing Initiative (NESTI)

The NECA acts as accountable body for NESTI which is a programme of investment in smart ticketing infrastructure across the north east. The programme is governed via a collaboration agreement which was entered into by all 12 local authorities in the region plus the ITA and Nexus. The ITA holds the funding on behalf of the authorities. Capital expenditure during the 2014/15 year has been on the regional Stored Travel Rights (STR) system, regional retail infrastructure and the small operator scheme.

The works will be funded from the NESTI contributions which are held and managed centrally by NECA in line with the funding treatment agreed in March 2010 between the North East local authorities and the ITA.

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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.

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 2014/15 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.

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8.6 Environment and Sustainability

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

9 Background Documents

9.1 Report on the 2014/15 Budget for the Combined Authority – 29 May

TWITA Capital Programme 2014/15 - 23 January 2014

Capital Programme Q1 Update – TNEC 29 July 2014

Capital Programme Q2 Update – TNEC 9 October 2014

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 Metro Asset Renewal Plan detail by asset category

12 Contact Officers

12.1 Eleanor Goodman, Senior Accountant, eleanor.goodman@newcastle.gov.uk,
0191 277 7518

13 Sign off

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

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Appendix A – Metro Asset Renewal Plan

Asset Category	Original Approved Budget £m	Latest Approved Budget £m	Projected Outturn 2014/15 £m	Quarter 3 Spend 2014/15 £m
Civils (Note 1)	7.129	4.817	4.149	2.895
Communications (Note 2)	5.301	7.674	6.911	3.134
Level Crossings	0.153	0.360	0.312	0.298
Mechanical and Electrical	3.829	3.798	3.532	2.687
Metro Cars	6.562	8.445	8.607	6.426
Miscellaneous	2.741	0.827	0.569	0.390
Overhead Line (Note 3)	2.155	0.174	0.174	0.070
Permanent Way / Track	4.807	3.333	3.092	0.853
Plant	0.251	0.533	0.533	0.491
Power	0.682	1.005	0.819	0.697
Signalling	2.322	1.199	1.059	0.734
Stations	2.753	2.486	1.668	1.322
Total Approved 2014/15 Capital Programme	38.685	34.650	31.424	19.998

Note 1

Earthworks (South Gosforth to Jesmond) were originally planned to take place during the February 2015 blockade causing a longer closure of the Metro system. These have now been rescheduled to take place during 2015/16 to avoid disruption to passengers by carrying out the works without closure of the Metro Line (£2m).

Note 2

The tender award for the Radio system replacement for the Metro system increased the budgeted cost and rescheduled the phasing of this project (£2.7m).

Note 3

This year's Overhead Line budget included over £2m to allow for specialist vehicles to be procured prior to implementation of the Overhead Line Replacement by the Nexus Capital Delivery Team. The first procurement exercise produced no tender submissions which has caused delays in the commencement of the project (£2m).

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North East Combined Authority

Transport North East Committee

DATE: 26 February 2015

SUBJECT: Revenue Budget 2014/15 – Monitoring Report

REPORT OF: Chief Finance Officer

EXECUTIVE SUMMARY

This report provides the Transport North East Committee with a progress update in relation to how the transport budgets for the delivery agencies for 2014/15 are being managed. 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 how the transport related budgets for the delivery agencies for 2014/15 are being managed. This is a requirement of the NECA constitution and is a function delegated to TNEC.
- 1.2 The current overall budget position is generally positive, with overall expenditure forecast to be within budget at the year end, although there are variations. There is a small likely overspend on the Northumberland County Council budget due to increased use of the Concessionary Travel scheme. This will be met from Northumberland's own reserves.

2 Background Information

- 2.1 At its meeting on 29 April 2014, the Leadership Board received a report from the Chief Finance Officer setting out the Authority's proposed base net revenue budget of £89.73m for 2014/15 as well as a base capital programme for 2014/15 of up to £66m.
- 2.2 In this report, the Leadership Board acknowledged that the bulk of the net revenue and capital budgets for 2014/15 relate to transport.

3. Transport Revenue Budgets 2014/15

- 3.1 In 2014/15, revenue expenditure will be accounted for within a range of existing transport budgets as follows:

Summary of Transport Budgets 2014/15 (Original Budget)

	Gross Revenue Expenditure £000	External Income / Grants / Reserves £000	Net Revenue Expenditure £000
Tyne & Wear (Grant to Nexus)	171,922	(107,200)	64,920
Tyne & Wear (non-Nexus)	3,287	-	3,287
Tyne Tunnels	25,146	(25,146)	-
Durham	6,522	(978)	6,298
Northumberland	17,076	(1,486)	15,590
Total	223,953	(134,613)	89,340

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- 3.2 Budget monitoring statements are detailed at appendices A to E for the five elements of the budget as shown in the table at paragraph 3.1 above.
- 3.3 The following commentary should be read in conjunction with the attached appendices:

Appendix A – Tyne and Wear (Grant to Nexus)

The previous quarterly monitoring reports considered by the Committee in July 2014 and October 2014 both highlighted favorable variations in the forecast outturn when compared to the original budget.

The latest forecast, covering the third quarter of 2014/15 (the ten periods to 3rd January 2015), indicates that there will be a deficit on the Nexus budget before taxation for the year, after a release of £0.657m from reserves to cover expenditure on the Bus Strategy Delivery Project, of £1.932m, compared with the original budgeted deficit of £4.770m, a positive variance of £2.838m.

The major variations between the original budget and the forecast outturn are set out below:-

Metro

Note 1

The inflation indices governing the Metro Operating Concession payment to DB Regio and Metro Rail Grant funding from DfT are slightly different to that assumed when the budget was originally compiled and this has had a beneficial impact on the payment due to DB Regio (£96k) which explains the majority of the under spend on this particular budget. However, this adjustment has also caused a reduction in grant funding from DfT flowing to Nexus (£39k).

Note 2

The rates demand on parts of the Metro network for 2014/15 is greater (£72k) than originally anticipated.

During the third quarter, Nexus renewed aspects of its insurance cover which led to a reduction in the premium payable, reducing costs by £100k against the original budget.

Note 3

A re-assessment of the level of resource required to deliver the smart ticketing programme has led to a reduction in the level of recharges made to the Metro Ticketing and Gating project (£78k)

North East Combined Authority

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Commercial Revenues

Note 4

In the October 2014 monitoring report, members of the Committee were advised that Metro fare revenue for the first 5 periods had surpassed expectations and that the financial forecast was £1,000k better than the original budget. This positive trend has continued throughout the third quarter with ridership (YTD: 29.32m) up 8.7% year-on-year (YTD/LY: 26.97m) and 3.5% above target. The patronage forecast to the year-end suggests close to 38m journeys are expected in 2014/15 compared to 35.7m in 2013/14, and as a consequence, the Metro fare revenue forecast has been revised upwards by £1,500k.

Note 5

Gold Card income has surpassed expectations since the ITA agreed that the price should revert back to £12 as part of the budget setting process for 2014/15. With sales reaching in excess of 74,000 at the end of the third quarter, this represented a 48% increase on the same period in the previous year. The original target was to sell an additional 12,000 cards and at this point in time, the forecast indicates that this will be surpassed by a considerable margin (around 50%), hence the upward forecast in sales revenue of some £330k.

A budget pressure to arise in the third quarter involves the loss of Scholars travel pass income of £150k. Traditionally, the five Tyne and Wear LEA's have purchased termly Scholars travel passes from Nexus at a value commensurate with the cost of the 'Child All day concessionary Ticket' (CAT). As a response to government funding reductions, some of the LEA's in Tyne and Wear have decided to cut expenditure in this area and as a result sales of Scholars passes are expected to be around £150k less than budget this financial year. The reduction in income has been offset by the release of a contingency included in the original budget to cover the possibility of such reductions arising during the year.

Buses

Note 6

Savings have been made in relation to a number of secured bus services contracts that have been renewed, either because of different configurations in service design or because of greater competition leading to keener prices in operator tenders. In addition, the level of Bus Services Operator Grant (BSOG) being devolved by DfT is in excess of that estimated at the time the original budget was prepared. This represents a combined saving across the year of £638k

North East Combined Authority

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Note 7

The renewal of the bus interchange and shelter cleaning and maintenance contract has provided savings (£208k) against the previous price and that which was estimated at the time the budget was established. An adjustment was made to the budget at that time, reducing the budgeted costs of maintaining the bus infrastructure and releasing the saving from central provisions. Other costs associated with the overall maintenance budgets, principally rates charges on the interchanges, have increased by £39k.

Other

Note 8

Interest payable on loans is currently estimated to be £100k lower than that which was notified when the original budget was being compiled whilst investment income has suffered because of poor underlying market conditions, leading to a projected shortfall on the budget of £120k.

Note 9

A detailed exercise was carried out as part of preparing for the 2015/16 budget setting process and a £81k saving against the original budget is forecast as a result of the proactive approach to vacancy management and as a result of other efficiency savings.

Note 10

Within Customer Services, a combination of a reduction in external sales commission earned in Nexus travel shops, a slightly later than anticipated closure of three travel shops and an increase in staffing costs within the Customer Services 'One Stop Shop' have led to a combined budget pressure of £225k. This has been partially offset by the release of a contingency of £100k established when the budget was originally compiled, in recognition of the probability of delays arising from the required consultation processes with an associated increase in costs, resulting in a net pressure of £125k.

The reserves position has been taken into account in the preparation of the Nexus budget for 2015/16 and in assessing Nexus' financial position across the medium term.

Appendix B – Tyne and Wear (non-Nexus)

The latest forecast for the Tyne and Wear (non-Nexus) Transport budget indicates an increase in reserves at the year-end of approximately £360k, as set out in Appendix B. When the budget for 2014/15 was prepared, a

North East Combined Authority

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contingency line was included capturing savings made as a result of paying off the pension deficit in December 2013, and other savings resulting from the move to Combined Authority arrangements e.g. on members' allowances payments which are no longer applicable. The improved forecast position for 2014/15 is largely the result of most of this contingency not being required.

The reserves position has been taken into account in the preparation of the 2015/16 budget, and the increase in reserves in 2014/15 has allowed a reduction in the Tyne and Wear levy to be applied in 2015/16.

Appendix C – Tyne Tunnels

The Tyne Tunnels are operated as a ringfenced trading account within the NECA accounts. This means that all expenditure is met from the tolls income and Tyne Tunnels reserves, with no call on the levy or any local authority funding.

The latest forecast for 2014/15 indicates that tolls income is expected to be higher than originally budgeted, due to stronger than anticipated traffic figures – a combination of the underlying traffic growth trend and an increase due to drivers switching to using the tunnels because of the works on the A1 Western Bypass. Higher traffic means the contract payment to TT2 will also increase, since this is calculated based on actual traffic using the tunnels.

The forecast is for a slight deficit at the year end (although lower than originally budgeted), which will be met from Tyne Tunnels reserves. This is in line with the long term financing strategy for the Tyne Tunnels.

Appendix D – Durham

The latest forecast indicates that there will be a budget underspend of £158k for the year.

The main reason for the reported variances (forecast outturn against original budget) is shown below:

- i. **Concessionary Fares £317k overspend** – this results from the final agreements with the bus companies being higher than originally anticipated when the budget was set.
- ii. **Subsidised Services £437k underspend** – this has primarily resulted from reduced contract prices and increased patronage.

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- iii. **Bus Stations £9k overspend** – this is a result of no departure charges being made for Peterlee bus station due to an arrangement with the previous owners ending.
- iv. **Passenger Transport Information £21k underspend** – this results from maintenance cost savings on the real time system together with reduced printing costs resulting from the use of existing stocks of printed material.
- v. **Staffing £26k underspend** – savings are a result of vacancies.

The projected underspend at the year-end will be retained by Durham County Council.

Appendix E – Northumberland

The latest forecast indicates that expenditure will overspend by £113k by 31st March 2015. Northumberland County Council's two main areas of revenue expenditure are as follows:

- i. **Subsidised bus services** – Northumberland County Council supports a range of socially necessary bus services, mainly in the rural North and West areas but some in the more urban South East. The Council is currently reviewing all contracts that do not offer value for money with a view to coming up with alternative delivery models. The forecast underspend position is a result of the use of grants to fund some of the expenditure. The increase in budget compared with Quarter 2 is to bring Northumberland into line with how other authorities have been reporting on Subsidised Bus Services in relation to the transportation of pupils to and from school.
- ii. **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. Work has now been completed to calculate the reimbursement rate for the second quarter and we are continuing to experience a slight increase in usage compared to previous years. Work is currently being completed regarding Quarter 3 figures to confirm if trends are continuing. Misuse of bus passes (which results in higher costs) is being tackled through an anti-fraud initiative which incentivises bus companies' detection of fraud.

The projected overspend at the year-end will be met from Northumberland County Council's reserves.

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4. Next Steps

- 4.1 The revenue budget of the Delivery Agencies will continue to be monitored, and the outturn position will be reported to the Transport North East Committee following the year end.

5 Potential Impact on Objectives

- 5.1 The report sets out the transport financing and resourcing of the Combined Authority to support the delivery 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 Transport budget for 2014/15 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 issues arising directly from this report.

8.3 Equalities and Diversity

There are no specific issues 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.

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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 Report on the 2014/15 Budget for the Combined Authority – 29 April 2014

TWITA Budget and Levy 2014/15 report – 23 January 2014

Revenue Budget 2014/15 – Q1 Monitor – TNEC 29 July 2014

Revenue Budget 2014/15 – Q2 Monitor – TNEC 9 October 2014

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 – Nexus 2014/15 budget monitoring statement

Appendix B – Tyne and Wear non-Nexus budget monitoring statement

Appendix C – Tyne Tunnels 2014/15 budget monitoring statement

Appendix D – Durham 2014/15 budget monitoring statement

Appendix E – Northumberland 2014/15 budget monitoring statement

12 Contact Officers

12.1 Eleanor Goodman, Senior Accountant, eleanor.goodman@newcastle.gov.uk,
0191 277 7518

13 Sign off

- Head of Paid Service ✓

North East Combined Authority

Transport North East Committee

- Monitoring Officer ✓
- Chief Finance Officer ✓

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APPENDIX A – Nexus

Nexus Revenue Budget Report

Cumulative to 3rd January 2015

	Budget	Spend to Date	Forecast to Year End	Variance (Budget v Forecast)	Note
	£m	£m	£m	£m	
EXPENDITURE					
Metro					
DB Regio	36.585	27.908	36.458	(0.127)	1
Concession Payment					
Asset Costs	18.651	14.256	18.651	0.000	
Nexus Rail	12.938	9.639	12.857	(0.81)	9
HV Power, Rates and Insurances	8.922	6.819	8.860	(0.062)	2
Concessionary Travel					
ENCTS	37.993	29.286	37.983	(0.010)	
Metro/Other	6.392	4.876	6.392	0.000	
Under 16s	4.748	3.676	4.767	0.019	
Bus					
Secured Bus Services	17.529	12.830	16.891	(0.638)	6
Bus Infrastructure	2.939	2.231	2.978	0.039	7
Other					
Northern Rail	2.792	2.119	2.792	0.000	
Ferry	1.099	0.833	1.087	(0.012)	
Customer Services	3.815	3.098	3.929	0.114	
Support Services	6.071	4.399	6.002	(0.069)	3
Pensions & Provisions	7.216	5.117	6.769	(0.447)	5,7,10
Loan Interest	2.111	1.578	2.008	(0.103)	8
	<u>169.801</u>	<u>128.665</u>	<u>168.424</u>	<u>(1.377)</u>	

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	Original Budget	Spend to Date	Forecast to Year End	Variance (Budget v Forecast)	Note
	£m	£m	£m	£m	
INCOME					
Grant Income					
Local Authority Grant	(64.920)	(49.624)	(64.920)	0.000	
Metro Rail Grant	(24.620)	(18.819)	(24.581)	0.039	1
Heavy Rail Grant	(2.981)	(2.283)	(2.981)	0.000	
Commercial Income					
Metro	(45.863)	(36.009)	(47.363)	(1.500)	4
Bus	(6.936)	(5.368)	(6.954)	(0.018)	
Ferry	(0.491)	(0.393)	(0.486)	0.005	
Concessionary Travel	(1.800)	(1.776)	(1.990)	(0.190)	5
Other	(0.815)	(0.698)	(0.732)	0.083	10
Other					
Asset Financing	(16.155)	(12.349)	(16.155)	0.000	
Investment Income	(0.450)	(0.275)	(0.330)	0.120	8
	<u>(165.031)</u>	<u>(127.594)</u>	<u>(166.492)</u>	<u>(1.461)</u>	
(Surplus) / Deficit	<u>4.770</u>	<u>1.071</u>	<u>1.932</u>	<u>(2.838)</u>	

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APPENDIX B – Tyne and Wear (non-Nexus)

	Original Budget	Revised Budget	Spend to Date	Forecast to the Year End	Variance
	£000	£000	£000	£000	£000
Support Services	286	250	200	250	-
External Audit costs	20	20	3	20	-
Members' Expenses	6	5	3	5	-
Travel & Subsistence	4	4	-	3	(1)
Supplies & Services	39	30	28	30	-
Repayment to Tyne Tunnels Reserves	240	240	180	240	-
Financing Charges	2,352	2,328	1,746	2,328	-
Investment Income	(3)	(3)	-	(3)	-
Contingency	342	70	32	50	(20)
Net Expenditure	3,287	2,944	2,192	2,923	(21)
Contribution from Transport Levy	(3,287)	(3,287)	(2,465)	(3,287)	-
Contribution to/(from) Reserves	-	343	273	364	(21)

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APPENDIX C – Tyne Tunnels

	Original Budget	Revised Budget	Spend to Date	Forecast to the Year End	Variance
	£000	£000	£000	£000	£000
Tolls income	(24,720)	(25,315)	(19,906)	(25,500)	(185)
Contract Payments to TT2	18,400	19,040	14,476	19,225	185
Employees	35	35	30	35	-
Pensions	50	50	31	50	-
Support Services	130	130	94	130	-
Supplies & Services	50	50	10	30	(20)
Community Fund	10	10	1	6	(4)
Financing Costs	6,861	6,812	5,115	6,812	-
Investment Income	(150)	(150)	(113)	(150)	-
TWITA reserves repayment	(240)	(240)	(180)	(240)	-
Net Deficit on Trading Account	426	422	(442)	398	(24)
Contribution from Tyne Tunnels Reserves	(426)	(422)	442	(398)	(24)

North East Combined Authority

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APPENDIX D – Durham

	Original Budget	Spend to Date	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000
Concessionary Fares	11,383	8,593	11,700	317
Subsidised Services	3,373	1,810	2,936	(437)
Bus Stations	66	224	75	9
Passenger Transport Information	115	158	94	(21)
Staffing	653	445	627	(26)
Net Expenditure	15,590	11,230	15,432	(158)

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APPENDIX E – Northumberland

	Original Budget	Revisions	Revised Budget	Spend to date	Forecast to Year end	Variance (Budget vs Forecast)
	£000	£000	£000	£000	£000	£000
Concessionary Fares	4,277	42	4,319	2,995	4,522	203
Subsidised Bus Services	1,027	713	1,740	1,021	1,675	(65)
Bus Stations	-	-	-	-	-	-
PT Information	40	-	40	5	15	(25)
Staffing	199	-	199	149	199	-
Net Expenditure	5,543	755	6,298	4,170	6,411	113

North East Combined Authority Transport North East Committee

DATE: 26 February 2015

SUBJECT: Local Highways Maintenance Challenge Fund

REPORT OF: Lead Chief Executive to the Thematic Lead for Transport

EXECUTIVE SUMMARY

Guidance on the Local Highways Maintenance Challenge Fund was published on the 23rd December 2014. The North East Combined Authority has submitted a letter to the Department of Transport with a list of bids on behalf of its constituent members.

RECOMMENDATIONS

It is recommended that the Committee note the content of the letter which was submitted to the Department of Transport on 6th February 2015.

North East Combined Authority

Transport North East Committee

1. Background Information

- 1.1 The Department for Transport (DfT) has announced a new approach nationally for the allocation of highway maintenance funding which includes the introduction of a £575m Challenge Fund.
- 1.2 Each of the constituent Local Highways Authorities (LHAs) of the NECA are able to access and to bid into the fund.
- 1.3 Each authority can submit a maximum of 2 bids, however no more than one large individual bid can be submitted by a particular LHA. A small bid is a scheme under £20 million whilst a larger bid is that with a value over £20 million. Each bid must have at least a 10% local contribution. The types of project that will be eligible for funding include:
 - Major maintenance, strengthening or renewal of bridges, tunnels, retaining walls or other structures
 - Major maintenance or renewal of carriageways (roads)
 - Major maintenance or renewal of footways or cycle-ways
 - Major maintenance or renewal of drainage assets
- 1.4 Proposals can be for individual projects or for packages of projects (i.e. a series of bridge renewals across an authority or the targeted resurfacing of roads across an authority area).
- 1.5 Local authorities will have two windows of opportunity to submit bids within a six year time frame. The closing date for the first round of bids to the Challenge Fund was Monday 9th February 2015.
- 1.6 The North East Combined Authority has submitted a letter to the Department of Transport (see Appendix 1) with a list of bids on behalf of its constituent members.

2. Potential Impact on Objectives

- 2.1 Should the Challenge Fund bids listed in this report be successful, this will assist in the continued provision of an efficient and well maintained road network, contributing to the NECA objective of maximising the area's opportunities and potential.

3. Finance and Other Resources

There are no financial and other resource implications for the Combined Authority arising from the bids submitted, as these have been submitted on an individual basis by constituent authorities.

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Transport North East Committee

4. Legal

There are no legal implications arising directly from this report.

5. Other Considerations

5.1 Consultation/Community Engagement

5.1.1 There are no specific consultation/community engagement implications arising from this report.

5.2 Human Rights

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

5.3 Equalities and Diversity

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

5.4 Risk Management

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

5.5 Crime and Disorder

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

5.6 Environment and Sustainability

5.6.1 Securing sufficient funding for a well maintained road network will contribute to the efficient movement of traffic with resultant benefits for the environment.

6. Background Documents

6.1 Local Highways Maintenance Challenge Fund- December 2014

<https://www.gov.uk/government/publications/local-highways-maintenance-challenge-fund>

7. Links to Plans in the Policy Framework

There are no direct links to plans in the policy framework.

North East Combined Authority

Transport North East Committee

8. Appendices

9.1 Appendix 1 – copy of letter to the Department for Transport.

10. Contact Officers:

12.1 Mark Wilson

mark.wilson@newcastle.gov.uk

0191 211 5679

13. Sign off

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

North East Combined Authority

Transport North East Committee

Appendix 1



Pat Ritchie

Lead Chief Executive - Transport

North East Combined Authority

Chief Executive's Office, Civic Centre

Newcastle upon Tyne, NE1 8QH

Mr Steve Berry
Head of Local Highways Maintenance
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

6th February 2015

Dear Mr Berry

LOCAL HIGHWAYS MAINTENANCE CHALLENGE FUND BIDS LETTER OF SUPPORT – NORTH EAST COMBINED AUTHORITY (NECA)

I am writing to express the North East Combined Authority's strong support for the following Local Highways Maintenance Challenge Fund Bids.

Bidding Authority	Brief Description
Durham County Council	<ul style="list-style-type: none">• Replacement of 10,010 life expired street lights countywide.• Resurfacing of Unclassified Carriageways and Footways targeted in urban areas to encourage walking and cycling.
Gateshead Council	<ul style="list-style-type: none">• Replacement of outdated concrete and cast iron lighting columns in Gateshead, involving the installation of some 3,000 new lighting columns and associated equipment.
Newcastle City Council	<ul style="list-style-type: none">• Major maintenance and repair of the highways structures including the Haddricks Mill Metro Bridge.• Maintenance and repair of the highways structures in the vicinity of Skinnerburn Road. This will include the retaining

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	wall and moving the utilities in the vicinity.
North Tyneside Council	<ul style="list-style-type: none"> The removal of the carriageway maintenance backlog on key transport corridors, leaving them in a condition where they can be maintained through regular DfT needs-based funding.
Northumberland County Council	<ul style="list-style-type: none"> To repair and strengthen 160km of roads underpinning the rural and regional economy, particularly, timber extraction, quarrying and internationally renowned tourist destinations. A programme to refurbish 130 of Northumberland's masonry arch bridge stock that are approaching the end of their serviceable life as a result of the effects of mortar deterioration caused by severe weather and water ingress.
South Tyneside Council	<ul style="list-style-type: none"> Highway Asset Improvements along the Great North Run route within South Tyneside Council.
Sunderland City Council	<ul style="list-style-type: none"> Upgraded maintenance of the main highway assets – carriageway, structures, footways and cycleways on A690 Durham Road from the A19 Interchange to the A1231 St. Michael's Way/Stockton Road roundabout. Upgraded maintenance of the main highway assets along the A1231 from the Queen Alexandra Bridge gyratory south through to the roundabout on the A1018 Commercial Road.

As you will be aware, it is not the role of NECA as a Transport Authority to oversee the Highways Authority functions of our constituent members. However the NECA has liaised with the 7 local authorities in the area and with Nexus our Passenger Transport Executive to co-ordinate the priorities of each partner and develop a proposal that best meets the strategic objectives of our area, and that delivers the aspirations of our Strategic Economic Plan.

The NECA has a unique mix of urban and rural geography, and our proposal has been developed with this consideration in mind. The schemes are designed to deliver high quality infrastructure and to enable our residents and businesses to benefit from economic growth promoted by safe, well maintained and improved local highways assets.


The suggested improvements will contribute to the success of our Enterprise Zones, ensure that our key strategic sites are fit for purpose and able to attract inward investment, promote the regeneration and attractiveness of existing residential and commercial areas and they will ensure our infrastructure is able to support our rural and visitor economy, which is critical to the resilience of the wider region.

All of the bids meet the criteria set out in the Department's guidance on the Challenge Fund Applications Process and the schemes have been prioritised by our partners using best practice Transport Asset Management Plan (TAMP) techniques. We are confident that they are high value for money, provide additionality and will allow long-term savings in the cost of maintaining our assets and infrastructure.

North East Combined Authority Transport North East Committee

I commend these schemes to you and look forward to working with the Department to deliver these important improvements.

Yours sincerely

A handwritten signature in black ink, reading "Pat Ritchie". The signature is written in a cursive style with a horizontal line underneath the name.

**Pat Ritchie
Lead Chief Executive - Transport
North East Combined Authority**

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North East Combined Authority Transport North East Committee

DATE: 26 February 2015

SUBJECT: Office for Low Emission Vehicles Go Ultra Low City Scheme Funding Opportunity

REPORT OF: Chief Executive to the Thematic Lead for Transport

EXECUTIVE SUMMARY

The purpose of this report is to provide members with details of the Go Ultra Low City Scheme, including expected timeframes and the approach that the North East Combined Authority proposes to follow in the submission of bids.

RECOMMENDATIONS

It is recommended that the Committee agrees to the proposed Combined Authority approach.

North East Combined Authority

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1. Background Information

- 1.1 The Office for Low Emission Vehicles (OLEV) Go Ultra Low City Scheme is a £35m capital based funding opportunity open to local authorities in the United Kingdom (including Combined Authorities). It is solely car based and the main objectives are to significantly increase the level of Ultra Low Emission Vehicle (ULEV) uptake and achieve exemplar status across a local area, demonstrating internationally outstanding examples for the adoption of ULEVs.
- 1.2 There is no match funding required but bids which can refer to other sources of funding, including revenue funding, are encouraged. Bidders need to show that state aid issues are not relevant or that they are willing to go through the required processes. OLEV are looking to provide funding to support the activities of between two and four of the bids submitted.
- 1.3 OLEV is due to release final guidance for Low Emission Bus (£30m) and Low Emission Taxis (£20m) scheme opportunities in March 2015 and it is anticipated that any bids submitted in respect of these two opportunities will be linked to the Go Ultra Low City Scheme proposals.

2. What has happened so far

- 2.1 OLEV released guidance for the Go Ultra Low City Scheme opportunity in December 2014 and asked for expressions of interest. The North East Combined Authority submitted an expression of interest on 24th December 2014, which included twenty two letters of support including responses from the North East LEP, Nexus, Zero Carbon Futures (who develop new technology for low carbon vehicles), local universities and colleges, Nissan, Renault, Siemens, the Gentoo Group (Sunderland's largest social housing provider), organisations involved with innovation, electricity provision and electric vehicle recharging, and Phoenix Taxis (the first UK company to use 100% electric taxis).
- 2.2 OLEV and the Department for Transport (DfT) hosted a workshop in London on 28 January, where they provided presentations and advice on the initiative and responded to queries made. The North East Combined Authority was represented at the meeting.

3. Example Measures

- 3.1 Measures which could be included in proposals include free, preferential or discounted parking for ULEVs; publicly accessible charge points; Electric Vehicle car clubs; communications and PR initiatives; research and

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development; trials of future technology; partnerships with the private sector (such as for workplace charge points and match funding); investment in training/skills; and events to share learning with other local authorities.

4. Proposals

- 4.1 The North East Combined Authority will aim to meet the primary and secondary objectives which OLEV and DfT will use to assess the screening phase and final bid proposals. Approximately fifty submissions are expected to be made for the screening phase, where high level summary information on proposals is provided. OLEV will then narrow down the bidders to about ten at this point, who will be asked to make a more detailed final application by 31st August 2015. Examples of initiatives that are anticipated will be included in the draft screening phase document are:

ULEV Uptake and Exemplar Status (primary objectives considered to be interlinked) – Incentivising ULEV cars and taxis, such as through procurement changes, ULEV car clubs, collaborations with housing developers to provide home based ULEV recharging, reviewing parking policies, car parks, and existing charge point facilities, having the UK's first ULEV (Rapid) Filling Station, targeted awareness campaigns, and use of existing communications channels.

Innovation (secondary objective) – Using smart traffic signals infrastructure to increase traffic movement and flow, investigating the provision of real time information to direct ULEV users to a usable charge point, and technological solutions to support ULEV parking enforcement.

Air Quality (secondary objective) – enhancing monitoring of air pollution, and future predictions, including future ULEV uptake and health impact.

Linking with other schemes (secondary objective) – The scheme will link to the OLEV Low Emission Bus Scheme (£30m) and Taxi Scheme (£20m), which, it is anticipated, will also be the subject of funding applications from the Combined Authority, as well as OLEV's ULEV Readiness Fund. It will also seek to meet North East Strategic Economic Plan commitments to improve transport connectivity and reduce carbon emitted by vehicles, and link to relevant programmes such as the respective city deals and Combined Authority Major Traffic Schemes.

Monitoring (secondary objective) – Reports will be produced on targeted activity such as NECA ULEV sales figures, reporting on air quality impact from ULEV adoption across fleets, ULEV charging data and changes in public perception.

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5. Next Steps

5.1 The next steps are as follows:

Friday 20th February - Screening phase submission deadline. By this date, the Combined Authority is required to provide a high level summary document advising how it expects to meet the primary and secondary objectives of the bid opportunity.

Beginning to mid-March – shortlisting by OLEV / DfT. They have received around fifty expressions of interest and expect that approximately ten of these will be asked to continue work for the next stage.

31st August – Deadline for final application submissions.

Before the end of 2015 – Government to carry out final assessment of bids and advise on the winning bids, based on recommendations from OLEV officers.

There will then be discussions between the OLEV / DfT and the winning applicants so that a Memorandum of Understanding between the relevant parties can be agreed.

Committee members are asked to note that, following the screening stage application on 20th February, if the Combined Authority is asked to proceed to the next stage, they will be kept updated and there will be opportunities for further discussion before a final application is made on 31st August.

6. Potential Impact on Objectives

6.1 Should the bid submitted be successful and receive support from OLEV and the DfT, this will assist the Combined Authority in delivering its objective to maximise the area's opportunities and potential regarding the use of low carbon vehicles (including electric vehicles).

7. Finance and Other Resources

7.1 There are no specific financial implications arising from this report. Should the Combined Authority be successful in moving to the next stage of the process, the financial and other resource implications of a bid will be fully assessed and agreed before submission.

8. Legal

8.1 There are no legal implications arising directly from this report.

North East Combined Authority

Transport North East Committee

9. Other Considerations

9.1 Consultation/Community Engagement

There are no specific consultation/community engagement implications arising from this report.

9.2 Human Rights

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

9.3 Equalities and Diversity

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

9.4 Risk Management

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

9.5 Crime and Disorder

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

9.6 Environment and Sustainability

Success in securing funding for the proposals outlined in this paper will assist the Combined Authority in achieving a more sustainable transport system for the region.

10. Background Documents

Guidance advice from the Office for Low Emission Vehicles on the Go Ultra Low City Scheme can be found at:

<https://www.gov.uk/government/publications/go-ultra-low-city-scheme-guidelines-for-bidders>

11. Links to Plans in the Policy Framework

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

12. Contact Officers:

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

13. Sign off

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

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North East Combined Authority

Transport North East Committee

DATE: 26 February 2015

SUBJECT: Discharge of Transport Functions by Durham County Council

REPORT OF: Vice Chairman with Portfolio Responsibility for Transport for Durham County Council

EXECUTIVE SUMMARY

The purpose of this report is to advise the Committee of how Durham County Council has discharged the transport functions delegated to it by NECA from April to December 2014 and to ask the TNEC to note the report.

RECOMMENDATIONS

It is recommended that the Committee agree to note the report

North East Combined Authority

Transport North East Committee

1 Background Information

- 1.1 When NECA approved its constitution, it delegated to the two constituent County Councils transport functions set out in part 3.4 of the Constitution. Under the operating agreement, the executive of the Council was to meet on a date as soon as reasonably practicable after the delegation of the functions and decide what functions should be carried out by officers, such discharge being subject to consultation with the relevant portfolio holder and/or leader.
- 1.2 On the 16th April, Cabinet considered a report on the delegated functions and authorised the Corporate Director of Regeneration and Economic Development to discharge the functions in consultation with the Cabinet Portfolio Holder, Economic Regeneration. Cabinet also required the Corporate Director for regeneration and economic development to present to cabinet at least once per year a report on the discharge of functions by the Council. Attached at appendix 1 is an account of the Discharge of functions submitted by the Corporate Director for Regeneration and Economic Development to Cabinet at Durham County Council on the 14th January 2014 in the form of an appendix to a report for cabinet to note.

2 Proposals

- 2.1 Members are requested to note the report.

3 Next Steps

- 3.1 These are identified as far as practicable in appendix 1

4 Potential Impact on Objectives

- 4.1 The report describes how Durham County Council is discharging transport functions delegated by NECA.

5 Finance and Other Resources

- 5.1 The transport functions will be funded by the levy issued by NECA to Durham County Council.

6 Legal

- 6.1 This report is submitted in accordance with obligations contained in the Deed of Operation entered into by the constituent authorities on formation of the Combined Authority.

North East Combined Authority

Transport North East Committee

7 Other Considerations

7.1 Consultation/Community Engagement

None specific in this report

7.2 Human Rights

None specific in this report

7.3 Equalities and Diversity

None specific in this report

7.4 Risk Management

None specific in this report

7.5 Crime and Disorder

None specific in this report

7.6 Environment and Sustainability

None specific in this report

8 Background Documents

- 8.1 The North East Combined Authority Constitution
The North East Combined Authority Deed of Operation dated the 29th April 2014

9 Links to Plans in the Policy Framework

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

North East Combined Authority

Transport North East Committee

10 Appendices

- 10.1 Appendix 1
North East Combined Authority (NECA)
Durham County Council Transport Activity Report
April-Dec 2014

11 Contact Officers

- 11.1 Adrian J White, Head of Transport and Contract Services, Durham County Council, adrian.white@durham.gov.uk, Tel: 03000 267455

12 Sign off

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

Appendix 1

North East Combined Authority (NECA)

Durham County Council Transport Activity Report

April-Dec 2014

Introduction

1. The County Council operates an 'Integrated Transport Unit' in line with Government's best practice guidance. The ITU delivers public transport, home to school transport, SEN transport and adult social care transport. It also has close links with health, clinical commissioning groups and the North East Ambulance Service.
2. Integrating transport in this way enables the authority to create packages of work across sectors to maximise the use of vehicles and staff, ensure full use is made of existing local bus services for education and social work purposes and deliver consistency of standards across different modes. The opportunities to integrate commissioning and delivery of local authority transport with non-emergency healthcare transport have also helped to deliver a simpler and more understandable service for the user.
3. The formation of a Unitary Authority under the 2009 Local Government Reorganisation facilitated the harmonisation of policy and delivery across the economic development, planning, housing and transport functions. This created the structure to ensure that we maximise transport's contribution to economic growth in the County.

Bus Service Network

Current State of Commercial and Subsidised Networks

4. Bus operators' own commercial services provide a high proportion of the network in most of County Durham. Go North East and Arriva provide the majority of the services, with approximately equal market shares; six other firms also run locally significant commercial services. All the main towns have at least two operators providing commercial services, except for Consett and Newton Aycliffe; Bishop Auckland has six commercial operators each providing at least hourly services.
5. Total bus boardings in 2013/14 increased year on year by 3.3% to 24.6 million, mainly rebounding from the effect of severe winter weather in 2012/13 but with some element of underlying growth. This trend continues so far in 2014/15.

North East Combined Authority

Transport North East Committee

6. The majority of the commercial network in County Durham has been essentially stable since October 2012, when Arriva revitalised its services following some retrenchment in preceding years. The bus fleet has also benefitted from considerable investment in new buses.
7. Recent DCC activity has focussed on issues with Arriva's commercial services in east Durham, which have led to Arriva making considerable changes implemented on 26th October. These address some long-standing DCC and community concerns while also responding to the competition from Go North East by an increase in services on the Peterlee–Sunderland corridor. In an offsetting economy, Arriva is withdrawing a loss-making commercial service competing with a small operator between Willington and Bishop Auckland, which will continue to serve the corridor at a sustainable half hourly frequency.
8. A local service in the Stanley area operated commercially by Stanley Buses ceased at Christmas causing significant local concern. DCC has secured replacement transport to cater for school time travel in partnership with Tanfield School. Following discussion with potential operators, Go North East has come forward with a replacement for the main part of the service, which they will operate without subsidy. This outcome has been appreciated by the local community.

Secured Service Retendering Activity

9. General DCC practice is that our contracts for bus services are arranged on 4 year cycles with DCC holding a right to extend to 5 years. Normally all contracts in an area are renewed in the same cycle, with contracts changing at the start of the school summer holidays to enable operational synchronisation with school bus contract changes commencing the start of September. Contracts in much of Co Durham were renewed to start in autumn 2012, with the rest renewed in July 2013. The current year is therefore a period of low activity in retendering core bus services.
10. Contracts are eligible for an annual price review, calculated to reflect the average change in costs of operating bus services in Co Durham. The August 2014 review has provisionally found a 1.5% increase, with falls in the cost of fuel offsetting some increases in wages and other costs. If the current fall in fuel cost is sustained to April 2015, it will mean only a very low increase is likely in 2015. Prices may even fall at the next review.

North East Combined Authority

Transport North East Committee

Park and Ride

11. The contract for the Durham Park and Ride service has been retendered and the new contractor started on 27th October 2014, to run for five years plus up to two further years at DCC's option. The contract reverted from Arriva to Scarlet Band, who had operated the service in its initial years; affected staff had the opportunity to transfer under TUPE regulations. The new contract specifies an unchanged timetable with new buses meeting Euro VI emissions. The contract is considerably cheaper and the outcome is considered very satisfactory.

Clean Bus / Vehicle Technology Funds

12. Durham and Sunderland's successful bid in partnership with GNE for funding under the 2013 Clean Bus Technology Fund has been delivered during summer 2014 in partnership with the similar scheme led by Gateshead and Newcastle. A total of 20 buses on routes between Co Durham and Sunderland have been upgraded with innovative exhaust treatment equipment improving emissions from Euro III to near Euro VI.
13. The same partnership team led development of two complementary bids for funding under the 2014 Clean Vehicle Technology Fund, to equip GNE buses on four services across the NECA area with a kinetic energy recovery system. The bid led by Newcastle for Blyth - Newcastle and Newcastle - Sunderland services won funding in the first round of awards. The Durham-led bid covering Durham - Newcastle and Newcastle - South Shields services was awarded funding in a second round announced in December.

Concessionary Fares

14. Reimbursement payments under Durham's concessionary fare scheme for older and disabled people form the major element of DCC's spending on public transport. Largely fixed price arrangements have been negotiated with the two major operators. So far results in 2014/15 have fallen within the range of the "cap and collar" provisions and we expect this to continue.

Public Transport Information

15. DCC provides a comprehensive range of passenger information on all local bus services operating within the County. This includes maintaining current timetable displays at over 2,800 bus stops, providing electronic displays at bus stops, printed county public transport map, printed timetable leaflets and a web based interactive bus map. The interactive bus map shows bus routes and individual timetables for all registered services in downloadable format. Work is currently underway to develop a new and improved interactive public transport

North East Combined Authority

Transport North East Committee

website for bus and rail services including real time data from individual bus stops.

16. DCC also provides the data management and system development roles for the North East Traveline journey planning service. This includes processing and collation of bus service data from Tyne & Wear, Northumberland, Tees Valley and Cumbria on a continuous basis. Work is ongoing to enable the web based journey planner to become more compatible with mobile devices.

Real Time Passenger Information

17. DCC is working in partnership with Nexus, Northumberland CC, Tees Valley Unlimited and local bus operators to deliver a new Real Time Passenger Information system for the wider North East region. This system is currently being tested on-site with completion planned for early 2015. The service data from this system will be displayed on electronic displays at bus stops and on-line via Traveline North East, NextBus and the DCC interactive bus map.

Home to School/Social Care Transport

18. Home to school and social care transport forms the major part of DCC Sustainable Transport Group's operations, with a total spend of approximately £13 million pa and about 1,200 contracts in operation. This includes an increasing provision of places on school transport buses that are paid for by parents and or schools, as DCC's current policy for provision of free transport has retrenched to essentially statutory entitlement for year groups starting primary or secondary schooling from Sept 2012. Some 3,000 pupils currently travel under these concessionary terms. Two new schemes covering over 400 pupils start in January 2015.
19. General DCC practice is that our contracts for Home to School Contract Hire services are arranged for up to a maximum 4 year period with DCC holding a right to extend to 5 years. Tendering is carried out over a three year period on an area by area basis. Contracts are renewed in each area to commence at the start of the school year in September. South and West Durham contracts were renewed to start in autumn 2012, East Durham contracts in 2013 and North and Central contracts in 2014. The current year is therefore a period of lower activity in retendering with focus on renewing some short term contracts. The Tender prices have been very competitive across the range of service throughout this period. Despite an increase in the number of SENs transport services, actual spend has remained the same. Some 6,500 mainstream and SEN pupils currently travel under these arrangements.

North East Combined Authority

Transport North East Committee

20. Contracts are eligible for an annual price review, calculated to reflect the average change in costs of operating bus services in Co Durham. The August 2014 review has provisionally found a 1.5% increase, with falls in the cost of fuel offsetting some increases in wages and other costs.

Travel Response Centre (TRC)

21. TRC operates a booking and scheduling service for people with disabilities, the elderly and those without a direct bus service to their destination. Around 80,000 calls are handled on an annual basis.
22. TRC is a central point for people ringing to book on to DCC's dial a ride service (Link2) and health transport services or for travel information. In some instances TRC directs callers to commercial operators and the community/volunteer sector.
20. The Health Booking Service is delivered on behalf of the NHS Clinical Commissioning Groups in Durham. Following an eligibility assessment, patients are booked on to North East Ambulance Patient Transport Services. Patients and visitors who are ineligible for NHS patient transport are where possible, booked on alternative services providing access to hospitals or advised on how to make their journey by public transport.
23. The TRC also processes referrals from Social Workers and other care staff for client travel to day care.
24. TRC has a large data base of approved operators providing social care and pupil transport and has close links with NEAS, private ambulance services, community transport and volunteer driver schemes.

Community Transport

25. The CT sector predominantly concentrates on group hire, although Weardale Community Transport has operated a summer-only Sunday bus service for the third year in 2014, supported by DCC engagement. DCC's programme of capital grants to assist Community Transport continues. We expect to provide approximately 70% grants to at least 3 groups in 2014/15. Groups are required to demonstrate a viable business plan for the sustainable operation of the buses from revenue raised. We are also working to support groups bidding to the government's Rural Community Transport Minibus Fund, announced in November 2014.

North East Combined Authority

Transport North East Committee

26. We are also continuing our use of RSCTI funding to support the CT sector to develop its capacity, with a particular focus on the recruitment of volunteers.

North East Smart Ticketing Initiative (NESTI)

27. DCC is undertaking in conjunction with NESTI two pilot trials of the forthcoming regional Stored Travel smartcard. A trial involving DCC's Cathedral Bus service in Durham has been running successfully since May. A trial on GNE services started successfully in October.

Multi Operator Ticketing Scheme

28. DCC is working with bus operators in County Durham to implement a scheme of multi-operator bus fares reflecting the bus market of County Durham, with an intention to start at least an initial phased roll out in the first half of 2015. The concept entails a zonal fares structure initially focussing on adult weekly tickets. Consultants are providing independent expert support on zones and pricing.

Local Sustainable Transport Fund (LSTF)

29. The LSTF South Durham *Local Motion* project is encouraging the adoption of low-carbon travel habits through a complimentary package of sustainable transport measures targeted at businesses, schools and local communities. It is currently being delivered in Bishop Auckland, Shildon and Newton Aycliffe with a focus on cross-boundary journeys to Darlington. The DfT has allocated £2.008m to Durham CC for the project over the period 2012-2015.
30. From April 2015, the project will expand towards Durham City and target Spennymoor, Crook and Willington to improve connectivity to access work and training opportunities within South Durham and further afield to Darlington and Durham City. The programme has been awarded a grant of £840k through the LSTF to enable successful delivery in 2015-16.
31. DCC is also the lead authority for the national LSTF Living Streets *Walk to School Outreach* project. This project is a partnership of 11 local authorities and Living Streets and is encouraging more walking to school. Measures are focussing on where the school run is having a significant negative impact on congestion, journey times and economic growth. The DfT has allocated £4.671m to Durham CC as lead authority for the project to cover the period 2012-2015.
32. From April 2015, the project will deliver an ambitious and innovative project to increase levels of walking among people of all ages. Targeting areas of high congestion, the Living Streets *Walk To* project will extend the reach of our

hugely successful Walk to School Outreach project through working closely with schools, businesses and communities. A range of engaging interventions are planned which will support significant changes in people's travel behaviours leading to reduced congestion and an improved environment whilst also benefitting health and well-being. The programme has been awarded a grant of £3.980m through the LSTF to enable successful delivery in 2015-16.

33. In December 2014 DCC were asked by DfT to become the lead authority for the national Modshift *STARS Accreditation Scheme*. This programme rewards achievement in schools for the successful promotion of walking and cycling as well as encourage schools to engage in the sharing of inspiration, knowledge and experience for the benefit of all. LSTF grant funding totalling £184,000 has been awarded for the period 2014/15 to 2015/16. This funding will expand the current Modeshift STARS project on a national basis and allow the remaining 19,000 schools across the country to sign up for free. DCC is acting as the funding recipient and distributor with Modeshift being responsible for managing and delivering the project.

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North East Combined Authority

Transport North East Committee

DATE: 26 February 2015

SUBJECT: Discharge of Transport Functions by Northumberland County Council

REPORT OF: Lead Executive Director, Northumberland County Council

EXECUTIVE SUMMARY

Under the Constitution of the Combined Authority, and in accordance with an Operating Agreement between the Constituent Authorities, certain functions have been delegated to the Executive of the two Constituent County Councils, being Durham and Northumberland. This report provides an update on the discharge of delegated functions at Northumberland County Council.

RECOMMENDATIONS

It is recommended that the Committee note the transport responsibilities of Northumberland County Council and the activities undertaken in 2014.

North East Combined Authority

Transport North East Committee

1 Background Information

- 1.1 The Combined Authority Order transfers to the Combined Authority, transport functions previously carried out by Northumberland County Council under parts 4 and 5 of the Transport Act 1985 and functions under part 2 of the Transport Act 2000.
- 1.2 Under the Constitution of the Combined Authority, and in accordance with an Operating Agreement between the Constituent Authorities, transport functions have been delegated to the Executive of the two Constituent County Councils, being Durham and Northumberland.
- 1.3 Under protocols agreed between the Constituent Authorities, it was planned for Northumberland County Council to report to the Combined Authority on the manner in which the transport functions have been discharged including how they have been discharged in accordance with any performance management criteria set by the Combined Authority.

2 Proposals

- 2.1 Members are requested to note the contents of the report.

3 Next Steps

- 3.1 Under protocols agreed between the Constituent Authorities, Northumberland County Council will provide an update report to TNEC on an annual basis.

4 Potential Impact on Objectives

- 4.1 The tasks reported in this document support the objectives of the Combined Authority of creating the best possible conditions for growth in jobs, investment and living standards, to make the North East an excellent location for business, to prioritise and deliver high quality infrastructure and to enable residents to raise their skill levels and to benefit from economic growth long into the future.

5 Finance and Other Resources

- 5.1 For 2014/15, the funding for Transport functions in Northumberland County Council was transferred into the Combined Authority, and the Combined Authority in turn delegated the funding to the Council to cover the discharge of its transport functions.

North East Combined Authority

Transport North East Committee

- 5.2 The levy for Northumberland County Council transport functions has been agreed and will be put in place by 1 April 2015 for financial year 2015/16.

6 Legal

- 6.1 There are no specific legal implications arising from this report.

7 Other Considerations

7.1 Consultation/Community Engagement

There are no specific consultation/community engagement implications arising from this report.

7.2 Human Rights

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

7.3 Equalities and Diversity

There are no specific equality and diversity issues arising from this report.

7.4 Risk Management

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

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

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

8 Background Documents

- 8.1 The North East Combined Authority Constitution.
North East Combined Authority Deed of Operation dated the 29th April 2014.

9 Links to Plans in the Policy Framework

- 9.1 This report has no direct links to plans in the policy framework.

10 Appendices

- 10.1 Appendix 1
North East Combined Authority (NECA)
Northumberland County Council Transport Activity Report Apr-Dec 2014.

North East Combined Authority

Transport North East Committee

11 Contact Officers

- 11.1 Stuart McNaughton
Principal Transport Policy Officer
Northumberland County Council
stuart.mcnaughton@northumberland.gov.uk
01670 624104

12 Sign off

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

Appendix 1 North East Combined Authority (NECA) Northumberland County Council Transport Activity Report April-Dec 2014

The Supported Bus Service Network

- 1 The supported bus service network in Northumberland has evolved over many years. Around 80% of bus service routes, which represent a greater proportion of actual journeys, currently operating in Northumberland are run commercially, i.e. without any NCC input, subsidy or support. This “commercial” network only covers routes that are profitable. The remaining services operating in Northumberland are either fully or partly subsidised by NCC.
- 2 The subsidised services comprise 51 routes or parts of routes that cover mainly rural but also some urban areas. They include instances of services on particular routes running commercially at popular/peak times, but where support is given to maintain journeys at other times. They also include support the County Council gives to key tourist services that help boost the local economy and safeguard the environment by ensuring that people can visit notable locations without needing a car. All commercial and supported routes are shown on Map 1 overleaf.
- 3 The funding for services is made up of the following

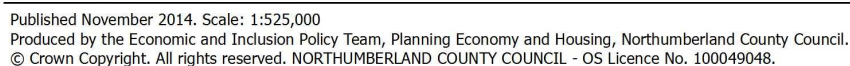
	Income and Expenditure
Supported Bus Services Gross Expenditure	£2.4m
BSOG Bus Service Grant*	-£484k
Bus Fares, Concessionary fares and other sundry income	-£212k
Homes to School recharge for eligible students who travel on supported services	-£755k
Net Expenditure	£992k

*Direct grant from Department of Transport to be spent on supported bus services

- 4 Historically, the criteria for subsidising bus services has been based on maximum subsidy per passenger and where these figures are exceeded the service concerned should not be provided i.e. it will be withdrawn. A more considered approach is now being taken that looks at accessibility, integration and procurement to ensure services deliver the maximum accessibility from the given budget.

Transport North East Committee

Northumberland Public Bus Service Route Lines



North East Combined Authority

Transport North East Committee

Quality Contracts Scheme

- 5 In 2011, Nexus were instructed to prepare a draft Quality Contracts Scheme (QCS) and also explore the scope for a meaningful Quality Bus Partnership. A QCS allows the local transport authority (the Combined Authority) to specify routes, timetables, fares and vehicle standards over a specified operating area and tender these routes out as contracts. Based on the Public Interest Test, the QCS must grow bus patronage; provide benefits to local users; and contribute towards local policy.
- 6 Approximately 75% of bus services in Northumberland start or finish in Tyne & Wear. However, many cross-boundary routes in Northumberland have been exempted from any QCS and would continue to run as normal.
- 7 In order to mitigate any impacts that the QCS may raise in Northumberland, a cross boundary collaboration agreement has been developed with Nexus. This agreement provides as much assurance as possible that the County Council will be reimbursed for any reasonable expenditure required to maintain the current levels of accessibility on local bus services affected by the introduction of the QCS.
- 8 On this basis, the broad principles of the Tyne & Wear QCS were supported by Northumberland County Council. It was further suggested that a QCS should include a review at a later stage, looking at possible boundary changes and whether it is sensible to widen a QCS beyond Tyne & Wear into all or part of Northumberland.
- 9 The QCS Board received a written request to consider the Tyne and Wear quality contract scheme in October 2014. The QCS board is an independent board with a remit to provide an opinion on whether the proposed Tyne and Wear QCS meets the statutory public interest criteria, and on whether due process has been followed. The response from this board is awaited.

Home to School Transport

- 10 In May 2014 it was agreed by the council to remove the previous free student travel scheme for new Post 16 students but retain provision for students from low income backgrounds and those with a statement of Special Educational Needs (SEN). The decision introduced a policy that is now broadly in line with most councils but still more generous than some. Prior to taking this decision Northumberland County Council provided free transport for just over 3500 students, at a cost of £3.3 million per year (i.e. £936 per student per year on average).
- 11 About 40% (1400) of all Northumberland's students who benefitted from free transport at Post-16 level chose to attend out of county establishments such as Newcastle College and Tyne Met College. This resulted in a loss of potential income to Northumberland-based learning providers in the region of £28 million since 2008 when the free transport scheme was introduced.

North East Combined Authority

Transport North East Committee

- 12 Early analysis of the numbers of students aged 16-18 enrolled for this year indicate that as a whole the new policy has not had a detrimental impact. Early budget forecasts indicate the Council is currently on target to achieve the £800k saving that was predicted for 2014/15 for this academic year, 313 passes have been issued free of charge to Post-16 students and 183 students have opted to purchase passes for use on council contracted services. All other students will be travelling on public transport or by other means of private transport.

Concessionary Travel Scheme

- 13 Northumberland County Council participates in the government's English National Concessionary Travel Scheme (ENCTS). The national scheme entitles pass holders who are resident in England to free off-peak travel on local bus services throughout England. This scheme covers both disabled people and eligible older people.
- 14 For 2013/14, gross expenditure by the council amounted to £4.45 million. For 2014/15 this is predicted to increase to £4.52 million with an upward pressure on this budget expected to continue going forward.

NESTI Smart Ticketing

- 15 The main aims of the North East Smart Ticketing Initiative Project are the introduction of a Region wide smart ticketing infrastructure on all public transport and the introduction of a single smart payment method accepted on all forms of public transport across the region.
- 16 Northumberland County Council is currently, in conjunction with NESTI, undertaking a pilot of the use of the smart POP card on services X14 (Newcastle – Morpeth), X15 and X18 (Newcastle – Alnwick/Berwick-upon-Tweed). The pilot has now successfully completed the on-bus and back of office process with the pay zone and public interface process about to commence. Subject to successful completion of the trials, a full roll out in April 2015 is aspired to.

Community Transport

- 17 Community transport has a key role to play in the mix of transport solutions for Northumberland, working alongside other providers, including the commercial sector taxi, minibus and bus operators, and statutory bodies such as the County Council and the North East Ambulance Service NHS Trust.
- 18 Since June 2012 the Council has been offering Department for Transport 'Sustainable Community Transport Initiative' funding to the Community Transport sector by means of the Northumberland 'Get Going' fund to encourage the Northumberland CT sector to embark of sustainable projects which added either community transport services in the community or offered opportunities for CT operators to become more sustainable thus strengthening the CT sector.

North East Combined Authority

Transport North East Committee

- 19 With Get Going funding now spent up, the Council recently provided the CT sector with a 'strategy day' to assist the CT sector in understanding the increasing opportunities offered through procurement with both the Council and North East Ambulance Service. As a result of this the Council is supporting Northumberland CT operators in attaining the Community Transport Associations 'Quality Standard' to further support the sector in procuring services from the public sector.
- 20 Finally, the Council is currently working with both Northumbria Healthcare NHS Foundation Trust and North East Ambulance Service as part of its 'Health Transport Advisory Commission' to develop a partnership to look at joint working:
- Improved car scheme for the county
 - Looking at the potential for developing a Travel Response Centre through a Total Transport Pilot bid
- Hexham Bus Station**
- 21 Since February 2014 the council have explored a range of options proposed for new bus service provision in Hexham. This was in response to on-going health and safety concerns with the present site on Priestpople and the opportunity to redevelop the site for commercial purposes.
- 22 The recommendation is for the development of a new station at Loosing Hill in view of the support from the Town Council and local County Councillors. The new site would support economic development, meet future public transport needs and address safety issues which could not be met by staying in the current location. Further design work is on-going in advance of a planning application in 2015.

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