

## **Transport North East Committee**

Thursday, 3rd November 2016 at 2.00 pm

Meeting to be held in a Committee Room, County Hall, Durham, DH1 5UQ

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# AGENDA

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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** 1 - 6

4. **Transport for the North update and presentation** 7 - 10

5. **Transport Manifesto and Plan for the North East** 11 - 32

6. **NECA Concessionary Travel** 33 - 42

7. **Bus Services Bill Update** 43 - 50

8. **Metro Futures Programme Update** 51 - 58

9. **Heavy Rail Update** 59 - 66

10. **North East Combined Authority – Devolution Update** 67 - 78

**11. Draft Transport Budget and Levies 2017/18**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

**12. Capital Programme 2016/17 Update**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

**13. Date and Time of Next Meeting**

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

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: [victoria.miller@northeastca.gov.uk](mailto:victoria.miller@northeastca.gov.uk)

**To All Members**

## North East Combined Authority

### Transport North East Committee

15 July 2016

Meeting held: Sunderland Civic Centre, Burdon Road, Sunderland, SR2 7SN

#### **Present:**

Councillor: N Forbes (Chair)

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

#### **49 APOLOGIES FOR ABSENCE**

Councillor S Green.

#### **50 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **51 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 28 April 2016 were approved as a correct record and signed by the Chair.

#### **52 APPOINTMENT OF VICE-CHAIRS FOR THE MUNICIPAL YEAR 2016/17**

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

Members considered the report which invited the Committee to appoint the Vice-Chair from the Tyne and Wear constituent authorities for the municipal year 2016/17, who would be the Chair of the Transport North East (Tyne and Wear) Sub-Committee (TWSC), and also to appoint the Vice-Chair of TWSC.

#### **RESOLVED – That:**

- i. The Committee confirmed that Councillors Neil Foster and Allan Hepple were the portfolio holders with responsibility for transport in Durham and Northumberland respectively and, therefore, Vice-Chairs of the Transport North East Committee for the municipal year 2016/17;
- ii. Councillor John Harrison from North Tyneside Council be appointed as Vice-Chair of the Committee from the Tyne and Wear area and the Chair of the Transport North East (Tyne and Wear) Sub-Committee for the municipal year 2016/17;

- iii. Councillor Gladys Hobson be appointed as Vice-Chair of the Transport North East (Tyne and Wear) Sub-Committee for the municipal year 2016/17; and
- iv. Clarification be sought from the Leadership Board on the approach to the future appointment of the Chair and Vice-Chair of the Transport North East (Tyne and Wear) Sub-Committee.

### 53 **BUS SERVICES BILL**

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

Members considered the report which provided an update on the Bus Services Bill which had now been introduced to Parliament and its implications for the NECA area.

Members also noted an associated presentation which was delivered at the meeting (a paper copy of the slides is attached to the Official Minutes).

The Committee were addressed by the Chair of the Tyne and Wear Public Transport Users Group, who spoke about the importance of a fully integrated public transport system, their disappointment with the outcome of the consideration of the Quality Contracts Scheme, including the priority that had been given by the Quality Contract Scheme Board to the needs of bus companies rather than the travelling public, and the importance of lobbying for the removal of section 21 of the Bus Services Bill, which prevented local authorities from setting up their own bus companies.

Following a discussion, it was **RESOLVED** – That:

- i. The report be noted; and
- ii. The following be raised with local Members of Parliament:
  - a) the Committee's support for the Bill to contain provisions allowing for Bus Franchising Schemes;
  - b) the need for assurances from the Government on the terms of the Devolution Agreement;
  - c) the Committee's view that the Combined Authority and its constituent authorities should not be liable for any compensation to bus operators arising from the implementation of provisions under the proposed Act; and
  - d) section 21 be amended or removed to allow local areas to provide bus services directly if they so wished.

### 54 **GO SMARTER (ACROSS THE NORTH EAST) - SUSTAINABLE TRAVEL TRANSITION YEAR FUNDING 2016-17**

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

Members considered the report which provided information on the Authority's success in securing transition year funding for sustainable travel for 2016/17 and outlined key elements of the bid. Members also noted an associated presentation which was delivered at the meeting and provided more detailed information on specific projects (a paper copy of the slides is attached to Official Minutes).

In discussion, Members commented on the importance of the Go Smarter work. Members particularly welcomed the role of the programme in tackling child obesity and enabling access to work for rural communities.

Members also commented on the need to expand the low-cost scooter loan project, the need for further engagement with students through working with universities and colleges and the need for an effective infrastructure to support safe sustainable travel to work, including good connectivity and information on the routes.

The meeting also discussed links with other projects such as road safety work, future funding, prioritisation of funding and the strategic approach that should be used for addressing the needs of the region.

**RESOLVED** – That the report be noted.

## 55 **DEVOLUTION UPDATE**

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

Members considered the report which provided information on the progress achieved so far in developing the Governance Review and Draft Scheme for the proposed Mayoral Combined Authority.

The report was introduced by the Monitoring Officer who explained the current timescales. She confirmed that a response had been recently received from the Government in relation to the Combined Authority's request for assurances over the terms of devolution. The response would be submitted to the 19 July 2016 meeting of the Leadership Board for consideration.

It was also noted that, should the Leadership Board agree to proceed with the consultation stage, the consultation document would be located at key strategic locations of the constituent authorities, in addition to being published on the NECA website, thereby providing a number of ways of accessing the document. Once responses had been received, the Order could be laid before Parliament, and this was now expected around October this year.

Amongst the points noted during the ensuing discussion, were the following:

- Whilst the draft Order was proceeding through the Parliamentary process, the process entailed a sequence of orders providing for the formal exclusion of a non-consenting Authority once the Order creating the Mayoral Combined Authority has been made.

- The Chair emphasised the importance of assurances from the Government in relation to funding, including long-term funding.
- The Chair also emphasised the benefits of having the Authority's own Scheme that set out its requirements rather than having a generic scheme imposed by the Government.
- In light of the recent changes within the Government, the Monitoring Officer confirmed that the recent letter with a response from the Secretary of State offering assurances to the Combined Authority with regard to devolution should be considered as a letter on behalf of the Government.

**RESOLVED** – That:

- i. The report be noted;
- ii. The Committee noted that the NECA Leadership Board agreed on 4 July to postpone discussion on the Governance Review and Draft Scheme whilst reassurance was sought from central Government that the terms of the Devolution Agreement would remain unchanged following the outcome of the European Referendum, and that the region would still be guaranteed fair funding; and
- iii. The Committee noted that the Leadership Board would consider the Governance Review and Draft Scheme, and agree the approach to consultation, after assurances from the Government had been received.

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

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

Members considered the report which provided information on the responses that had been received to the consultation on the Transport Manifesto for the North East. The report also described the next steps for the Transport Plan.

**RESOLVED** – That the report be noted.

**57 HEAVY RAIL UPDATE**

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

Members considered the report which provided an update on the heavy rail issues that affected the North East. Amongst the matters discussed during the ensuing discussion were the following:

- the importance of effective communication to ensure the Combined Authority was kept informed of any developments;
- the importance of working with partners, specifically Rail North, to ensure all risk factors that could impact on the North East were fully considered; and

- the importance of continuing to work to address the travelling needs of the North East and improve the provision of rail services in the region.

**RESOLVED** – That:

- The report be noted; and
- The Committee's Vice-Chair from Durham County Council be nominated as NECA's alternate representative on the Board of Rail North Ltd.

## 58 **TRANSPORT FOR THE NORTH UPDATE**

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

Members considered the report which provided an update on the Transport for the North programme.

In relation to the Intelligent Back Office, as referred to in paragraph 6.4 of the report, as an update it was noted that a joint submission by Nexus and Transport for Greater Manchester to lead on activity related to the specification of an Intelligent Back Office on behalf of Transport for the North had been confirmed. In discussion, a Member commented on the short lifecycle of new technologies and received assurances that this was taken into consideration when smart ticketing technologies were developed.

**RESOLVED** – That the report be noted.

## 59 **METRO FLEET AND INFRASTRUCTURE RENEWAL**

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

Members considered the report which introduced the proposed new Metro and Local Rail Strategy, summarised the outline business cases for the Metro fleet renewal and continuation of essential renewal works, set out key features of the draft specification for the new Metro fleet, and considered the broad options for future operating arrangements to deliver the Metro system.

Amongst the matters discussed during the ensuing discussion were the following:

- the good progress achieved and the extensive amount of work carried out;
- the importance of extending Metro to key employment locations;
- a level of uncertainty with regard to the future of the proposals in the context of the Mayoral Combined Authority; and
- the importance of reviewing the infrastructure of stations, specifically with regard to the capacity of platforms to accommodate additional carriages.

**RESOLVED** – That:

- i. The outline business cases for the replacement of the Metrocar fleet and associated infrastructure, and for the programme of essential renewals that were expected to be presented to the Leadership Board on the 19th of July 2016, be endorsed;
- ii. The progress made towards the development of a specification for the new Metrocars be noted; and
- iii. The draft Metro and Local Rail Strategy that was to be considered by the Leadership Board be endorsed.

**60 CAPITAL PROGRAMME 2015/16 OUTTURN AND CAPITAL PROGRAMME 2016/17 UPDATE**

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

Members considered the report which provided an update on the final outturn position in relation to the 2015/16 capital programme and the first monitoring update on the 2016/17 programme.

**RESOLVED** – That the report be noted.

**61 REVENUE BUDGET 2015/16 OUTTURN AND 2016/17 BUDGET UPDATE**

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

Members considered the report which provided an update on the outturn position in relation to the 2015/16 revenue budget, and the first monitoring update on the 2016/17 budget.

In discussion, Members received clarification on Nexus' usable capital reserves, as referred to in paragraph 3.5.9, and information on the compensation received from DfT for the two-day free passage through the Tyne Tunnels provided whilst the A1 Western Bypass was closed.

**RESOLVED** – That the report be noted.

**62 DATE AND TIME OF NEXT MEETING**

Thursday, 3 November 2016 at 2pm at Durham County Council.



## North East Combined Authority Transport North East Committee

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**DATE:** 3<sup>rd</sup> November 2016

**SUBJECT:** Transport for the North update and presentation

**REPORT OF:** Lead Chief Executive for Transport

### **EXECUTIVE SUMMARY**

Following the reports presented to previous meetings, Ian Palmer, Senior Policy and Strategy Officer for Transport for the North, will be present at today's meeting to provide members with details of TfN's Northern Transport Strategy and Investment Plan.

### **RECOMMENDATIONS**

It is recommended that the Committee notes this report.

# North East Combined Authority

## Transport North East Committee

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### **1. Background Information**

- 1.1 Members will recall that Transport for the North (TfN) aims to transform connectivity between the large city regions of Northern England in order to deliver stronger economic growth and to re-balance the national economy.
- 1.2 A Northern Transport Strategy report titled “The Northern Powerhouse: One Agenda, One Economy, One North” was published on 20<sup>th</sup> March 2015. In response to our strong regional advocacy, the report recognises the strategic economic significance of our key transport links - Newcastle International Airport, the Port of Tyne, the East Coast Main Line and the A1/A19.
- 1.3 On 7<sup>th</sup> March 2016, a Northern Transport Strategy Spring 2016 Report, outlining progress over the last year, was launched by Transport for the North and the Department for Transport in Gateshead. A further progress report is anticipated as part of next month’s Autumn Budget Statement.

### **2. TfN Transport Strategy and Investment Plan**

- 2.1 As a sub-national transport body, TfN must develop a Transport Strategy and Investment Plan. Work on the Plan, which will draw together all of TfN’s existing workstreams into a unified whole, is underway and a first draft is expected to be completed early in 2017, to help inform the Spring Budget. The Plan will also incorporate two ‘daughter’ strategies, a Highways Strategy and an Integrated Rail Strategy. NECA officers will be taking part in the development of the plan and associated Strategies.
- 2.2 Ian Palmer from TfN will be in attendance at today’s meeting and will be giving a presentation about the Transport Strategy and Investment Plan.

### **3. Other TfN workstreams**

- 3.1 NECA officers are actively involved with all TfN workstreams to ensure that the strategic interests and economic potential of this region are fully reflected in the studies that are taking place. A number of studies, in particular Road, Northern Powerhouse Rail and International Connectivity are due to publish key findings before the end of 2016 and the next report to this Committee, in February 2017, will provide a detailed update on their recommendations.

### **4. Next Steps**

- 4.1 NECA officers continue to participate in all aspects of the TfN programme to ensure that our regional aspirations are realised and that Government, Highways England and Network Rail deliver on their commitments. The officer time committed by NECA officers is a formal contribution to the process. As stated under 3.1 above, the next report to this Committee will provide details of progress on some key workstreams of importance to this region.

### **5. Potential Impact on Objectives**

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

### **6. Finance and Other Resources**

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

### **7. Legal**

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

### **8. Other Considerations**

#### **8.1 Consultation/Community Engagement**

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

#### **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**

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

#### **8.5 Crime and Disorder**

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

# North East Combined Authority

## Transport North East Committee

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### 8.6 Environment and Sustainability

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

### 9. Background Documents

- 9.1 The Northern Powerhouse: One Agenda, One Economy, One North: document published at <https://www.gov.uk/government/publications/northern-transport-strategy>

### 10. Links to Plans in the Policy Framework

- 10.1 The NECA Transport Plan for the North East, currently in development, highlights the need for the region to engage fully with the TfN programme

### 11. Contact Officers:

- 11.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)  
[mark.wilson@newcastle.gov.uk](mailto:mark.wilson@newcastle.gov.uk) 0191 211 5679

### 17. Sign off

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

## North East Combined Authority Transport North East Committee

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**DATE:** 3<sup>rd</sup> November 2016

**SUBJECT:** Transport Manifesto and Plan for the North East

**REPORT OF:** Lead Chief Executive for Transport

### **EXECUTIVE SUMMARY**

This report seeks Committee approval for the final version of the Transport Manifesto for the North East, incorporating consultation feedback, and describes the next steps for the Transport Plan.

### **RECOMMENDATIONS**

It is recommended that the Committee:

- a. agrees that the attached Transport Manifesto for the North East, incorporating feedback from the public consultation, be adopted as the final version
- b. notes the contents of this report regarding the Transport Plan for the North East

# North East Combined Authority

## Transport North East Committee

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### 1. Background Information

- 1.1 A report to the July Transport North East Committee summarised responses to the Transport Manifesto consultation and described the next steps for the Transport Plan.

### 2. Manifesto consultation and responses

- 2.1 The Manifesto consultation process and results were reported to the last meeting of this Committee. Appendix 1 therefore shows a draft final text version of the Manifesto document, amended to take account of the consultation responses.
- 2.2 It is suggested that this be approved as the final version, to be professionally designed and then placed on the NECA website.

### 3. Transport Plan

- 3.1 Progress since the July meeting of this Committee has been as follows:

- relevant officers in each Council plus Nexus have been invited to comment on the Plan
- the considerable number of comments generated by this process have been logged and analysed and responses recorded
- meetings have been held with the Lead Member from each Council
- a professional designer and photographer have been appointed to ensure the finished product is of high-quality with legible and clearly understandable maps, tables and diagrams
- Members of this Committee have attended a workshop on 14<sup>th</sup> October where the Plan was an agenda item

- 3.2 The draft Plan currently has four Strategic Goals:

- A Stronger Economy
- Enhanced Accessibility
- A Better Environment
- Improved Health

These four Strategic Goals are followed by four Key Themes for transport:

1. Accessible
2. Affordable
3. Reliable
4. Easy to use

Consultation also highlighted support for the following to be identified as important Guiding Principles in the Plan:

1. Safe
2. Sustainable
3. Integrated

Members are invited to comment on these.

# North East Combined Authority

## Transport North East Committee

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3.3 Meetings to discuss the Plan have been held with Lead Members from each of the seven Councils over the last month. These have provided a helpful opportunity for discussion, and the comments received are being analysed.

3.4 Next steps are as follows:

- Production of a revised draft Plan incorporating feedback received from officers and Elected Members during the processes listed above
- Reports to this Committee and Leadership Board early in 2017 seeking approval for the revised draft Plan to be adopted as the version for public consultation. This version will be fully designed-up with tables, maps, diagrams and illustrations
- A full 12-week public consultation in early 2017, but bearing in mind the elections to be held in some Councils on 4<sup>th</sup> May 2017.
- Incorporation of all the comments from the public consultation into a final version for approval and publication later in 2017

#### **4. Finance and Other Resources**

4.1 The budget for the Transport Manifesto and Plan is £140k of which £34k has already been spent, leaving £106k. Although the cost of producing the Transport Plan will need to reflect the substantial consultation exercise and extensive assessment and other work that is required for the production of a significant statutory document of this type, it is the intention to contain the cost of the remaining work on the Manifesto and the production of the Transport Plan within the funds available.

4.2 The Transport Budget for future years will take into account the Manifesto and the Transport Plan will be set in the context of the availability of local funding and the success of bids for external funding.

#### **5. Legal**

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

#### **6. Other Considerations**

6.1 Consultation/Community Engagement

This report contains the post-consultation version of the Transport Manifesto. There will be a full public consultation on the Transport Plan in 2017.

# North East Combined Authority

## Transport North East Committee

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### 6.2 Human Rights

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

### 6.3 Equalities and Diversity

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

### 6.4 Risk Management

Failure to proceed with the Transport Manifesto and then with the Transport Plan could undermine the credibility of this region, compared to other Combined Authorities, when dealing with central government.

### 6.5 Crime and Disorder

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

### 6.6 Environment and Sustainability

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

## 7. Background Documents

Transport Manifesto document and consultation questionnaires

## 8. Links to Plans in the Policy Framework

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

## 9. Contact Officers:

- 9.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)  
[mark.wilson@northeastca.gov.uk](mailto:mark.wilson@northeastca.gov.uk) 0191 211 5679

## 10. Sign off

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



# **Our Journey**

## **A 20 year Transport Manifesto for the North East Combined Authority**

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

**Final version**

# North East Combined Authority

## Transport North East Committee

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### Introduction

In February 2016, we held a public consultation on our Transport Manifesto. This is the final version of the document, and incorporates the feedback you gave us during that consultation. In all, 1,736 responses were received to the consultation.

We began the draft document by asking:

How often have you judged a place you visit by how easy it is to get around? It's time we looked at our own region in the same light.

The time you take and the quality of the journey will probably rank highly. Just as important is knowing the price and how to pay, and finding information instantly. Even on familiar routes we want to be told everything is running smoothly, or how to avoid delays.

So how do you feel about getting around the North East? Your answer may depend greatly on where you live and where you need to go. But when people struggle to get around, when businesses cannot recruit flexibly or lack strong links to global markets, our economy falters. So we need to ensure the North East receives its fair share of opportunities and funding.

We expect our local travel to be convenient, with good quality direct links with major town centres and major business parks, whether by bus, Metro or train. And we expect good links to airports and main line stations for longer distance travel.

We expect to find public transport information at the tip of a finger, through smart applications, with simple, good value fares wherever we roam.

Cyclists and pedestrians expect safe, direct routes with clear wayfinding, traffic signals and bike storage that recognise our needs. When we get in the car we expect updates on the road ahead. Transport is a means to an end. We should normally be able to go where we need without thinking hard how to get there.

And we know that we have to travel in a way which shows we care for the natural environment. Our transport choices should be the least damaging to the environment and the most sustainable.

## **North East Combined Authority Transport North East Committee**

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To help achieve all this we will create a single identity for travel in the region - Transport North East. This will be a source for real time information, journey planning and ticket sales, no matter how you travel from door to destination. It will, for example, update you on traffic problems, direct you to a park-and-ride facility and advise you when the next train is due, using smart communication. Transport North East will be a symbol of our region's joined-up and integrated approach to travel.

To realise our ambition we need to take on new responsibilities and secure new funding. We want our transport system to be developed by the people who live and work here, as an asset to promote our vibrant local culture and economy. This will require radical changes and new powers and resources devolved to the region.

For the first time in many decades the region is coming together, as Transport North East, to set a vision. But it is not up to politicians to decide on our transport priorities; the vision of the region has to be one we all contribute to. This document will guide our way for the next two decades, and now it is your turn to let us know what you want.

**Councillor Nick Forbes,  
Transport Lead,  
North East Combined Authority**

# **North East Combined Authority**

## **Transport North East Committee**

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### **A single approach to transport**

The seven councils in the North East of England (Durham, Gateshead, Newcastle, Northumberland, North Tyneside, South Tyneside and Sunderland) are in a partnership enshrined in law: the North East Combined Authority. We want to help our economy to grow and to make the North East an excellent place to live and work.

Our transport networks cross council boundaries in a diverse region, so only by working together will we meet people's needs and ambitions, wherever they live.

# **North East Combined Authority**

## **Transport North East Committee**

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The North East Combined Authority

3,200 square miles

Urban and rural communities

2 million people; 4.1 million visitors per year

200,000 people commuting into urban centres

The largest car plant in the UK by far

38,000 small and medium-sized enterprises

## **Vision**

The North East needs good transport that enables economic growth and sustains jobs and communities.

We want to make sense of transport so that for people who live, work and visit here it is easy to use, reliable, affordable and accessible. Transport must also work for businesses that are located here, or are looking at moving to the North East. We want a transport system that reflects the character of our area: hard-working, efficient, accessible, and friendly.

Transport needs to work for everyone by being:

1. Accessible : it should run as near as possible to where people live and want to travel to, and where businesses are (or want to be) located. It should be usable by everyone
2. Affordable : as far as possible, transport should be provided at a reasonable cost relative to the journey being undertaken
3. Reliable : the transport network should be one that we can rely on to work, with buses and trains running on time and congestion at a minimum
4. Easy to use : it should be easy to plan safe journeys, find out the best way to travel, pay for tickets and get all the essential information for your journey
5. Safe : the transport network should be, and be seen to be, safe regarding both road safety and also crime and fear of crime on public transport. Vulnerable users should be given greater protection than they currently are
6. Sustainable : the attractiveness of sustainable modes of transport should be improved. Transport should not have an adverse impact on the environment
7. Integrated : the transport network should be connected so that people can switch easily between modes, and timings and methods of payment complement each other

# North East Combined Authority

## Transport North East Committee

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### Our guiding principles

These seven themes above can be expanded into a set of guiding principles, which will govern what we at the North East Combined Authority are trying to achieve:

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

**What is “Sustainable” Travel?**

Sustainable means taking transport decisions now that will reduce carbon emissions from transport, minimise local air pollution and won't create problems for the future.

We believe that sustainable travel is a good thing in its own right. Moving around the local area, participating in the local economy and interacting with other people all contribute to a healthy lifestyle for individuals and to a better society.

Sustainable is also about creating an economic environment that helps businesses to thrive and generates enough jobs for everyone in the North East who needs one.

Walking, cycling, public transport and taxis are all forms of sustainable travel that will grow the local economy and contribute to a healthy and active local culture. They also minimise pollution from greenhouse gas emissions and poisonous particulates in the air we breathe.

Because of this our first preference is for people to travel sustainably to, from and around the North East. Therefore the majority of our activities in transport will be focused on developing our sustainable transport networks.



# North East Combined Authority

## Transport North East Committee

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### Transport drives competitiveness

Successful business needs transport that is geared to its needs for:

1. safe, reliable on-time delivery of goods
2. employees to be able to get to and from work quickly, easily and affordably
3. good connections locally, regionally, nationally and internationally to enable businesses to link up with each other to achieve growth

### What is Transport North East? What will it do?

- The North East Combined Authority is the first Transport Authority established in the country with coverage of such substantial urban and rural populations.
- Transport North East will be the new identity for transport functions for the Combined Authority
- It will design and build transport networks around common standards, and oversee transport operations that deliver connectivity to communities, businesses, and visitors.
- It will also promote the healthiest and greenest ways to move around, and so encourage walking, cycling and the use of public transport wherever possible.
- This means the public should notice no change in standards simply because they have travelled across a council boundary within the North East

Our vision, from your doorstep to the other side of the world...

**Walking: healthy and sustainable local travel**

- Create safe, attractive, obstruction-free pedestrian routes including better signage and signals for crossings.
- Improve walking links within and between communities in both rural and urban areas.
- Promote walking to school and work, to tackle inactivity and over-reliance on the car.
- Ensure new developments and roads have walking designed in.
- Continue to reduce pedestrian casualty rates by improving road safety for pedestrians
- Take account of the needs of disabled pedestrians

**Cycling: quick, healthy and safe**

- Build a network of attractive, good quality, safe, strategic urban and rural cycle routes, integrated with transport hubs, workplaces, shopping, leisure and education sites.
- Improve existing streets and junctions to support cycling, including reallocating road space.
- Establish cycle-friendly standards for neighbourhoods, towns and city centres, based on comprehensive parking, clear signage and good maintenance.
- Continue to promote cycling as a positive, sustainable way of improving health and well-being for adults and children alike.
- Continue to reduce cycling casualty rates by improving road safety for cyclists.

**Bus services: underpinning local public transport**

- Simple, good value and integrated fares backed by smart payment technology.
- Good network coverage reflecting local needs including in rural areas
- Easy to use timetable, real-time departure and on-board information.
- Meeting all travellers' accessibility needs.
- Improved levels of punctuality and reliability.
- Priority on highways wherever needed.
- Low-carbon vehicles wherever possible
- Good access for everyone, including disabled people
- Measures to tackle crime and fear of crime so it is not a deterrent, particularly late at night

**Taxis (Hackney Carriages and Private Hire Vehicles) : flexible public transport**

- Integrate taxis into the wider public transport network with better interchange and information.
- Ensure high standards of licensing and provision.
- Encourage greater use of low emission technologies in taxi fleets.

**Local rail and Metro: driving economic growth**

- Simple, good value and integrated fares backed by smart payment technology
- Replace outdated Pacer trains and deliver an essential new fleet for the Tyne and Wear Metro.
- Create a regional express network, with high quality, faster trains and more routes electrified.
- Open new local stations on current lines, re-open key disused lines, consider more Park and Ride stations, upgrade freight-only sections to passenger use and build new routes.
- Devolve greater control to the region, so local rail and Metro can be managed together to deliver a higher standard for stations, information and customer service.
- Work with rail industry partners to address overcrowding and improve cycle access on trains
- Address reliability and punctuality issues
- Improve access for everyone, including disabled people
- Tackle crime and fear of crime so it is not a deterrent, particularly late at night.

**National rail services: joining our economy with others**

- Invest, and work with Network Rail, to grow capacity, resilience and reliability of services including for our main line to London and Scotland.
- Improve long-distance connections from market towns in the region.
- Reduce journey times and increase the number of trains to core cities including Leeds, Manchester, Edinburgh and Birmingham.
- Make sure the North East is part of the High Speed Rail network.

**Making journeys easy: smart travel and information**

- Expand the existing “Pop” branded smartcard for all local transport, as well as integrated uses like park-and-ride, cycle storage and Tyne Tunnel tolls.
- Offer affordable fares, particularly to support skills and training, especially for young people.
- Provide real time information for all local transport at stations, selected stops and to mobile devices.
- Develop a network of variable message signs on roads.
- Make full use of the Urban Traffic Management Centre to deliver information to road users.
- Make sure public transport services, timetables, information, fares and tickets are integrated

**Ports: gateways to a world of trade**

- Improve road and rail links from the region’s ports to the rest of the UK.
- Support the growth in cruise traffic to boost tourism and investigate the potential for new North Sea ferry routes.
- Ensure our ports can support new developments and innovation, such as growth in the offshore wind industry.
- Explore better use of our main rivers as transport arteries.
- Further improve integration between the Shields Ferry and other forms of transport.

**Flying the flag for the region – the future for air travel**

- Make our airports the preferred choice for people in the North East and surrounding areas.
- Build on the success of direct flights from Newcastle to Dubai by supporting new routes to China and the Far East.
- Increase capacity on Newcastle airport’s existing runway, extend terminal facilities and support growth
- Improve public transport links.

### **Moving freight**

- Promote an efficient, safe and sustainable freight sector as a major employer and driver for growth.
- Support the North East Freight Partnership to raise standards and provide accurate routeing and mapping.
- Develop a Strategic Rail Freight Interchange as part of moves to encourage a shift from road transport while growing overall business.
- Work with all partners to move freight away from road transport wherever possible.

### **Innovation**

- Develop and expand the successful Urban Traffic Management and Control Centre to promote public transport and reduce congestion.
- Expand rapid vehicle charging points through the region with a common standard across communities, integrated with Highways England's strategic network.
- Encourage the spread of Car Club sites, especially for Electric Vehicles (EVs).
- Promote ultra-low emission buses, taxis and freight vehicles, while supporting the development of alternative fuels and power sources.
- Promote North East universities and businesses as global leaders in research and technology for sustainable urban development.

**Roads fit for purpose**

- Invest to alleviate congestion and collision hot spots.
- Create well-maintained road space that is safe for all, with good access to key employment and development sites.
- Support existing proposals to improve roads including M1 extension to Gateshead, A1 dualling in Northumberland, Western Bypass enhancements and A19 junction upgrades.
- Consider further proposals if they are consistent with carbon reduction.
- Work with Highways England on A66 and A69 investment to improve cross-Pennine traffic.
- Offer car users better information on journey times, delays, parking and public transport alternatives.
- Reallocate road space to more sustainable forms of transport
- Improve road safety, particularly for cyclists and pedestrians.
- Address congestion issues

**Powered Two Wheelers (motorcycles, scooters and mopeds)**

- Recognise the benefits of PTWs to users and the environment
- Facilitate PTWs as a choice of travel within a safe and sustainable transport network
- Consider the needs of PTW users
- Ensure good access to secure on and off-road parking for PTWs

**Joining it all together**

- Ensuring that our transport system promotes economic growth.
- Working with health colleagues to ensure people can get to health facilities.
- Promote healthy transport choices including walking and cycling.
- Making sure that new developments and regeneration plans are “transport friendly” and promote walking, cycling, public transport and car sharing.
- Improving interchange between different forms of transport.
- Working together to unify our existing different policies on
  - taxi licensing,
  - bus and “no car” lanes – including the times they apply and what vehicles are allowed in them,
  - planning applications – where these impinge on neighbouring areas.



### Devolution

As we said at the start, the North East needs to take on new responsibilities and secure new funding, to allow our transport system to be developed by the people who live and work here:

- A local transport budget for many years to come, covering all relevant local highways and sustainable travel funding
- A potential long-term funding programme for Metro investment including fleet replacement, possible expansion of the Metro network and integration with local rail services
- Responsibility for the new Northern and Transpennine rail franchises from April 2016, in partnership with other Authorities across the North and the Department for Transport.
- A fully multi-modal smart ticketing and transport information network across the North East and beyond.
- Powers to take forward our plans for bus services
- Work with national agencies (Highways England, Network Rail, HS2) on a joint agreement specifying improvements for the national road and rail network across the North East.
- A locally-devolved Highways Fund, committed over a multi-year period.

If you need this document in a different format, such as large print, please contact us on 0191 211 6024 or [transportconsultation@northeastca.gov.uk](mailto:transportconsultation@northeastca.gov.uk)

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## North East Combined Authority

### Transport North East Committee

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**Date:** 3 November 2016

**Subject:** NECA Concessionary Travel

**Report of:** Managing Director, Transport Operations

#### **Executive Summary**

This report considers a number of issues relating to Concessionary Travel in the NECA area and proposes a way forward for each of them: inconsistencies in discretionary concessions across the NECA area; the WASPI campaign in relation to concessionary travel for women born in the 1950s; and concessionary fares for young people in the NECA area.

#### **Recommendations**

The Committee is recommended to:

- a) endorse the establishment of a task and finish group to consider public transport fares for young people in more detail;
- b) endorse the intention of Nexus and the Regional Transport Team to commission an independent report into the opportunities that an improved offer could provide; and
- c) endorse the intention of the Thematic Lead for Transport to write to the government to advise that the NECA notes the points raised by the WASPI campaign and requests that the government responds to them.

# North East Combined Authority

## Transport North East Committee

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### **1 Background Information**

- 1.1 Concessionary Travel Schemes offer free or reduced travel on public transport to certain groups of people, usually with the aim of promoting equality of access to people who have particular needs.
- 1.2 There are particular issues to consider in relation to the ticketing offer for under 19s, enhancements to the English National Concessionary Travel Scheme (ENCTS) and the rise of ENCTS bus pass eligibility in line with the increase in the state pension age, which is argued to have a disproportionate effect on a specific age and gender group.
- 1.3 Such schemes require costly reimbursements to transport operators, placing continual pressure on transport budgets. Making discretionary ENCTS more consistent across NECA would result either in increased cost for the areas whose offer had been improved to match the others, or a reduction in eligibility for those whose offer had been reduced to match the others.
- 1.4 Therefore any adjustments to discretionary concessions would require a clear rationale, a defined source of funding, and a long-term transition plan.
- 1.5 This report describes the current arrangements across the NECA area, identifies some challenges, and proposes further work to determine the way forward.

### **2 Legislative Background**

- 2.1 There are three Concessionary Travel Schemes in the NECA area; one covering Tyne and Wear, one for Durham and a third covering Northumberland.
- 2.2 Travel Concession Authorities (TCAs) are required to implement the mandatory concession that guarantees free off-peak local bus travel to eligible older and disabled people anywhere in England (Between 0930 and 2300 on weekdays and at any time at weekends and bank holidays). This concession is more commonly known as ENCTS.
- 2.3 Operators should be left no better and no worse off as a result of the existence of concessionary travel schemes, and therefore TCA's are required to;
  - Compensate operators for revenue foregone, which is the revenue they would have received from those concessionary passengers who would otherwise have paid for a ticket in the absence of a scheme
  - Pay operators any additional costs they have incurred as a result of the scheme, for example, carrying additional generated passengers or other costs such as administration required for the scheme.
- 2.4 The mechanisms for reimbursing operators can vary, and payments can be made on a per boarding basis or through a negotiated sum. Nexus, Durham County Council and Northumberland County Council all negotiate payments to

# North East Combined Authority

## Transport North East Committee

operators. The two-year fixed settlement that Nexus has with operators is currently in the process of being re-negotiated.

- 2.5 In respect of ENCTS, TCAs must reimburse bus operators for all concessionary journeys starting within their boundaries, regardless of whether the concessionary passholder making the journey is a resident of the TCA area. Concessionary fares reimbursement costs TCAs a significant amount of money, often taking up significant portions of their overall transport budgets.
- 2.6 In addition to ENCTS, TCAs are also able to offer 'other' discretionary concessionary travel schemes, using the powers provided in the Transport Act 1985.
- 2.7 The table below shows the Concessionary Travel budgets from across the NECA area. The table highlights the costs associated with statutory and discretionary spend for ENCTS, and other discretionary budgets.



ENCTS Statutory	36.603	10.785	4.560	51.948
ENCTS Discretionary	0.901	0.555	0.240	1.696
<b>ENCTS TOTAL</b>	<b>37.504</b>	<b>11.340</b>	<b>4.800</b>	<b>53.644</b>
Other Discretionary: Metro	4.547	-	-	4.547
Other Discretionary: Under 16	4.452	-	-	4.452
Other Discretionary: Local Rail	0.053	0.036	-	0.089
Other Discretionary: Ferry	0.115	-	-	0.115
Other Discretionary: 16-18's	0.145	-	-	0.145
<b>DISCRETIONARY TOTAL</b>	<b>9.312</b>	<b>0.036</b>	<b>-</b>	<b>9.348</b>
<b>TOTAL</b>	<b>46.816</b>	<b>11.376</b>	<b>4.800</b>	<b>62.992</b>

ENCTS Statutory	36.603	10.785	4.560	51.948
All Discretionary	10.213	0.591	0.240	11.044
<b>TOTAL</b>	<b>46.816</b>	<b>11.376</b>	<b>4.800</b>	<b>62.992</b>




### 3 Ticketing for older and disabled people - ENCTS

- 3.1 Since 2001, a mandatory bus concession for older and disabled people has been in place and since 2008, ENCTS has provided free off peak local bus travel to eligible older and disabled people anywhere in England. Since the introduction of the free off peak local bus pass, sizeable growth in ENCTS passenger numbers and subsidy have occurred, albeit beginning to slow in the past couple of years
- 3.2 A paper was previously presented to TNEC on 9th October 2014 highlighting the then position with national funding for Statutory Concessionary Travel and the pressure on Councils' budgets.

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- 3.3 Across the NECA area, different scheme arrangements in relation to statutory and discretionary concessionary travel are provided. This is illustrated in the chart below;

Element			
Scheme start time for general free bus travel	09:30 (M – F)	09:30 (M – F)	09:00 (M – F)
Scheme end time	None	None	None
Travel prior to ‘free’ start time	Free for hospital appointment	50p for any journey	Free for hospital appointment
Local rail inclusion	Discounted between Newcastle & Metrocentre	Half fare on certain services	No
Companion Card allowing someone to travel free with ENCTS holder who requires assistance	Yes	Yes	Yes
Disabled pass eligibility enhancements	All day (if in education or employment)	No enhancement	All day
Metro Gold Card – free Metro travel after 09:30am	Yes, £12 fee	Yes, £25 fee	Yes, £25 fee
Under 16 Scheme	60p Single, £1.10 all day multi-operator	No	No
Taxi Scheme for disabled persons	Yes, Taxicard (£225 credit for £10 fee)	No	Yes, taxi tokens (£50 credit for £10 fee)
Other	-	Park and Ride Link2 DRT	Some cross border services to Scotland

- 3.4 Although different areas have adopted different discretionary enhancements to ENCTS in the past, now that the NECA has come together, it is worth undertaking further work to help develop a deeper understanding of the differing schemes and help determine the financial implications of making ENCTS discretionary add-ons consistent across the NECA area.

## 4 ENCTS Bus Pass Age – WASPI Campaign

- 4.1 WASPI (Women Against State Pension Inequality) is a campaign group arguing for fairer arrangements during the transitional period for the rise in the state pension from 60 years old to 66 years old, affecting those born after the 6th April 1951 and before April 1960.
- 4.2 In 2010, the government introduced changes to the ENCTS eligibility age, rising in line with the increases in the age of the state pension. The previous age limit was 60. A one year difference in age can result in a 3 and a half year difference in State Pension Age and Bus Pass eligibility. For example, a date of birth of 5/3/1953 delivers a State Pension Age of 6/1/2016 compared to a date of birth of 5/3/1954 which delivers a State Pension Age of 6/7/2019.
- 4.3 The WASPI group argues that women in the relevant age group are being disproportionately affected by the changes in the state pension age, affecting

# North East Combined Authority

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their ability to plan for retirement and afford retirement during the transition years. The delayed receipt of the ENCTS Bus Pass can add further pressure to an individual's level of disposable income during that period.

- 4.4 This is undoubtedly a concern for the people affected, as highlighted by the campaign. However introducing a discretionary concession to allow those affected to travel for free on buses would add a significant new cost to transport budgets, and would put at risk other types of transport provision.
- 4.5 The NECA is therefore unable to resolve this issue without a change in government policy, with associated funding made available to cover the resultant increased costs. It is proposed however that the Thematic Lead for Transport writes to the government to advise that the NECA notes the points raised by the WASPI campaign and requests that the government responds to them.
- 4.6 Members are invited to comment on the WASPI campaign, and to endorse this position.

### **5 Public Transport ticketing for young people under the age of 19**

- 5.1 The Education and Skills Act 2008 made it mandatory for young people under 18 to be in full time education, with an interim minimum leaving age of 17 set in 2013, with the full rise to 18 from 2015.
- 5.2 In recent times, the complexity and costs of youth fares on public transport has been highlighted as a key issue. The UK Youth Parliament 'Make your mark campaign' balloted over 28,385 people in the NECA area (excluding Gateshead) aged 11-18, and found that transport was third biggest issue with 3,944 votes, after Curriculum and the Living Wage.
- 5.3 The Strategic Economic Plan (SEP) outlines that whilst public transport accessibility in the North East is generally good, improvements could be made in the area of fares and ticketing. A key target includes the introduction of a single network, multi-operator ticket being established
- 5.4 In August 2016, Go North East introduced a new fares structure for young people aged 18 and under, including a £1 single fare on all buses across the Go North East network. The new policy simplifies the Go North East ticketing options for a young person travelling on a Go North East bus. Competing schemes are offered by Arriva North East and Stagecoach that are valid on their bus services.
- 5.5 For those who are 16 and under, various single tickets are on offer. Nexus offers the 'Under 16 Pop Card' (available for a £5 fee), which allows multi operator travel in Tyne and Wear for £0.60. For those under 16 who do not have an 'Under 16 Pop Card' Nexus also offers a Metro-only commercial fare for £0.80. Go North East offers its Under 18 single ticket for £1 on Go North East buses

only. Arriva offers an under 18 'Teen Card' valid on all Arriva North East bus services, which is a half fare or £1, whichever is lowest. Stagecoach offers an under 16 single fare at £0.90 for those traveling on Stagecoach bus services. This demonstrates how variable ticketing options can be, with different ages and different fares applicable to each different operator, with different validity policies depending on who provides the services.

- 5.6 The picture is further complicated for those aged between 16-18 and students, as no multi operator day ticket is currently offered anywhere in the area. However multi-operator weekly, monthly and annual tickets for 16-19 year olds are available in Tyne and Wear through Network One (a ticketing company comprising all of the transport operators). Metro offers a '16-18 MetroSaver' valid for 7 days for £7.50, Go North East offers a ticket priced at £15.50, Stagecoach at £8 and Arriva North East offer a number of variants of a weekly ticket ranging from £13.30 for a 1 zone ticket to £19.30 for all zone ticket.
- 5.7 A spreadsheet showing the complete fares offer for Young People across the NECA area has been provided as Appendix 1 to this report.
- 5.8 This report has highlighted some of the complexities that under 19s are potentially facing when using public transport. This complex issue should be explored further and the following actions are proposed;
- A 'task and finish' group is proposed with the aim of better understanding the current Youth offer in more detail, and to explore what options might be available to improve the situation; and
  - Nexus and the Regional Transport Team propose to commission an independent report (with input from the LEP) to understand the opportunities that an improved ticketing offer for young people could have on the North East's economy, skills base, and society.
- 5.9 The NECA's Overview and Scrutiny Committee has been undertaking a review to further understand the impact of transport in the Combined Authority area and, in particular, any barriers people face preventing them from getting into employment, travelling to work, school or college. The work that Overview and Scrutiny Committee has undertaken will be cross referenced with what is proposed here, and will feed into the proposed task and finish group.

## **6 Next Steps**

- 6.1 Subject to this committee's endorsement, a task and finish group will be established to consider public transport fares for young people in more detail, and Nexus and the Regional Transport Team will commission an independent report into the opportunities that an improved offer could provide.
- 6.3 Further work will be undertaken to determine the financial implications of making ENCTS discretionary add-ons consistent across the NECA, with any subsequent opportunities to be brought to this committee.



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## Transport North East Committee

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- 6.4 Subject to this committee's endorsement, the Thematic Lead for Transport will write to the government to advise that the NECA notes the points raised by the WASPI campaign and requests that the government responds to them.

### **7 Potential Impact on Objectives**

- 7.1 Discretionary concessions contribute to a number of aspects in the Transport Manifesto, in particular affordability and accessibility. Consistent application of discretionary concessions would also contribute to ease of use. In addition, the Strategic Economic Plan makes reference to ticketing for young people.

### **8 Finance and Other Resources**

- 8.1 During 2015/16, Nexus subsidised 8.2 million journeys made by children and young people aged Under 16 on Bus and just over 1.1 million journeys on Metro.
- 8.2 With this in mind, it must be understood that the current budgetary position of partners is likely to be tough, with limited scope to increase expenditure in the area of youth fares or ENCTS enhancements, without looking at savings elsewhere in budgets. This point is made to ensure expectations are managed appropriately.
- 8.3 Any outcomes from the work discussed in this paper will be taken into account in the budget process for 2018-19 onwards.

### **9 Legal**

- 9.1 Should the further investigation work lead to any amended proposals, legal advice will be provided regarding their potential implementation.

### **10 Other Considerations**

#### **10.1 Consultation/Community Engagement**

Community engagement may be required as a consequence of the outcome of the investigations listed in paragraphs 6.2, 6.3 and 6.4.

#### **10.2 Human Rights**

It has been claimed by advocates of the WASPI campaign that the government has breached the human rights of those affected by it. However it is not thought that any case is being formally pursued at this point in time.

#### **10.3 Equalities and Diversity**

Eligibility for concessionary fares inevitably gives rise to issues of equality, given that they are aimed at increasing citizens' ability to participate in

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employment, education and a range of other activities. The further work identified in this report will consider the equality of the current position and of any further proposals.

It is recognised that the WASPI campaign maintains that women born in the 1950s have been subject to unequal treatment by the government.

### 10.4 Risk Management

There are no risk management implications in this report

### 10.5 Crime and Disorder

There are no crime and disorder implications in this report.

### 10.6 Environment and Sustainability

There are no environment and sustainability implications in this report.

## 11 Background Documents

- 11.1 9<sup>th</sup> October 2014 TNEC report of Chief Finance Officer, NECA and the Director of Finance and Resources, Nexus, titled "Concessionary Travel Budget 2014/15".

## 12 Links to the Local Transport Plans

- 12.1 None at present, although work stemming from this report may feed into the upcoming Transport Plan for the North East

## 13 Appendices

- 13.1 Appendix 1 – Spread sheet showing current youth and student fares across NECA

## 14 Contact Officers

- 14.1 Tobaugh Hughes      Managing Director (Transport Operations)  
E-mail                    [Tobaugh.Hughes@nexus.org.uk](mailto:Tobaugh.Hughes@nexus.org.uk)  
Tel:                        0191 203 3246.

## 15 Sign off

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

**16 Glossary**

TCA's – Travel Concession Authorities

ENCTS – English National Concessionary Travel Scheme

WASPI – Women Against State Pension Inequality

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## North East Combined Authority

### Transport North East Committee

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**Date:** 3 November 2016

**Subject:** Bus Services Bill Update

**Report of:** Managing Director (Transport Operations)

#### **Executive Summary**

The purpose of this report is to update members on the Bus Services Bill, which is progressing through Parliament, and to highlight some important issues arising from the Bill that may affect the NECA area.

#### **Recommendations**

It is recommended that the Committee:

1. Notes the update regarding the Bus Services Bill;
2. Notes the Bill's implications for the NECA area; and
3. Instructs officers to commence work on preparing a new NECA Bus Strategy for members' consideration.

# North East Combined Authority

## Transport North East Committee

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### 1 Background Information

- 1.1 At its meeting on 24 March 2016, the North East Combined Authority Leadership Board approved a report that “***instructed officers to develop options to deliver the Bus Strategy, in light of the options available when the new legislation is enacted***”. It is therefore important that members are kept informed on the Bus Services Bill, which has potentially important implications for delivering bus services in the NECA area.
- 1.2 This committee considered an initial report regarding the Bus Services Bill at its meeting on 15 July 2016. This report provides a further update for members on the Bill’s progress through Parliament.

### 2 Bus Services Bill Progress

- 2.1 The Bill must be considered first in the House of Lords and then the House of Commons. In each House the Bill will be subject to a first reading, second reading, Committee Stage, Report Stage and finally a third reading. The Bill, with any amendments accepted by the Government, will then be presented to Parliament for Royal Assent. The report provided to this Committee in July noted that the Bill had received its first and second readings in the House of Lords, and been considered by the House of Lords Committee.
- 2.2 The Bill, as initially drafted, was broadly welcomed by Local Transport Authorities as it sought to address areas of existing legislation that were widely considered as not fit for purpose. During the initial readings in the House of Lords a number of amendments were proposed by peers and the Minister. The Minister’s amendments were focussed on improving the clarity and consistency of the Bill, and were accepted by the Government. The amendments proposed by peers focussed on key areas of interest for passengers and, in some cases, bus operators. These amendments were withdrawn following debate, but may be reintroduced at a subsequent stage of the Parliamentary process.
- 2.3 The Bill completed the House of Lords report stage on 12 October 2016, and the third reading is likely to follow shortly after the report stage. At the report stage the Government tabled amendments relating to the provision of audio-visual announcements on buses, an area of interest for the NECA in recent years. Any other key issues raised during these readings will be reported verbally to members.
- 2.4 While the Bill’s passage through Parliament has fallen behind the timescales originally set by the Department for Transport (DfT), civil servants remain of the view that the Bill will become an Act by March/April 2017, in readiness for mayoral combined authority elections during May 2017.

# **North East Combined Authority**

## **Transport North East Committee**

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- 2.5 The Act will also be accompanied by secondary legislation, enacted through regulations. Work on these regulations is being progressed by DfT officials and a consultation phase is planned for December 2016. The consultation is also likely to consider a draft of the Statutory Guidance that will accompany the Act and its regulations.
- 2.6 Nexus continues to engage with DfT on key aspects of the Bill, its regulations and its statutory guidance. This engagement will continue, both directly and via the Urban Transport Group (UTG), during the planned consultation and consideration by the House of Commons.
- 2.7 The Bus Services Bill was scrutinised by the House of Commons Transport Committee in late August 2016. The Committee, chaired by Louise Ellman MP, received written and verbal representations from stakeholders in the bus industry – including UTG, bus operators and Nexus. The Committee focussed on some important aspects of the Bill, including the provision of bus franchising powers to non-mayoral combined authorities and the Bill's proposal to prevent local transport authorities from setting up new municipal bus operations. During the verbal hearing representatives from the major bus operators made a number of incorrect statements about Nexus' QCS proposals. As a result UTG and Nexus submitted to the Committee a number of written clarifications. The Committee's report is awaited.

### **3 Bus Services Bill –NECA Area Implications**

- 3.1 The Bus Services Bill may influence the provision of bus services in the North East. In March 2016 this committee instructed officers to commence consideration of options to deliver bus strategies in the North East, as set out in paragraph 1.2. Bus franchising is one of the options presented by the Bus Services Bill.
- 3.2 The Bus Services Bill as currently drafted states that local authorities must seek approval from the Secretary of State before preparing a detailed appraisal of bus franchising – only mayoral combined authorities are exempted from seeking this approval.
- 3.3 As NECA has decided not to proceed with an elected mayoral model at this point in time, progressing with a detailed appraisal prior to receiving approval from the Secretary of State is not recommended. Any work on the business case for bus franchising should only commence once the Bus Services Bill

# North East Combined Authority

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becomes an Act and guidance is published about the detailed considerations the Secretary of State will take into account when considering approval.

- 3.4 A NECA-wide bus strategy 'scoping study' is nearing completion and will be presented to this Committee in due course. The scoping study will update knowledge about the current bus system's performance, and highlight the challenges faced – which include declining bus network and patronage, problems with bus punctuality, increasing fares and a lack of integration between modes in some places. It also reviews options to meet these challenges, including options in the Bus Services Bill.
- 3.5 Noting timescales for completion of the Bus Services Bill, officers consider it prudent to now start preparing a NECA-wide bus strategy as a 'daughter document' to the forthcoming Transport Plan. The strategy will build on the work undertaken for the scoping study, and should set out aims and objectives against which bus franchising, bus partnerships and other options could be appraised.
- 3.6 When the Bus Services Bill legislation has been passed and accompanying guidance introduced, a preferred course of action could be selected. Should a bus franchise be the preferred option at that time, the NECA can consider writing to the Secretary of State to seek his approval to develop a business case.
- 3.7 In the event that an evolved mayoral devolution deal is developed, or the Government drops the proposed legislative requirement that only an elected mayor has automatic powers to consider bus franchising, a franchising business case could be accelerated.

## 4 Next Steps

- 4.1 Members are asked to endorse the development of a NECA-wide bus strategy, building on the work of the scoping study, the existing transport policy context and the emerging NECA Transport Plan. It is envisaged that a draft strategy will be prepared for consultation in the New Year. The final strategy will be presented to this Committee for consideration later in 2017. At that time, the Committee may also wish to consider the appropriate next steps to delivering the strategy.
- 4.2 Consultation on the strategy will involve key stakeholders and the travelling public. Stakeholder engagement will make use of existing meeting



# North East Combined Authority

## Transport North East Committee

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arrangements where possible. It is currently envisaged that an online public consultation will be conducted.

- 4.3 The development of this strategy can be completed using existing officer resources within the NECA's local transport authorities. There may be some additional costs associated with consultation events, which will be met from existing budgets.
- 4.4 Concurrently, it is sensible to explore what partnership options may be available through discussions with the bus operators. Discussions between bus operators and NECA officers have been conducted over the summer. The Head of Transport at Durham County Council has offered to lead partnership discussions from the NECA side, with support from Nexus and Northumberland officers. Should a need for independent advice arise from these discussions, this Committee will be advised of funding arrangements.
- 4.5 Nexus will continue to work in conjunction with Northumberland and Durham to review the Bus Services Bill and engage with the Government to ensure that the needs of the North East are reflected wherever possible. Nexus will lobby to ensure that the Bill continues to provide a practical and robust way to introduce bus franchising and bus partnerships. Briefing materials for the North East's Members of Parliament will be prepared.
- 4.6 At its meeting in July 2016, this Committee noted its opposition to the Bus Services Bill's proposal to prevent local transport authorities from setting up a new municipal bus operating company, or acquiring an existing business to create a municipal operator. Nexus and UTG will continue to make the case for this clause to be removed as the Bill passes through Parliament.

## **5 Potential Impact on Objectives**

- 5.1 The Bus Services Bill potentially offers new options to achieve the NECA's bus strategies and wider transport objectives.

## **6 Finance and Other Resources**

- 6.1 The options made possible by the Bus Services Bill will have financial implications, should they be implemented by the NECA. These costs relate to the development of a business case and the implementation of a preferred option. The scale of these costs will be assessed prior to the commencement of detailed work.

# North East Combined Authority

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- 6.2 There are no direct financial implications associated with this paper as the work required to prepare a new NECA Bus Strategy can be met from existing resources across the NECA's local transport authorities.

### **7 Legal**

- 7.1 The Bus Services Bill, if it becomes law, is the legal basis for options that might be considered for implementation in the NECA area.

### **8 Other Considerations**

#### **8.1 Consultation/Community Engagement**

Should the Combined Authority decide to proceed with a Bus Franchising Scheme, an Advanced Quality Partnership or an Enhanced Partnership Scheme, appropriate consultation would need to be conducted.

#### **8.2 Human Rights**

The Government has stated that the Bus Services Bill is compatible with the European Convention on Human Rights.

#### **8.3 Equalities and Diversity**

Should an option made available in the Bus Services Bill be adopted to deliver bus strategies in the NECA area, an objective of those strategies is to broaden transport choices for people living and working in the NECA area.

#### **8.4 Risk Management**

As a preferred option for delivering the NECA's bus strategies emerges, detailed work will be undertaken to identify, understand and evaluate delivery risks. The Bus Services Bill requires that any analysis of a bus franchising scheme must be independently audited by a qualified auditor.

#### **8.5 Crime and Disorder**

There are no crime and disorder implications in this report.

#### **8.6 Environment and Sustainability**

Should an option made available in the Bus Services Bill be adopted to deliver bus strategies in the NECA area, an objective of those strategies is to improve the environment and encourage sustainable transport choices in the NECA area.

# **North East Combined Authority**

## **Transport North East Committee**

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### **9 Background Documents**

- 9.1 Leadership Board supplemental agenda pack for 24 March 2016 meeting.
- 9.2 TNEC report regarding Bus Services Bill, 15 July 2016.

### **10 Links to the Local Transport Plans**

- 10.1 The Bus Services Bill has the potential to provide an important new method to deliver key aspects of the NECA's Local Transport Plans.

### **11 Appendices**

- 11.1 None.

### **12 Contact Officers**

- 12.1 Mike Scott, Corporate Manager, Bus Services, Nexus  
E-mail: [mike.scott@nexus.org.uk](mailto:mike.scott@nexus.org.uk)  
Tel: 0191 203 3512

### **13 Sign off**

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

### **14 Glossary**

DfT – Department for Transport  
UTG – Urban Transport Group

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## North East Combined Authority

### Transport North East Committee

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**Date:** 3 November 2016

**Subject:** Metro Futures Programme Update

**Report of:** Managing Director (Transport Operations)

#### Executive Summary

The purpose of this report is to update the Committee on progress and status of the Metro Futures Programme which consists of three main projects; the introduction of a new fleet of Metrocars, securing funding for Essential Renewals (ARP Phase 3) and Metro network extensions and enhancements.

#### Recommendations

The Committee is recommended to note the contents of the report.

# **North East Combined Authority**

## **Transport North East Committee**

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### **1 Background Information**

- 1.1 Nexus is seeking a significant investment in the Tyne and Wear Metro system, allowing it to replace its life-expired rolling stock, and to continue its programme of major infrastructure renewal. In pursuit of this, two outline business cases were developed and submitted to the DfT in July 2016 (one for the replacement of the Metro rolling stock and one for the continuation of investment in essential renewals work).
- 1.2 The current Metrocars were constructed in the late 1970s, and have served their purpose well. However despite undergoing two significant refurbishments, the fleet is coming to the end of its design life, with many components effectively life-expired, contributing to a very unstable operating environment, with Metrocar failures leading to delays and trains being withdrawn from service.
- 1.3 In addition there is a need to continue the programme of essential asset renewal beyond the time horizon of the current funding programme i.e. from 2021/22 onwards for at least another fifteen years. This will need to be supplemented by ongoing revenue support required to meet Metro's operational subsidy.
- 1.4 In addition to the above projects the Metro Futures programme is also concerned with the development of a business case to consider Metro network extensions and enhancements. In order to develop this business case a bid has been submitted to the Large Local Transport Schemes fund to enable Nexus to commence work. An announcement will be made as part of the Chancellor's autumn statement on whether or not this bid has been successful.

### **2 Metrocar Fleet and Associated Infrastructure**

- 2.1 The Outline Business Case submitted to DfT in July 2016 highlighted an investment need of an estimated £536.7m to replace the fleet, upgrade associated infrastructure and provide a new or refurbished maintenance depot. This proposal has an initial adjusted benefit-to-cost ratio (BCR) of 2.22, which is considered to represent high value for money.
- 2.2 Work is well underway on developing a specification for the new fleet. Key features of the new fleet specification include regenerative braking which will reduce operational costs and improve Metro's environmental credentials, and dual voltage which allows operations under 25kV overhead line (the voltage inherent to Network Rail infrastructure).

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- 2.3 Consultation with Metro's passengers is a very important aspect in designing the new fleet. Nexus is working with Newcastle University's 'Open Lab' to carry out a series of innovative events at which the public will be challenged to help determine the interior design of future Metrocars.
- 2.4 In addition, Nexus has commissioned the independent industry consumer champion Transport Focus to conduct an in-depth survey of customer preferences, and along with the 'Open Lab' research this will be supplemented by a more traditional survey conducted by Nexus's own research teams.
- 2.5 Nexus has informally engaged with the rolling stock supply market with the dual aim of introducing the market to Nexus' investment needs and the upcoming procurement process, and of Nexus increasing its understanding of recent rolling stock procurements across the world. Most recently a range of parties involved in rolling stock construction, maintenance, operation and financing have been invited to provide written comments to help inform Nexus' development of options for the scope of contractual arrangements.

### **3 Essential Renewals**

- 3.1 The Outline Business Case for Essential Renewals submitted to DfT in July 2016 highlighted an investment need of an estimated £518.5m following on from Nexus current Asset Renewal Plan and continuing this planned infrastructure investment through to 2035 in order to avoid the Metro infrastructure falling back into a state of disrepair, thereby undoing all of the benefits of the investment made between 2010 and 2021. This proposal has an initial adjusted benefit-to-cost ratio (BCR) on this investment of 6.09, which is considered to represent very high value for money
- 3.2 Without this long term funding commitment, Nexus would not be able to undertake such major works and would not be able to take an holistic and long term approach to the maintenance and renewal of Metro's asset base. The consequence of not having a continuation of the current approach to investment would be to revert back to a sub-optimal set of asset management approaches.

### **4 Estimated Costs and Funding**

- 4.1 The current ratio of farebox to government grant (around £55.7 million per annum in total) is around 49:51. This covers the entire cost of the railway including infrastructure maintenance and renewal as well as train operations.

# **North East Combined Authority**

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- 4.2 Investment in new Metrocars and associated infrastructure will be significant. The capital cost is estimated at £536.7m. For essential renewals, the investment need is £518.5m over the fifteen years commencing 2021.
- 4.3 Nexus commissioned financial advisers Grant Thornton to undertake a review of appropriate options to fund this investment. Both the quantitative and qualitative analysis undertaken revealed that outright purchase of the new train fleet was more appropriate and affordable than leasing trains.
- 4.4 Nexus is currently working with the Department for Transport (DfT) and HM Treasury (HMT) to develop an understanding of the government's stance on the form, availability and timing of future grant funding. Unless the acquisition of a new fleet can be funded in its entirety from capital grant, or financing costs comprising loan principal and interest payments can be fully funded from on-going revenue grant, there will be an additional, on-going cost that is not currently a feature of Metro's operational budget.
- 4.5 The extent to which existing funding proves insufficient will be the focus of the 'ask' both from government and locally where potential savings could arise from lower energy usage, more efficient fleet utilisation and lower maintenance costs, as well as additional fare revenue as a consequence of offering a more modern and reliable service.
- 4.6 The DfT is expected to formally consider the business case for government investment in the Metro fleet early in 2017. Following this, any investment decision will require both ministerial and Treasury approval.
- 4.7 In advance of this, DfT is planning to undertake an OGC Gateway Review with Nexus in November and December 2016 in order to provide assurance to the Department in the form of a report on all aspects of the business case.

## **5 Next Steps**

- 5.1 Nexus will continue to define the scope of the contract which will incorporate the manufacture and supply of the new fleet. Any final proposal regarding the scope of contractual arrangements will be taken to the Leadership Board for its approval before finalisation.
- 5.2 Nexus will continue its dialogue with DfT and HMT with the aim of securing approval of the Metrocar fleet Outline Business Case and funding arrangements in the first quarter of 2017.



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5.3 Subject to approval of the Outline Business Case and funding arrangements Nexus plans to commence the OJEU procurement of the new fleet in June 2017 with the aim of awarding a contract with a supplier towards the end of 2018. Following contract award an estimated two year contractor led design and manufacture process will commence with the aim of the first train in the new fleet entering service in 2021.

5.4 Subject to confirmation that the bid to the 'Large Local Major Transport Schemes fund' has been successful, Nexus will commence work to develop the business case for Metro network extensions and enhancements.

### **6 Potential Impact on Objectives**

6.1 The projects described in this report have a direct positive impact on the Metro and Local Rail Strategy objectives.

### **7 Finance and Other Resources**

7.1 Whilst significant financial support is sought from central government for this significant package of investment in the order of £1bn, at this point in time it is unclear how much the government is prepared to commit to.

7.2 It is likely that a local funding contribution will be required, and the extent to which this will be required is emerging and will be reported separately.

### **8 Legal**

8.1 There are no direct legal implications arising out of this report.

### **9 Other Considerations**

#### **9.1 Consultation/Community Engagement**

To inform the new fleet specification Nexus has commissioned Transport Focus and Open Lab to undertake independent market research to ensure the views of customers are captured on train interior design aspects.

Consultation with the rolling stock supply market has commenced and will continue to inform the specification and scope of the contract for the new fleet.

# **North East Combined Authority**

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### **9.2 Human Rights**

There are no human rights impacts of this report.

### **9.3 Equalities and Diversity**

The new fleet of Metrocars will be compliant with the Rail Vehicle Accessibility Regulations 2010(RVAR).

### **9.4 Risk Management**

There are significant risks associated with not progressing this work. Work undertaken by SNC Lavalin (formally Interfleet) suggested without significant investment the current fleet of Metrocars would be unable to operate the peak service by 2021, with declines in service provision thereafter. Additionally assessments undertaken by Nexus indicate that without investment in track and signalling, speed restrictions would need to be introduced in the early 2020s with partial closures of sections of Metro in the mid-2020s

The level of local match funding required to support these projects is currently unclear and may have implications on other Nexus/NECA budgets.

Management of risk for both projects will be in accordance with Nexus' established risk management processes. Nexus' corporate risk register is considered quarterly by the Tyne and Wear Sub-Committee.

### **9.5 Crime and Disorder**

Aspects such as CCTV and other safety interventions will be incorporated as appropriate into the Metrocar specification to assist in deterring crime and disorder on the Metro network.

### **9.6 Environment and Sustainability**

It is proposed that the new Metrocars will achieve greater energy efficiency by exploiting regenerative braking capabilities common on new fleets and the introduction of the new fleet will improve Metro's environmental credentials.

## **10 Background Documents**

The outline business cases referred to in this report can be found at [www.nexus.org.uk/businesscases](http://www.nexus.org.uk/businesscases)

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### 11 Links to the Local Transport Plans

These outline business cases reflect priorities set out in the Transport Manifesto and the Strategic Economic Plan.

### 12 Appendices

None

### 13 Contact Officers

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Tel: 0191 203 3248

### 14 Sign off

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

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## North East Combined Authority

### Transport North East Committee

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**Date:** 3 November 2016

**Subject:** Heavy Rail Update

**Report of:** Managing Director (Transport Operations)

#### **Executive Summary**

The purpose of this report is to bring members up to date with recent developments regarding heavy rail issues as they affect the North East.

#### **Recommendations**

It is recommended that the Committee note the contents of this report.

# **North East Combined Authority**

## **Transport North East Committee**

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### **1 Background Information**

- 1.1 In a time of change for local and regional rail networks and services, this report aims to keep members up to date with the various different elements that make up the Heavy Rail environment in the North East. The report covers the North East Rail Management Unit progress update, the Cross Country Franchise extension, progress on the East Coast Mainline and Northern Powerhouse Rail study and development work.

### **2 North East Rail Management Unit (NERMU)**

#### **Governance**

- 2.1 Members will recall that all 14 local transport authorities covering the North East rail geography (North East Combined Authority, Tees Valley Combined Authority, North Yorkshire (Esk Valley line) and Cumbria (Tyne Valley line)) have all gained political approval for the establishment of a North East Rail Management Unit as a subsidiary of Rail North Ltd. Under the governance arrangements Rail North Limited also formally endorsed the NERMU at its meeting on the 12<sup>th</sup> May 2016.
- 2.2 The political governance of the NERMU board has been established and held its first meeting on the 4<sup>th</sup> October 2016. The board is made up of representatives from the NECA (Cllr Nick Forbes), the Tees Valley Combined Authority (Cllr Bill Dixon), Cumbria County Council (Cllr Keith Little) and North Yorkshire County Council (Cllr Chris Metcalfe). At the first meeting the Board was asked to approve the 2016/17 business plan and Development plan and were given a presentation by Northern regarding their performance to date and outlines of planned investments.
- 2.3 Below the Board, a senior officer joint working arrangement has been established in the form of a Joint Transport Group covering NECA and TVCA geographies. The Group will meet on a quarterly basis to consider performance reports from the NERMU Officer Steering Group and take a longer term strategic look at both Franchise rail operations and future rail developments and wider regional transport planning covering cross boundary issues of common interest.
- 2.4 Nominated transport officers from each of the 14 local authorities meet on a monthly basis. One month has a focus on franchise performance and progress with committed obligations (North East Rail Performance Forum), the alternate month has a focus on wider rail improvement planning. The Officer Steering Group is lead and supported by the dedicated NERMU manager, under the guidance of the Head of Heavy Rail (Nexus / NECA), a representative from the NECA Regional Transport Group and a representative from the TVCA Strategic Transport Team. The bi monthly North East Rail Performance Forum will

# North East Combined Authority

## Transport North East Committee

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supplement the above membership with representatives from the train operating companies, officers of Rail North and a Network Rail operations representative.

- 2.5 Thus now the working and governance structures are established, over the next few months and years the onus is now on all those involved to work together to bring about tangible improvement to the short and medium term operation of the local and regional rail services.

### Operator Performance

- 2.6 The two most common industry metrics that measure rail operator performance are;

- a) Public Performance Measure (PPM) – the measure of train punctuality as the percentage number of trains arriving at their terminating stations within five minutes for commuter services and 10 minutes for long distance services.
- b) Cancellation and Significant Lateness (CaSL) – A train is counted as being a CaSL failure if it is cancelled at origin; cancelled on route; the originating station is changed; it fails to make a scheduled stop or it is significantly late.

- 2.7 In the first 5 months both Northern and TransPennine have performed well.

The Target for PPM for Northern is 92.65% which is currently being met over the whole Northern geography (92.6%) and exceeded on North East services (94.6%)

The Target for PPM for TPE is 90.80% is just falling short of the target across the whole business (89.8%), whereas on the North East services it is almost on target 90.5%

The Target for CaSL for Northern is 1.5% which is just falling short of the target across the north (1.8%) but again nearer to target in the North East (1.6%)

The Target for CaSL for TPE is 3.8% which is currently falling short of the target across the North 5% but again performing slightly better in the North East 4.3%

### Committed Obligations and Investment

- 2.8 Within the Franchise agreements the two TOCs have committed to introduce certain improvements which have a deadline within the agreement (e.g. new or refurbished rolling stock).

- 2.9 To date Northern have met their early obligations including:
- Deep clean of all vehicles including toilet wrapping;
  - The creation of a regional management structure, and the appointment of Regional Revenue Managers;

# North East Combined Authority

## Transport North East Committee

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- The establishment of the Northern Customer Promise, replacing what was previously the Customer Charter;
  - A new customer mobile app;
  - A new customer call centre based in Sheffield.
- 2.10 Other key obligations due by the end of the year include:
- A Station Investment plan (NERMU officers inputted into the draft)
  - A feasibility study on the Northern Connect Route (M'bro – Newcastle – Carlisle)
- 2.11 Similarly TPE have also completed their early obligations including:
- The introduction of a complimentary at-seat catering service to First Class passengers;
  - A “door to door” journey planning function on the website;
  - The employment of a Transport Integration Manager whose responsibilities include working with Rail North and local transport authorities to provide integrated journey information, create station travel plans and produce route maps;
  - The establishment of a Common Sense policy toward revenue protection, to standardise the approach towards passengers who have not deliberately evaded payment.
- 2.12 Following station asset surveys undertaken on behalf of Northern, officers of the NERMU are working closely with Northern as they develop their Station Investment Plans, as required under the Franchise Agreement. Across the whole Northern Franchise there is £22.6M to be spend upgrading facilities at stations (predominantly the smaller ones) controlled by Northern. The funding is split across four themes;
- Physical comfort; (e.g. seats and waiting areas)
  - customer information; (e.g. CIS)
  - customer safety ; (e.g. CCTV and Help points)
  - and customer retail choice (e.g. new digital Ticket Vending machines)
- 2.13 Within the North East the investment will include the following delivered over a four year period;
- 19 new passenger shelters
  - 21 new seating schemes
  - 9 Customer Information Screens and 2 Public Address systems
  - 13 Equalities Act induction loops
  - 22 new help points
  - 32 CCTV schemes
  - 62 new Ticket Vending Machines (TVMs)



# **North East Combined Authority**

## **Transport North East Committee**

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### **3 Cross Country Franchise Extension**

- 3.1 The DfT has recently announced an extension of the Cross Country franchise up until October 2019. This extension has been awarded through a direct negotiation and not through an open competition.
- 3.2 The headlines as they affect the North East are the inclusion of additional stops at Morpeth and £20M investment to improve and modernise the trains.
- 3.3 At the time of writing the detailed service information was not available regarding the stopping pattern at Morpeth.

### **4 Northern Powerhouse Rail**

- 4.1 Sequence Two (early feasibility work) is continuing via Network Rail and HS2 teams across the North's 7 routes (city pairs) and 7 destination stations, with Network Rail reporting it's outcomes at the end of September. These were due to be reported to the TfN Executive Board in October.
- 4.2 Consultants have been appointed by TfN to assist with the prioritisation of options for routes and stations. Stakeholder meetings are to take place during October to run through the assessment criteria and provide information to the consultants to assist the process. It is proposed to present the findings to the TfN Executive board in December
- 4.3 This work is not to determine the prioritisation between corridors but to narrow down the options within each of the corridor to develop the business case for a 'preferred option. A TfN presentation to this committee is expected to provide more details.

### **Leeds to Newcastle Corridor**

- 4.4 Currently three broad options are being looked at for the Newcastle – Leeds corridor
  - New Direct route
  - Upgraded existing route
  - Use HS2 out of Leeds and then Upgraded existing route

### **Newcastle Station**

- 4.5 Currently two broad options are being looked at. Both look to significantly increase platform capacity and cater for predicted increases in pedestrian flows.
  - Underground pedestrian access between platforms
  - Widened / new overbridges between platforms

# **North East Combined Authority**

## **Transport North East Committee**

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### **5 Network Rail Long Term Planning Process**

- 5.1 Coincidentally running along similar timeframes Network Rail are pursuing the East Coast Mainline Route Study (London to the Scottish Border). The primary purpose of this study is to consider the expected impact of growth on the route up to 2023 and 2043 and work up options to mitigate or facilitate the growth. There are obvious overlaps and parallels with the TfN Northern Powerhouse workstream. The periodic route reviews are timed to help provide options for enhancements to be considered as part of the government's funding considerations through the rail industry investment programmes (to date these have been known as control periods, with the next control period being CP6 2019 – 2024). Under the current review of Network Rail operations the control period process is being examined to see if better long term investment approaches would be beneficial.
- 5.2 The draft Study is due to be out for consultation towards the end of 2016, a future paper will be brought to this committee for consideration in due course. It will be important that any infrastructure enhancements coming forward for consideration for the section north of York are complementary to any options being considered for NPR, indeed the case should be made for a joint funding and delivery programme to be developed.

### **6 Next Steps**

- 6.1 NECA officers will continue to work with Transport for the North, Rail North and Network Rail to make the strongest possible case to central government for incremental and transformational investment in the region's rail network. NECA officers will also work with the current franchise operators to secure and maintain improved services in line with the terms of the Franchise agreements.

### **7 Potential Impact on Objectives**

- 7.1 Securing improved rail services to, from and within the region as well as progress on delivery of Transport for the North / Rail North's strategic objectives will assist the Combined Authority in delivering its objective to maximise the area's opportunities and potential.

### **8 Finance and Other Resources**

- 8.1 There are no direct financial implications arising from this report.
- 8.2 The work highlighted in this report is aimed at providing the evidence to influence leverage of significant investment in rail infrastructure to contribute towards transformational economic growth.

### **9 Legal**

- 9.1 There are no legal implications arising directly from this report.
- 9.2 The move towards formal governance of Transport for the North and consideration of future rail devolution powers will be the subject of future reports that will detail the legal implications.

### **10 Other Considerations**

#### **10.1 Consultation/Community Engagement**

There are no specific consultation/community engagement implications arising from this report. Future consultation and engagement will be required as options emerge from the various workstreams highlighted in this report.

#### **10.2 Human Rights**

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

#### **10.3 Equalities and Diversity**

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

#### **10.4 Risk Management**

There are no specific risk management implications arising from this report. However risk will be a consideration in option development leading from the workstreams highlighted in this report.

#### **10.5 Crime and Disorder**

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

#### **10.6 Environment and Sustainability**

Success in improving the region's rail network and encouraging modal shift from car or air to rail will assist the Combined Authority in achieving a more sustainable transport system for the region.

# North East Combined Authority

## Transport North East Committee

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### **11 Background Documents**

11.1 None

### **12 Links to the Local Transport Plans**

12.1 The outcomes of the workstreams highlighted in this report will form key components of the improvements and interventions aimed to deliver the rail outcomes in the emerging Transport Plan for the North East.

### **11 Appendices**

11.1 None

### **12 Contact Officers**

12.1 Tobyn Hughes, Managing Director (Transport Operations)  
[Tobyn.hughes@nexus.org.uk](mailto:Tobyn.hughes@nexus.org.uk) 0191 203 3203

### **13 Sign off**

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

## **North East Combined Authority**

### **Transport North East Committee**

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**Date:** 3 November 2016

**Subject:** North East Combined Authority – Devolution Update

**Report of:** Head of Paid Service

#### **Executive Summary**

The purpose of this report is to provide the Transport North East Committee with the current position in relation to the devolution agreement.

#### **Recommendations**

It is recommended that the Transport North East Committee discusses the update on the devolution agreement for NECA.

# **North East Combined Authority**

## **Transport North East Committee**

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### **1 Background Information**

- 1.1 On 23rd October 2015 the NECA Leadership Board signed a proposed Devolution Agreement with the Chancellor of the Exchequer and Commercial Secretary setting out the proposed transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from Central Government to NECA. The proposed Agreement also paved the way for further devolution in the future and for the reform of public services including health and social care.
- 1.2 Since the proposed Agreement was signed in 2015 there have been continuing discussions with Government on detailed implementation of a devolution deal.
- 1.3 This report provides the current position and the attached appendices include information on the assurances received from Government (see Appendix 1 Leadership Board report 6th September for further detail).
- 1.4 On 17th May the North East Combined Authority (NECA) Leadership Board endorsed the proposed Devolution Agreement and agreed to the establishment of the North East Combined Authority as a Mayoral Combined Authority.
- 1.5 On the 4th July the Leadership Board received a report summarising the review undertaken into the functions exercised by NECA and its governance arrangements and how additional powers and functions given to NECA would be likely to improve the exercise of statutory functions in the NECA area.
- 1.6 At the Leadership Board meeting on the 4th July it was agreed that NECA would write to Government and request assurances that the terms of the Devolution Agreement of October 2015 would be fully committed to; and that upon the receipt and consideration of those assurances the Leadership Board would further consider approving the scheme prior to agreeing its publication. A letter was sent to Government on the 7th July and a response was received on the 13th July.
- 1.7 On the 19th July the Leadership Board received a report setting out the feedback that had been received, by that point in time, from the Rt Hon Greg Clark MP, Secretary of State confirming the Government's commitment to the North East Devolution Agreement. In regards to the potential impact on EU funds, the letter received on the 13th July recognised the concerns of the North East and stated that work was ongoing to ensure that the implication for local economies and the role of EU funds is fully considered and that an update on future funding would be provided in due course. Recognising the heightened importance of devolved funding and powers to the North East as a result of the

# **North East Combined Authority**

## **Transport North East Committee**

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EU referendum the Leadership Board decided to seek further assurances from Government.

- 1.8 On the 6th September after reviewing the additional assurances received from Government (see appendix 1), the Leadership Board decided not to publish and consult on the Governance Review and Scheme. The Leadership Board reiterated their support for the principle of devolution however were not able to reach a majority decision to proceed with the deal and launch the consultation. Subsequently, on the 8th September the Government announced that the deal had been withdrawn and the implementation work being conducted by central government had come to an end.

### **2 Next Steps**

- 2.1 Although current devolution talks have been brought to an end at this time, NECA's work in a number of areas will continue, including the work of the Health and Social Care Commission and projects relating to transport, employability and inclusion and economic development and regeneration.

### **3 Potential Impact on Objectives**

- 3.1 The proposed agreement provided for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East in order to deliver the funding and responsibilities that are required to accelerate the area's economic growth. These powers will now not be transferred to NECA.

### **4 Finance and Other Resources**

- 4.1 The Devolution Agreement set out the transfer of additional resources from 2016/17 onwards to the NECA area. These resources will now not be transferred to NECA.
- 4.2 On 18<sup>th</sup> May the Leadership Board agreed a five year allocation of Highway Capital Maintenance budgets for the seven constituent authorities. This funding certainty, with incentive funding at the highest level, was one of the benefits of the devolution agreement. These allocations will now be subject to annual approval of capital funding from Government.

# **North East Combined Authority**

## **Transport North East Committee**

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### **5 Legal**

- 5.1 There are no specific issues arising directly from this report.

### **6 Other Considerations**

#### **6.1 Consultation/Community Engagement**

There are no specific issues arising directly from this report.

#### **6.2 Human Rights**

There are no specific issues arising directly from this report.

#### **6.3 Equalities and Diversity**

There are no specific issues arising directly from this report.

#### **6.4 Risk Management**

The risks associated with devolved powers and funding streams will be assessed and reported to the Leadership Board as necessary.

#### **6.5 Crime and Disorder**

There are no specific issues arising directly from this report.

#### **6.6 Environment and Sustainability**

There are no specific issues arising directly from this report.

### **7 Background Documents**

- (i) North East Combined Authority – The Devolution Agreement 17th May 2016
- (ii) The Governance Review and Scheme for the proposed Mayoral Combined Authority 21st June 2016

### **8 Links to the Local Transport Plans**

- 8.1 This report will support delivery of each of the Combined Authority themes and “More and Better Jobs”, A Strategic Economic Plan for the North East.



# **North East Combined Authority**

## **Transport North East Committee**

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### **9 Appendices**

1. Report to the Leadership Board – 6th September 2016

### **10 Contact Officers**

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### **12 Sign off**

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

# **North East Combined Authority**

## **Transport North East Committee**

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### **Appendix 1**

## **Leadership Board**

**DATE:** 6<sup>th</sup> September 2016

**SUBJECT:** Devolution Update

**REPORT OF:** Head of Paid Service

### **EXECUTIVE SUMMARY**

The purpose of this report is to update the Leadership Board on the assurances sought from Government following the Leadership Board meeting on the 19<sup>th</sup> July 2016.

### **RECOMMENDATIONS**

The Leadership Board is recommended to:

- (1) Note the contents of the report;
- (2) Publish and consult on the Governance Review and Scheme pursuant to section 112 of the Local Democracy, Economic Development and Construction Act 2009 in accordance with the previously agreed arrangements for consultation; and
- (3) Authorise the Head of Paid Service in consultation with the Chair of the Leadership Board, the Monitoring Officer and the Chief finance Officer to make minor amendments to the Scheme as a result of responses received to the consultation undertaken should such amendments be required and report such amendments to the Leadership Board at the next available opportunity.

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### **1 Background information**

- 1.1 On the 17<sup>th</sup> May the North East Combined Authority (NECA) Leadership Board endorsed the proposed Devolution Agreement and agreed to the establishment of the North East Combined Authority as a Mayoral Combined Authority.
- 1.2 On the 4<sup>th</sup> July the Leadership Board received a report summarising the review undertaken into the functions exercised by NECA and its governance arrangements and how additional powers and functions given to NECA would be likely to improve the exercise of statutory functions in the NECA area.
- 1.3 At the Leadership Board meeting on the 4<sup>th</sup> July it was agreed that NECA would seek assurances from Government that the terms of the Devolution Agreement of October 2015 would be fully committed to prior publication of the Scheme for consultation. Particular concerns have emerged regarding commitment to funding for the North East and any ongoing requirement for an elected Mayor for the Combined Authority. .
- 1.4 Since that time correspondence from Government has been received on 13 July, 22 July and 15 August and a meeting has been held with the Secretary of State for Communities and Local Government, the Rt. Hon. Sajid Javid MP on 23 August 2016.

### **2 Assurances sought and feedback from Government**

- 2.1 NECA have continued to seek clarity that the value of resources identified for the area through the European Structural and Investment Funds (ESIF) programme 2014-2020 will be guaranteed for the programme period and that this level of investment will be sustained beyond 2020, for as long as needed. Following the appointment of a new Prime Minister and consequent changes to Cabinet portfolios, the Leadership Board also requested a clear position from senior politicians on devolution and further assurances that the terms of the North East Devolution Agreement are as previously agreed. Finally, the Leadership Board also sought confirmation that the adoption of a Directly Elected Mayoral style of Governance remained a prerequisite for implementation of the Devolution Agreement.
- 2.2 The letter received on the 15<sup>th</sup> August from the Secretary of State for Communities and Local Government confirms the requirement for an elected Mayor as a prerequisite for progression with the Devolution Deal. In addition it was confirmed that Government will ensure full funding is available for ESIF projects agreed before the Autumn Statement. In relation to projects signed after that time and while the UK remains a member of the EU the letter confirmed that further arrangements are to be put in place regarding funding

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and expressed a commitment to work with NECA on this moving forward. The letter appended a letter from HM Treasury (annexed) which addresses the need to look at the future of all EU funded programmes once the UK has left the EU and how decisions will be taken to deliver the policy objectives previously targeted by EU funding and commits Government to consult closely with stakeholders on this matter.

- 2.3 Subsequently representative members of the Leadership Board met with the Secretary of State for Communities and Local Government on 23<sup>rd</sup> August in London to express ongoing concerns regarding Government commitment to future funding and the apparently conflicting reports regarding a requirement for an elected Mayor where Devolution of powers and responsibilities to Combined Authorities is proposed.
- 2.4 During the course of the meeting the Secretary of State confirmed the position in relation to future funding as set out in the letter of 15 August, that the Government supported devolution and devolution of powers to NECA, that implementation of the current Devolution Agreement was a stepping stone to the further devolution of powers and responsibilities and was unequivocal that an elected Mayor was required for the Devolution Agreement to progress.

### **3 Next Steps**

- 3.1 Following the assurances received from Government the Leadership Board are recommended to publish the Governance Review and Scheme agreed on the 19<sup>th</sup> July and forward it to the Department for Communities and Local Government. The Scheme will also be subject to extensive public consultation for a period of 6 weeks. A summary of the consultation responses will be forwarded to the Department for Communities and Local Government at the conclusion of the consultation exercise.

### **4 Potential Impact on Objectives**

- 4.1 If the Leadership Board endorses the findings of the Governance Review and approves the Scheme, the Leadership Board will have started the process of devolving powers from central government to the North East of England and for those powers to be exercised by those democratically elected by the people of the North East. This will have a positive impact on the objectives of NECA.

### **5 Finance and Other Resources**

- 5.1 The financial implications of the devolution deal itself were set out in the previous report on the Devolution Agreement agreed by the Leadership Board at its meeting on 17<sup>th</sup> May 2016.

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- 5.2 The estimated additional costs of the consultation process relate mainly to the cost of printed materials and is estimated to be up to £3,000. This and the cost of the use of existing officer time will be met from within the NECA Devolution budget.

### **6 Legal**

- 6.1 As part of NECA's Devolution Agreement, additional powers and responsibilities are to be conferred on NECA by central government.

As part of that process, a Governance Review must be undertaken under Section 111 of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act") to review how NECA currently exercises its powers and to ascertain if there can be an improvement in this regard by having the further powers conferred on it as set out in the Devolution Agreement. The conclusion of the Governance Review is that the exercise of the power by the Secretary of State to make an Order conferring powers on NECA would indeed be likely to improve the exercise of the statutory functions in the combined area.

The 2009 Act is enabling legislation and any powers conferred on a Combined Authority under the Act can only be achieved by way of Order. Such Orders can only be made with the consent of the Constituent Authorities and the Leadership Board.

The Secretary of State may make Orders under section 105 (exercise of local authority functions) or section 105A (other public authority functions – "public authority" includes Minister of the Crown or government department) of the 2009 Act conferring those powers to NECA. It is proposed that any powers conferred on NECA under such Orders will be exercisable by NECA concurrently with the public authority or local authority as appropriate. Such Order could not be made unless the consent of the Leadership Board and each Constituent Authority is given to such an Order. In relation to an Order made under section 105A the Secretary of State has to inform Parliament in a report of the consultation that he has taken into account when considering the appropriateness of making the Order. It is therefore essential that public consultation take place and the Secretary of State is made fully aware of the process of consultation undertaken.

Sections 114 and 116 of the 2009 Act enable the Secretary of State when making the Order to make incidental or consequential amendments to legislation to give the Order full effect or to amend, repeal or revoke provisions contained in an enactment to ensure that an Order is effective.

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There is a duty placed on the Secretary of State under section 106 of the 2009 Act to make an Order removing an authority that does not consent to the creation of a Mayoral Combined Authority from NECA where NECA and at least 2 Constituent Authorities do consent. In doing so, the Secretary of State must as part of that Order designate the non-consenting Authority a Local Transport Area for the purposes of the Transport Act 2000. Such legislative changes as are necessary will be included in the Order excluding the non-consenting Authority.

The Order establishing NECA in 2014 will be amended to reflect changes to the governance arrangements. The proposed changes are set out in the Scheme including the proposed change to the name of the Authority from the Durham, Gateshead, Newcastle-upon-Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority to the North East Combined Authority.

In terms of decision-making the express preference of the Leadership Board is to take decisions on a consensus basis. However in the absence of consensus a decision to approve the Governance Review and Scheme and to proceed with consultation requires the support of the voting Members of the Leadership Board on a simple majority basis.

## **7 Other Considerations**

### **7.1 Consultation/Community Engagement**

The details of the approach to consultation were agreed at the meeting of the Leadership Board on 21 June 2016.

### **7.2 Human Rights**

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

### **7.3 Equalities and Diversity**

There are no equalities and diversity implications in relation to this report.

To ensure compliance with the public sector equality duty in the Equality Act 2010, the Governance Review and Scheme have identified a need for NECA to become a 'public body' for the purposes of the Equality Act 2010. This will place a duty on NECA and the Mayor when exercising the functions set out in the Scheme must do so having regard to the public sector equality duty.

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### **7.4 Risk Management**

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

### **7.5 Crime and Disorder**

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

### **7.6 Environment and Sustainability**

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

## **8 Background Documents**

- The NECA Devolution Agreement
- Letter received from Secretary of State for Communities and Local government, dated 13<sup>th</sup> July 2016

## **9 Links to the Local Transport Plans**

9.1 There are no immediate implications in relation to the Local Transport Plans.

## **10 Appendices**

Appendix 1 - Report for Leadership Board dated 4<sup>th</sup> July 2016

Appendix 2 – Report for Leadership Board dated 19<sup>th</sup> July 2016

Appendix 3 – HMT Treasury Letter to Department for Exiting the European Union dated 12<sup>th</sup> August 2016

## **11 Contact Officers**

11.1 Patrick Melia, Head of Paid Service

E-mail: [patrick.melia@northtyneside.gov.uk](mailto:patrick.melia@northtyneside.gov.uk)

## **12 Sign off**

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

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