



Tyne and Wear Integrated Transport Authority - Metro Sub Committee

Meeting to be held on Thursday 7 November 2013 at 10.30 am in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

Membership: Curran, M Green, S Green, Hobson, Hodson, Lott, Stone and D Wood (Chair)

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This agenda is available at www.twita.gov.uk

AGENDA

	Page
1. Apologies for absence	
2. Declarations of Interest of Members or Officers in any matter to be discussed at the meeting	
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. Metro Customer Satisfaction Survey Results - May 2013	7 - 18
5. 2013/14 Metro ARP and Major Projects Capital Programme - Second Quarterly Review	19 - 34
6. Affordability of Eleven Year ARP Programme	35 - 40
7. Quarterly Performance Data - Quarter 2 2013/14 - Metro Operating Concession	41 - 46
8. Metro Operational Performance	47 - 54
9. Smart Ticketing 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.

10. Date and Time of the Next Meeting

Thursday, 6 February 2014 at 10.30am.

11. Exclusion of Press and Public

Exclusion of Press and Public under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.

12. Confidential Minutes of the Previous Meeting 55 - 56**13. Quarterly Performance Data - Quarters 1 and 2 2013/14 - Metro Farebox Income 57 - 60**



Tyne and Wear Integrated Transport Authority - Metro Sub Committee

11 July 2013
(9.00 - 10.40 am)

Present:

Councillor: D Wood (Chair)

Councillors: Curran, M Green, S Green, Hobson, Hodson, Lott and Stone

In attendance:

T Hughes - Deputy Director General and Director of Customer Services, Nexus
K Mackay - Director of Rail and Infrastructure, Nexus
R Johnstone - Director Designate of Rail and Infrastructure, Nexus
R McClean - Deutsche Bahn Tyne and Wear Ltd (DBTW)
V Miller - Democratic Services, Newcastle City Council

91. **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

92. **DECLARATIONS OF INTEREST OF MEMBERS OR OFFICERS IN ANY MATTER TO BE DISCUSSED AT THE MEETING**

Councillors S Green and Lott declared a personal interest due to holding the Pop card.

93. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 21 February 2013 subject to the amendment of the last sentence of the first bullet point in Minute 85 to read "Nexus continued to work with Churchill to ensure that the company complied with their contractual obligations *to DBTW*" were approved as a correct record and signed by the Chair.

Matters Arising

(a) Quarterly Performance Data – Quarter 3 2012/13 – Metro Operating Concession

(Minute 85 refers)

In response to a member's comment about the possibility that the RMT Union was preparing a further strike, R McClean explained that, although DBTW had been working to encourage both sides to engage and reach a satisfactory resolution, further strikes were likely. It was noted that the strikes would not impact on Churchill's obligation to clean the Metro system; it was expected that the cleaning would be undertaken as required. It was also noted that the Authority had received legal advice on this. The advice was that the Authority could not intervene in this matter.

In relation to the promotional arrangement with the Theatre Royal, a member asked if information was available on the number of tickets issued and also on the number of passengers who had used the theatre tickets. T Hughes provided an explanation indicating that a short survey that had been undertaken to check the effectiveness of the campaign had shown that people had been using the offer. T Hughes reiterated that, importantly, the campaign had been designed to encourage people to use Metro, especially when they were likely to use cars. Nexus believed that this was a good scheme and it was supported by the established relationships between Nexus and the Theatre Royal. Currently, there were no plans to extend the campaign to incorporate other venues. Further information on the survey and its results would be provided to members at a future date.

94. METRO ASSET RENEWAL PLAN AND MAJOR PROJECTS CAPITAL PROGRAMME - 2012/13 OUTTURN

Submitted: A joint report of the Director of Finance and Resources and Director of Rail and Infrastructure, Nexus (previously circulated and copy attached to Official Meeting).

Members considered the report which advised them of the 2012/13 outturn for the Metro Asset Renewal Plan (ARP) and Major Projects capital programme. The report was introduced by K Mackay.

RESOLVED – That:

- (i) the budget changes identified during the fourth quarter, as outlined in paragraph 2 of the report, be noted; and
- (ii) the provisional outturn for the 2012/13 Capital Programme, as detailed in Appendix A, be noted.

95. 2013/14 METRO ASSET RENEWAL PLAN AND MAJOR PROJECTS CAPITAL PROGRAMME - FIRST QUARTERLY REVIEW

Submitted: A joint report of the Director of Finance and Resources and Director of Rail and Infrastructure, Nexus (previously circulated and copy attached to Official Meeting).

Members considered the report which provided information on the overall performance of the 2013/14 Metro and Major Projects Capital Programme, including its delivery to the end of the first quarter, ending 22 June 2013. The report was introduced by K Mackay.

During the ensuing discussion, a member suggested that consideration should be given to contracting local companies where possible.

RESOLVED – That:

- (i) the budget changes identified during the first quarter of 2013/14, as in paragraph 2 of the report, be noted; and
- (ii) the position with regard to the 2013/14 Capital Programme at the end of the first quarter, as in Appendices A and B, be noted.

96. **AFFORDABILITY OF ELEVEN YEAR ASSET RENEWAL PLAN PROGRAMME**

Submitted: A joint report of the Director of Finance and Resources and Director of Rail and Infrastructure, Nexus (previously circulated and copy attached to Official Meeting).

Members considered the report which provided an update on the affordability of the eleven year Asset Renewal Plan programme, having regard to the position at the end of the first three years of delivery together with the emerging strategy for the remainder of the programme. The report was introduced by K Mackay.

During the ensuing discussion, a member welcomed the commitment to bring Metro stations to a common level of accessibility, safety and passenger information, despite the scaling down of the level of future works to stations due to the level of available funding.

RESOLVED – That the contents of the proposed eleven year programme be noted, including the need to develop this in line with £389million of available funding which would lead to the identification of reserve projects which would be committed to wherever funding opportunities presented themselves.

97. **CONTROL OF LINE AND KEY FACILITIES CLOSURE PLANS 2012-13 AND 2013-14**

Submitted: A report of the Director of Rail and Infrastructure, Nexus (previously circulated and copy attached to Official Meeting).

Members considered the report which provided an update on the progress achieved in delivering the annual possession and key facilities plans for 2013/14. The report was introduced by R Johnstone.

RESOLVED – That the report be noted.

(a) **The Autumn Blockade - a presentation for information**

Submitted: A presentation on the Metro Central Corridor Improvements: Summer 2013 Major Line Closure (previously circulated and copy attached to Official Meeting).

During the ensuing discussion, it was confirmed that:

- During the major line closure between the Airport and Haymarket stations in August, there would be two service replacement bus routes: one route via St James and the other one via Central Station.
- Following the repairs, the track's life expectancy would be 50 years.
- There would be disruptions to the customers' normal pattern of travel and longer travel time. However, communication programme was being developed to ensure that the message about the closure and alternative services had reached the public and also the large employers in the area.
- A member congratulated officers on the quality of the complex plan in relation to the forthcoming works.

RESOLVED – That the presentation be noted.

98. QUARTERLY PERFORMANCE DATA - QUARTER 4 2012/13 - METRO OPERATING CONCESSION

Submitted: A report of the Director of Customer Services, Nexus (previously circulated and copy attached to Official Meeting).

Members considered the report which outlined the highlights of the fourth quarter of the financial year 2012/13 in relation to the Metro Operating Concession. The report was introduced by T Hughes.

R McClean reported that, operationally, this had been a particularly difficult quarter predominantly due to the unreliability and unavailability of Metro cars.

The ensuing discussion included matters such as the cause of the small and brief fire below a Metro car, drivers' overtime, drivers' recruitment and training process, capacity of staff during the periods of possessions, health and safety reporting arrangements, accidents on escalators and the measures taken to prevent them.

RESOLVED – That:

- (i) the report be noted;
- (ii) officers would check whether announcements at Metro stations included information on the availability of lifts for passengers with luggage or disabilities;
- (iii) information on the stations with a high number of accidents, together with the figures, be brought to a future Policy Seminar for discussion; and
- (iv) consideration be given to organising a visit for members to the stations with a high number of accidents as part of the Annual Inspection and Tour.

99. **DATE AND TIME OF THE NEXT MEETING**

Thursday, 7 November 2013 at 10.30am.

100. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of section 100A and paragraph 3 of Par 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the meeting during the consideration of the following agenda items: “Confidential Minutes of the Previous Meeting” and “Quarterly Performance Data – Quarter 4 2012/13 – Metro Farebox Income” because exempt information was likely to be disclosed and the public interest test against the disclosure had been satisfied.

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DATE: 7th November 2013

SUBJECT: Metro Customer Satisfaction Survey Results – May 2013

REPORT OF: Director of Customer Services, Nexus

PURPOSE OF REPORT

This report summarises the results of the Metro Customer Satisfaction Surveys carried out in May 2013.

RECOMMENDATIONS

The Metro Sub-Committee is recommended to note this report.

BACKGROUND DOCUMENTS

None

CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
<i>Tobyn Hughes</i>	<i>tobyn.hughes@nexus.org.uk</i>	<i>0191 203 3246</i>

IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1	Executive Summary
1.1	This report summaries the results of the Metro Customer Satisfaction Surveys carried out in May 2013. Overall satisfaction with Metro increased from 78.3% to 81.0% in the six months to May.
2	Introduction and Background
2.1	The Customer Satisfaction Surveys are conducted every six months, this report covers the results collected in May 2013.
2.2	<p>A glossary of terms used in the attached summary report follows:</p> <p><i>Concession Agreement</i> – the contract between Nexus and DBTW which governs all transactions and discussions between the two parties.</p> <p><i>DBTW</i> – Deutsche Bahn Tyne and Wear Ltd, the current operator of the Tyne and Wear Metro through the Concession Agreement with Nexus</p> <p><i>Major Line Closure</i> – a significant possession, leading to a long section of track being unavailable for normal passenger service over an extended time period.</p> <p><i>Period</i> – 4-week periods (there are 13 in each financial year) used for financial accounting and performance measurement purposes.</p>
3	Report
3.1	The attached appendices illustrate the results of the Customer Satisfaction Surveys (CSS) carried out in May 2013. The surveys are conducted by Nexus’ Business Intelligence department in accordance with a methodology set out in the Concession Agreement with DBTW, and provide a snapshot of customer perception against which both Nexus and DBTW’s performance can be measured and monitored. The results of the CSS surveys are also tied to two Committed Obligations within the Concession Agreement.
3.2	A summary of the latest CSS results can be seen in Appendix A. Performance is measured by comparing scores to benchmarks calculated in accordance with formulae within the Concession Agreement.
3.3	Increased scores are observed in only two out of seven category indicators compared to the November 2012 survey, with the remaining categories’ scores all decreasing. However, when comparing year-on-year, five out of the seven categories exhibited improvement. Figure 1 of Appendix B charts the satisfaction scores for each Category Indicator against time. Figures 2 and 3 of the same Appendix display the trends over time, which all show an increase in customer satisfaction.
3.4	Satisfaction with information decreased in the six months to May, driven by a noticeable drop in satisfaction with the ease of understanding and helpfulness of station signage. No major design changes to the signage were carried out during this time, so it may be speculated that the current designs have lost their impact.



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	DBTW will be expected to address this satisfaction decrease as part of an action plan which will be delivered in the coming weeks.
3.5	Satisfaction with Station Equipment decreased slightly between the November and May surveys, although the score was still above that recorded in May 2012. Satisfaction with the condition of the lifts and escalators increased as Nexus continued to renew that equipment under the Metro: All Change modernisation programme. It is hoped that satisfaction continues to increase as escalator and lift renewals at Gateshead, St James and Regent Centre have been completed since May. Satisfaction with lighting at the station decreased, despite Nexus' programme of lighting upgrades which have improved brightness levels at key stations. It is planned to continue this programme and improve an increasing number of stations.
3.6	Ticketing satisfaction scores all increased in the six months to May. Nexus neared the completion of the TVM installation programme during this time, allowing passengers at all stations to pay for products using notes and credit/debit cards. and increasing the choice of products available at ticket machines.
3.7	Satisfaction with security and comfort has decreased in the six months to May but improved on the same time in 2012. The decrease was driven by noticeable drops in satisfaction with the feeling of security both whilst approaching at the station. DBTW are on-course to complete their Committed Obligation to achieve the Safer Tram Stop award for all Metro stations ahead of the deadline in December 2014. This work has seen security improvements undertaken at a number of stations and it is hoped that this will encourage passengers to feel secure. DBTW continue to deploy staff throughout the operational day and liaise fortnightly with both police forces to discuss crime and security on the network. CCTV monitoring suites have had their functionality increased by Nexus' engineers since May, and CCTV on Metrocars can now be downloaded to the Metro control centre wirelessly.
3.8	Cleanliness satisfaction remained relatively static from November to May, but increased through the year as a whole. Nexus is encouraged to see satisfaction with interior and exterior train cleanliness increase, given that this was identified as a problem area earlier in the year. The results suggest that measures introduced to combat the issue have been successful. Customers appear to be observing increased levels of graffiti, however SQR results in this area have remained fairly static throughout the period, suggesting that DBTW are maintaining a good performance level. It is possible that passengers are becoming more aware of graffiti on the wider trackside infrastructure.
3.9	Nexus is pleased to observe that satisfaction with the availability of staff continues to rise. DBTW have employed additional customer service staff over the past year, who will operate the automatic ticket gates once they become operational. This additional resource has allowed DBTW to deploy larger amounts of staff over a wider spread of the system. This level has been retained since May and it is hoped that the November 2013 results will be similarly encouraging.
3.10	The largest year-on-year decrease in customer satisfaction is with the reliability and punctuality of the service. Whilst scores for reliability and punctuality did improve slightly between November and May, charter punctuality figures have remained



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	<p>some way below target throughout the subsequent months, and a further drop in satisfaction should be expected in the November 2013 surveys. Nexus considers the improvement of this issue a high priority and is working with DBTW to find solutions that will deliver a sustained solution to the problems faced.</p>
3.11	<p>The Overall Category Indicator gives passengers the opportunity to give Metro an overall score out of 10 and is conducted as part of the Customer Satisfaction Survey. The results of the May survey are displayed in Appendix C.</p> <p>a) The overall average score of 8.10 is a notable increase on the previous score of 7.83 and the score of 8.02 recorded in May 2012.</p> <p>b) When the scores are analysed by route section, the lowest average satisfaction is observed between South Shields and Pelaw (7.7), replacing the previous worst performing line section, St James to North Shields, which improved to 7.8 from 7.5 in the previous survey. The highest average satisfaction was again recorded on the route section from Park Lane to South Hylton (8.5), with five other route sections scoring 8.2.</p>
3.12	<p>Under the terms of the Concession Agreement, DBTW have to comply with two Committed Obligations which relate to the results achieved in the Customer Satisfaction Survey, these are detailed below:</p> <ul style="list-style-type: none">• A CSS Score of at least 8.30 for the Overall Category Indicator in the Customer Satisfaction Survey that is due to be carried out in September 2012. The Operator shall ensure that such CSS Score is maintained for the remainder of the Concession Term. This measure is currently recorded as 8.10; and the Operator has therefore failed to meet their obligation in this regard. A financial penalty has been imposed upon DBTW in the form of a adjustment to the Concession Payment.• Personal Safety and Security – CSS Score across the four sub- categories of the Personal Safety and Security Category indicators of at least 7.30 (73.0) in September 2012 and the date of each subsequent Customer Satisfaction Survey. This measure is currently at 7.34 (73.4), meeting the Operator’s obligation.
3.13	<p>The overall customer satisfaction score is not currently achieving the level that is required for DBTW to discharge their Committed Obligation. Nexus has raised the issue with DBTW at the relevant contractual meeting and has requested an action</p>



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plan with timescales and action owners, which will seek to address the failure before the next survey in November 2013.

4 Potential impact on objectives

N/A

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Appendix A: Results of the May 2013 Customer Satisfaction Survey

Category/Sub-Category Indicator	May-08	Nov-08	May-09	Nov-09	May-10	Nov-10	May-11	Nov-11	May-12	Nov-12	May-13	Trend from Nov	Trend Year on Year	CSS Benchmark	Performance P
	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score	Mean Score				
Information on Trains arrival /departures	76.1	76.0	76.9	76.9	77.7	77.2	77.2	76.8	76.7	77.3	77.4	↑	↑	77.1	0.3
Ease of understanding signage at Stations	77.2	78.8	79.3	78.4	79.5	81.0	79.6	78.6	83.6	82.4	78.1	↓	↓	82.9	-4.8
Helpfulness of signage at the station	76.5	78.0	78.5	77.6	79.3	80.1	79.5	78.5	83.2	82.5	77.9	↓	↓	82.8	-4.8
Clarity of announcements at the station	72.0	70.8	73.0	74.0	74.7	73.9	70.6	70.4	70.8	69.7	74.6	↑	↑	70.7	3.9
Clarity of other announcements on Trains	72.7	71.7	72.4	73.3	71.3	73.5	72.3	74.6	78.3	78.3	78.3	↔	↔	78.3	0.0
The information on TIM machines (TIM users only)	69.3	71.9	74.0	72.8	72.9	71.1	70.6	71.1	74.2	75.1	75.1	↔	↑	74.7	0.3
Information.	74.0	74.5	75.7	75.5	75.9	76.1	75.4	75.0	77.8	77.8	77.1	↓	↓	77.8	-0.8
Condition of the Station	66.4	69.5	69.4	69.9	74.1	73.6	74.5	73.7	73.9	74.4	73.9	↓	↔	74.2	-0.3
Lighting at the Station	74.6	76.4	76.2	75.0	77.5	79.3	78.5	77.2	78.5	77.9	75.4	↓	↓	78.1	-2.7
Condition of the Lifts	62.1	64.5	57.4	70.0	67.4	67.4	75.5	73.6	71.9	70.9	75.9	↑	↑	72.6	3.3
Condition of the escalators	72.9	75.1	74.2	76.5	76.4	77.4	79.6	76.0	75.1	76.2	77.0	↑	↑	75.7	1.3
Station Equipment.	69.0	71.4	69.3	72.9	73.9	74.4	76.9	75.1	74.9	75.7	75.0	↓	↑	75.3	-0.3
The range of tickets available	71.1	71.2	75.1	73.9	72.2	70.6	69.2	71.9	74.0	77.0	78.2	↑	↑	75.8	2.4
Facilities for buying tickets	69.8	72.9	70.1	70.8	70.8	70.0	72.5	70.0	72.6	74.6	77.2	↑	↑	73.8	3.4
Ticket cost Value for money			46.2	52.6	52.1	50.9	51.9	56.8	55.8	56.7	57.8	↑	↑	56.3	1.5
Ticketing.	70.5	72.1	63.8	65.8	65.0	63.8	66.2	66.2	67.5	70.5	71.1	↑	↑	69.3	1.8
Your personal security approaching the station	69.1	72.5	72.9	71.0	73.1	74.5	77.8	75.6	76.8	78.1	76.3	↓	↓	77.6	-1.3
Your personal security at the station	67.7	71.4	72.5	70.4	73.3	73.5	76.6	74.1	76.1	77.1	74.6	↓	↓	76.7	-2.1
Behaviour of other passengers	58.7	60.8	60.4	62.8	62.6	64.5	63.4	66.1	65.8	67.1	69.4	↑	↑	66.6	2.8
Your personal security on the Train	66.0	70.8	70.4	70.1	70.0	72.3	73.7	73.6	71.7	75.5	73.2	↓	↑	74.0	-0.8
Security & Comfort.	65.4	68.9	69.1	68.6	69.8	71.2	72.9	72.3	72.6	74.5	73.4	↓	↑	73.7	-0.3
General cleanliness of the Station	63.7	66.8	67.6	69.6	72.2	71.6	74.0	71.0	73.2	72.6	73.9	↑	↑	72.9	1.0
Levels of graffiti	68.4	73.3	76.8	76.8	79.2	81.6	79.4	83.2	84.7	84.3	81.8	↓	↓	84.5	-2.7
Levels of graffiti and damage to the Train	67.8	68.1	69.5	69.6	72.5	75.2	75.2	78.6	79.2	81.8	79.1	↓	↓	80.7	-1.7
Cleanliness of inside of Trains	63.1	64.2	63.9	64.7	69.0	69.4	71.4	68.3	68.0	69.5	70.2	↑	↑	68.9	1.3
Cleanliness of outside of Trains	65.5	68.3	67.1	67.0	69.7	70.8	71.8	70.1	66.7	68.3	71.5	↑	↑	68.1	3.4
Cleanliness.	65.7	68.1	69.0	69.5	72.5	73.7	74.4	74.2	74.4	75.4	75.3	↓	↑	75.0	0.3
Availability of staff	36.9	45.2	45.0	48.2	50.3	49.0	53.5	50.9	50.6	52.2	53.0	↑	↑	51.5	1.5
Staff	36.9	45.2	45.0	48.2	50.3	49.0	53.5	50.9	50.6	52.2	53.0	↑	↑	51.5	1.5
Train Reliability			76.7	76.0	77.3	77.7	78.0	75.9	79.2	74.5	75.8	↑	↓	77.9	-2.1
Train Punctuality			77.8	76.7	78.8	79.1	78.8	76.7	80.0	74.7	76.0	↑	↓	78.6	-2.6
Availability of seats			67.2	67.1	69.6	68.3	71.8	68.9	72.7	72.0	72.1	↑	↓	72.3	-0.2
Availability of standing			70.0	69.9	71.4	70.9	73.6	71.3	74.4	73.9	72.6	↓	↓	74.1	-1.5
Reliability & Punctuality			72.9	72.4	74.3	74.0	75.5	73.2	76.6	74.5	74.1	↓	↓	75.3	-1.2

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Appendix B: Results of the May 2013 Customer Satisfaction Survey

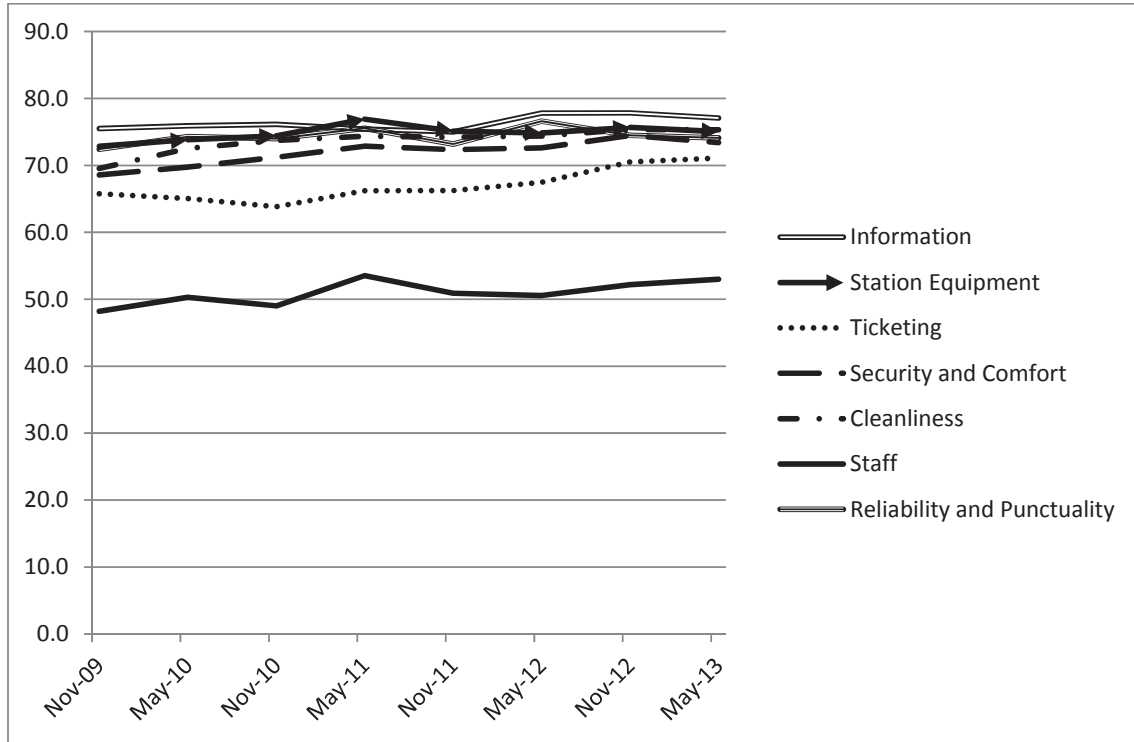


Figure 1: Mean scores for CSS Category Indicators over the previous eight CSS surveys

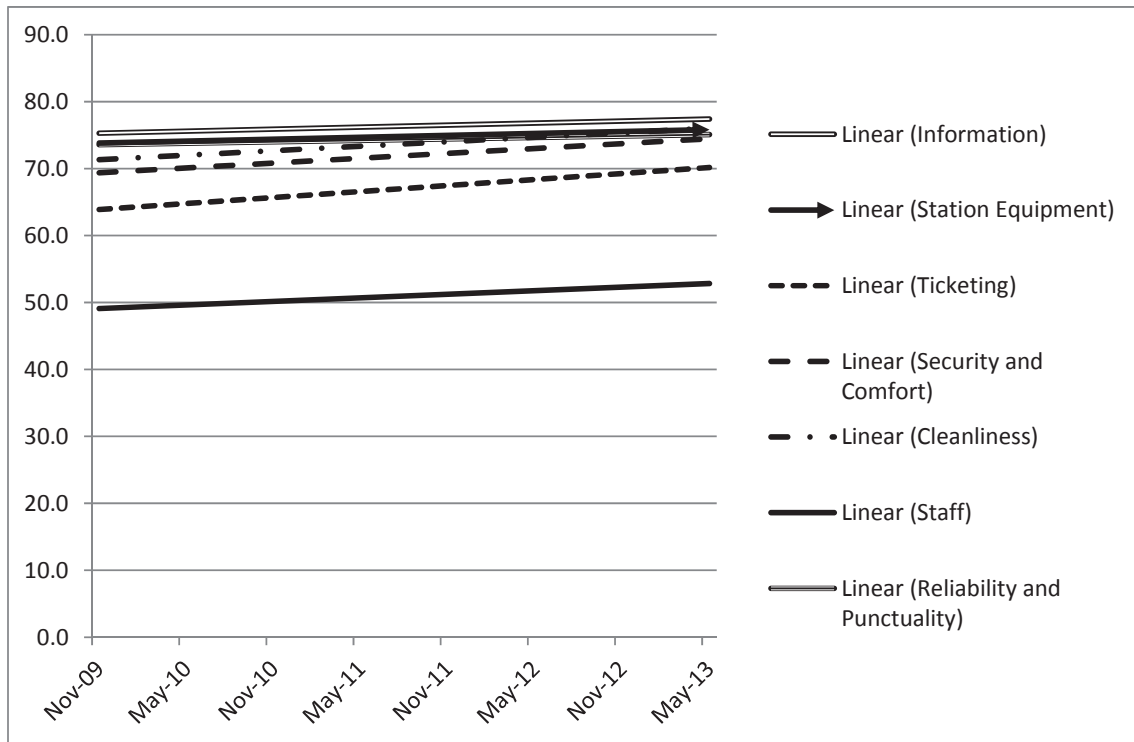


Figure 2: Category trends over the previous eight surveys

Appendix B: Results of the May 2013 Customer Satisfaction Survey

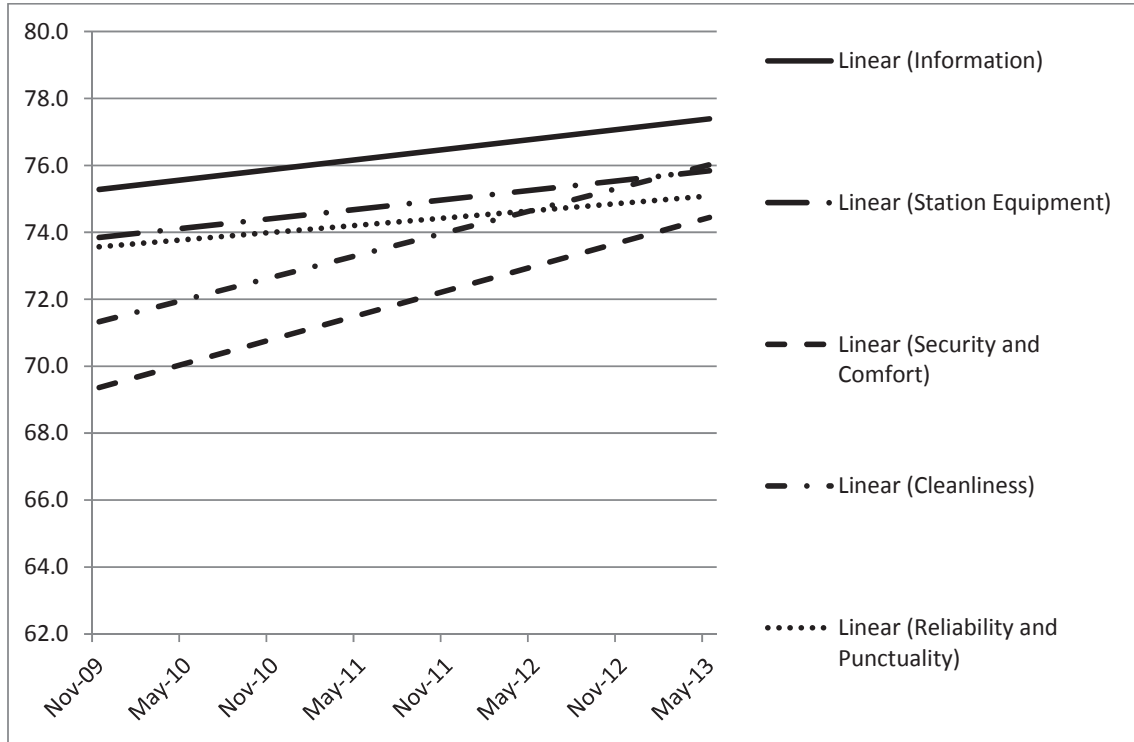


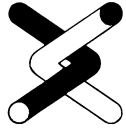
Figure 3: Category trends excluding staffing and ticketing over the previous eight surveys

Appendix C: Results of the May 2013 Customer Satisfaction Survey

Overall Score by Route Section

	Avg Score	Avg Score	Avg Score	Avg Score	Avg Score
Route Section	May-11	Nov-11	May-12	Nov-12	May-13
Regent Centre - Airport	8.1	8.2	8.1	7.8	8.2
South Shields - Pelaw	7.8	8.0	7.6	7.6	7.7
Longbenton - Tynemouth	7.8	7.9	8.0	7.8	8.2
Fellgate - Sunderland	8.2	7.8	7.9	8.1	8.2
North Shields - St James	7.6	7.7	7.7	7.5	7.8
Central - Haymarket	8.0	8.1	8.2	7.9	8.2
Heworth - Gateshead	8.1	8.2	8.4	7.9	8.1
Jesmond - South Gosforth	7.9	8.0	7.8	7.8	8.2
Park Lane - South Hylton	8.3	8.5	8.3	8.2	8.5

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DATE: 7 November 2013

SUBJECT: 2013/14 METRO ARP AND MAJOR PROJECTS CAPITAL PROGRAMME – SECOND QUARTERLY REVIEW

REPORT OF: JOINT REPORT OF THE DIRECTOR OF FINANCE AND RESOURCES AND DIRECTOR OF RAIL AND INFRASTRUCTURE, NEXUS

PURPOSE OF REPORT

To advise Members of the overall performance of the 2013/14 Metro and Major Projects Capital Programme including delivery to the end of the second quarter (ending 14 September 2013).

RECOMMENDATIONS

The ITA Metro Sub Committee is asked to:

- note the budget changes identified during quarter 2 as outlined in Section 2
- note the position with regard to the 2013/14 Capital Programme at the end of the second quarter, as per Appendices A and B.

BACKGROUND DOCUMENTS

Metro Capital Programme 2013/14 – January 2013

Metro Capital Programme 2013/14 – May 2013

2013/14 Metro ARP and Major Projects Capital Programme – First Quarterly Review

CONTACT OFFICERS

Linden Watson

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive

1 Executive Summary

This report sets out the overall performance of the 2013/14 Metro and Major Projects Capital Programme including delivery to the end of the second quarter (ending 14 September 2013).

2 Introduction and Background

The ITA approved the Metro Asset Renewal Programme for 2013/14 in January 2013 totalling £49,269k. This reflects the programme which has been submitted and agreed by DfT.

Following finalisation of the 2012/13 outturn, major projects (Ticketing and Gating) have been included within the 2013/14 programme, totalling £3,748k, bringing the total Metro ARP and Major Project programme to £53,017k.

Delivery of the Metro ARP is reviewed on a 4 weekly cycle by the Nexus Executive. At the end of the first quarter of 2013/14, the Metro and Major Projects capital programme was revised to a new level of £45,096k which was noted by the Sub Committee at its meeting in July.

Since Quarter 2, further budget changes totalling £856k have been identified during Quarter 2, bringing the revised budget to £45,952k. An analysis of these variations is included below:

Description	£000
Acceleration of works	156
Final Account re North Shields, Howdon and Meadowell stations	800
Efficiency savings	(100)
Total	856

An explanation of these changes in Quarter 2 is outlined below.

A number of projects have been accelerated to maximise efficiencies in carrying out the ARP programme. For example, advantage was taken of the other works able to be carried out during the central area blockade in August, such as works at the airport station. Other works include advancing design works to ensure projects are ready to be implemented when required.

Following protracted discussions with the principal contractor for North Shields, Howdon and Meadow Well station refurbishment projects a settlement was recently agreed which has required an increase in budget of £800k, funded from an earmarked reserve that had been established for this purpose. There is therefore no upward pressure on ARP resources as a consequence.



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Elsewhere in the programme, there have also been further efficiency savings as a result of tender prices being lower than previously estimated, which has allowed some budgets to be reduced.

The proposed revised programme currently reflects over-programming of approximately 17.6% to ensure that Metro Rail Grant funding from DfT is maximised. The programme will continue to be carefully monitored to ensure projects are progressed to maximise funding available and efficiency of delivery.

Appendix A indicates that, as at the end of Period 6 (14 September 2013), Nexus is currently forecasting expenditure to the end of 2013/14 of £42,440k which includes £3,748k for Major Schemes (Appendix A). Of this amount, £38,692k relates to the Metro Asset Renewal Plan. Whilst this forecast is below the revised Metro Asset Renewal Plan budget of £42,204k, the forecast remains within funding tolerances as approved by DfT.

Appendix B illustrates this in more detail, at individual project level. What is important to understand is that the £3,512k under spend against budget is mainly accounted for by slippage into the following year with some minor adjustments ranging from bringing forward (accelerating) expenditure from future years to budget reductions as the following table illustrates:

	£m
Reason for Variation (P6 Forecast v Latest Budget)	
C/Fwd slippage into next year	-2.9
B/fwd (accelerated) from next year	0.1
Budget Saving	-0.8
Budget Pressure	0.1
TOTAL	-3.5

As at the end of the second quarter actual spend is £18,479k (40.9%) for Metro ARP and Major Projects. This, together with estimated commitments, brings the total to £36,312k (79.0%) and as a consequence the majority of this year's programme is now contractually committed as at Quarter 2.

Wherever possible, any budget pressures have been managed by value engineering to ensure projects remain within approved budget levels and where necessary making savings to future projects.

3 Metro Ticketing and Gating

The Metro Ticketing and Gating project has a budget and projection of £3,748k at Quarter 2. There is no use of MRG funding towards this project in 2013/14, with the



majority of costs (over 90%) being funded from Nexus reserves in 2013/14.

4 Capital Programme Financing

The following table explains how the Metro ARP and Major Projects capital programme for 2013/14 is to be funded.

	Funding in 2013/14		Projected Funding in 2013/14	
	£000	£000	£000	£000
<u>Asset Renewal Plan</u>				
Metro Rail Grant				
2013/14 Allocation	31,000		31,000	
c/f from 2012/13	677		677	
<u>Local Contribution</u>				
LTP Minor Schemes	2,640		2,640	
ITA Reserves	880		880	
Nexus Reserves	800	35,997	800	35,997
<u>Major Schemes</u>				
Reserves	3,426		3,426	
Smart Ticketing Grant	322	3,748	322	3,748
<u>Over-programming</u>				
MRG virement from 2014/15	3,100		1,634	
Local Contribution 10% reserve	344		182	
Other Reserves	2,763	6,207	0	1,816
Total Nexus Funding		45,952		41,561



INFORMATION

5	Next Steps
	The programme will continue to be monitored throughout the financial year and reported to this Sub Committee on a quarterly basis.
6	Potential impact on objectives
	There is no impact on objectives as a result of this report.

Asset Category	Original Approved 2013/14 Budget	Latest Budget 2013/14	Actual Expenditure at end of Period 6	Forecast for year (as at Period 6)	Variation between Forecast and Latest Budget	Reason for Variation
	£	£	£	£	£	
Civils	8,202,235	6,453,111	2,627,323	5,701,857	-751,254	Latest Budget and Forecast incorporates increased tender/bus costs for Central Blockade works this summer and the work which could not be completed during the blockade
Communications	6,751,582	5,747,718	1,214,708	5,447,126	-300,592	Delays in radio tender
Depot Equipment	4,500	12,058	6,753	14,672	2,614	
Level Crossings	264,000	521,432	54,667	142,525	-378,907	Slippage - Consultation with the ORR for some recommendations has delayed implementation in 2013/14
Mechanical and Electrical	2,805,687	2,169,894	1,205,853	2,044,472	-125,422	
Metro Cars	6,160,000	5,872,222	3,011,747	5,885,217	12,995	
Miscellaneous	727,650	808,566	656,180	842,910	34,344	
Overhead Line	399,885	470,000	31,706	93,171	-376,829	Slippage in evaluating the optimal approach to OHL replacement
Permanent Way	12,851,661	9,903,262	6,641,365	9,320,831	-582,431	Latest Budget and Forecast incorporates increased tender/bus costs for Central Blockade works this summer and the work which could not be completed during the blockade
Plant	2,068,650	2,001,386	274,004	1,744,273	-257,113	Efficiency savings - Decrease in contingency forecast and Project Manager time
Power	746,500	819,849	210,418	720,173	-99,676	
Signalling	4,672,244	2,298,414	1,103,363	2,136,761	-161,653	Slippage - Programme and forecast is now based upon programme from Capital Delivery Team.
Stations	3,614,536	5,126,064	1,250,643	4,597,806	-528,258	Budget and forecast reflect agreed settlement with contractor.
Total Approved 2012/13 Capital Programme	49,269,130	42,203,976	18,288,730	38,691,794	-3,512,183	
Major Projects	-	3,748,000	189,923	3,748,000	0	
Total	49,269,130	45,951,976	18,478,653	42,439,794	-3,512,183	



2013/14 Capital Programme at end of Period 6

Capital Code	Capital Scheme	Original Approved 2013/14 Budget (DfT submission) £	Latest Approved Budget 2013/14 £	Actual Expenditure at end of Period 6 £	PMO Period 6 Forecast £	Variance between Forecast and Latest Approved Budget £	Reason for Variation
Civils							
BC201	Earthworks - North Shields to Howdon	0	124,683	11,899	65,823	-58,860	Slippage due to contractor's programme
BC204	Earthworks- South Gosforth to Jesmond	2,143,022	90,817	812	86,232	-4,585	
BC971	Earthworks - TYN-NPK, NPK-SGF	323,000	137,000	17,551	41,507	-95,493	Slippage to allow for drainage options report to be completed
BC206	Bridges - Percy Main to Wallsend	0	2,619	0	2,619	0	
BC207	Bridges - Howdon to Percy Main	0	0	175	175	175	
BC209	Bridges - Tynemouth to Meadow Well	22,000	59,000	18,890	87,623	28,623	
BC211	Bridges - Hadrian Road to Walkergate	12,000	30,434	7,154	12,254	-18,180	
BC212	Bridges - Wallsend to Walkergate	352,000	79,825	7,370	41,684	-38,141	
BC213	Retaining Walls	50,000	0	0	0	0	
BC214	Bridges - Monkseaton, Cullercoats	342,843	1,000	2,085	7,022	6,022	
BC215	Bridges - Benton (1114 1115B)	35,500	35,500	2,073	12,969	-22,532	



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BC216	Bridges - Gateshead (1059 1962)	58,500	58,500	4,370	13,000	-45,500	
BC217	Bridges - Bede, Shiremoor (1024 1024A)	115,500	115,500	4,585	46,865	-68,635	Slippage to allow design to be completed
BC972	Bridges GST-SSS	340,000	140,000	7,427	69,687	-70,314	Slippage - Bridge assessments underway
BC488	Flooding Felling Remedial Works	0	200,000	7,006	43,368	-156,632	Slippage - now expected to be delivered in early 14/15. Options to recover being assessed.
BC283	Bridges PCM to SGF	0	93,542	3,305	87,114	-6,428	
BC219	Drainage - South Gosforth to Jesmond	1,492,253	2,002,824	1,467,648	1,850,467	-152,357	Slippage: Works not complete during the blockade. Delivery options being assessed.
BC974	Drainage - TYN-NPK	303,000	137,000	6,984	105,667	-31,334	
BC222	Duct Route - Wallsend to Manors	2,850	2,285	4,162	4,162	1,877	
BC224	Duct Route - North Shields to Howdon	2,850	2,850	5,457	5,457	2,607	
BC225	Duct Route - Tynemouth to North Shields	2,850	59,472	42,484	84,682	25,210	
BC226	Duct Route - South Gosforth to Jesmond	297,066	418,518	11,518	419,592	1,074	
BC227	Duct Route - South Gosforth to Airport	477,256	886,619	417,115	886,619	-0	
BC228	Duct Route - Jesmond to Gateshead Stadium and Manors	44,843	354,771	3,880	354,770	-1	
BC229	Duct Route - Gateshead Stadium to South Shields	355,816	209,448	209,448	209,448	-0	
BC230	Duct Route - South Gosforth to Tynemouth	1,313,286	1,088,454	394,241	1,072,558	-15,896	



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BC290	Ground Investigation - Rest of System	100,000	100,000	0	95,500	-4,500	
BC634	DC Power Cable Ducting	0	0	120	5,000	5,000	
BC799	Monkseaton Station Ramp	9,300	14,670	-33,121	-16,621	-31,291	
BC811	Benton Station Footbridge	5,000	5,500	70	3,999	-1,501	
BC891	Control Room	1,500	2,280	2,615	2,615	335	
	Total Civils	8,202,235	6,453,111	2,627,323	5,701,857	-751,254	
BC250	Cable Pulling - Tynemouth to Manors	588,971	454,960	151,413	437,043	-17,917	
BC253	Cable Pulling - Jesmond to Gateshead Stadium and Manors	70,323	222,632	6,780	207,774	-14,858	
BC252	Cable Pulling- South Gosforth to Airport	528,467	660,389	76,334	647,310	-13,079	
BC254	Cable Pulling - Gateshead Stadium to South Shields	1,153,022	815,835	382,309	763,764	-52,071	Slippage and efficiency savings
BC255	Cable Pulling - South Gosforth Junction to Tynemouth	711,799	863,498	85,962	833,277	-30,221	
BC256	Radio	2,049,000	247,000	27,188	143,638	-103,362	Slippage: Delays in out to tender due to additional works and Man Com approval of strategy. This has delayed the design works expected in 13/14. Tender return required to confirm programme.
BC257	Telephony	0	72,853	15,666	69,464	-3,389	
BC259	Station Network Connections	1,650,000	1,582,279	98,774	1,530,516	-51,763	Slippage in migration costs
BC556	Help Points	0	32,000	750	31,731	-269	



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BC840	CCTV/PA Access	0	585,084	207,088	584,150	-934
BC956	PA ICT	0	211,188	162,444	198,459	-12,729
	Total Communications	6,751,582	5,747,718	1,214,708	5,447,126	-300,592
BC278	Train Wash	1,900	2,550	2,354	2,354	-196
BC279	Wheel Lathe	2,600	9,508	4,399	12,318	2,810
	Total Depot Equipment	4,500	12,058	6,753	14,672	2,614
BC277	Level Crossings - Highway works - Howdon, Fawdon, Kingston Park	264,000	521,432	54,667	142,525	-378,907
	Total Level Crossings	264,000	521,432	54,667	142,525	-378,907
BC281	Escalator - Central	3,800	3,800	585	2,557	-1,243
BC282	Escalator - Monument	5,600	5,600	4,287	4,390	-1,210
BC992	Escalator - Heworth	12,000	12,000	3,016	8,048	-3,952
BC993	Escalator - Gateshead 1-2	12,000	12,000	4,106	8,049	-3,951
BC994	Escalator - Regent Centre (previously Manors)	88,622	123,414	118,730	118,730	-4,684
BC995	Escalator - Gateshead 3-6	894,183	910,127	802,747	819,794	-90,333
BC284	Lift - Four Lane Ends	3,500	3,360	110	1,460	-1,900
BC285	Lift - Heworth	3,500	2,895	340	1,490	-1,405
BC286	Fire Alarm	1,118,900	435,000	62,926	477,443	42,443

Slippage: Consultation with the ORR for some recommendations has delayed implementation in 13/14.

Efficiency - Works complete and contingency not required



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BC532	Stations Refurb - Esc Imps/Major Items	40,000	38,382	13,689	42,115	3,733
BC617	Lifts Refurbishment/Major Items	50,000	50,000	21,130	51,127	1,127
BC973	Lift- St James	252,341	252,341	83,845	205,857	-46,484
BC996	Lift - Regent Centre (previously St James)	247,241	246,975	82,549	204,439	-42,536
BC997	DC Feeder cable	34,000	34,000	6,243	26,363	-7,637
BC805	Otn-Ups Support Power Supply	40,000	40,000	1,550	72,610	32,610
	Total Mechanical & Electrical	2,805,687	2,169,894	1,205,853	2,044,472	-125,422
BC288	3/4 Life Refurbishment	5,372,000	5,113,110	2,605,535	5,122,388	9,278
BC954	Capital Maintenance Concession	788,000	759,112	406,212	762,829	3,717
	Total Metro Cars	6,160,000	5,872,222	3,011,747	5,885,217	12,995
BB003	Maintenance Management System	0	0	100	100	100
BC587	Vehicle Replacement Programme	175,350	137,350	110,168	110,168	-27,182
BC849	Digitising and Approving Engineering Drawings	0	0	0	0	0
BC894	Security Review	2,300	22,300	15,822	17,622	-4,678
BC947	Nexus Document Control System	0	8,000	0	0	-8,000
BC960	Asset Knowledge	50,000	80,916	21,477	61,974	-18,942
BC296	Service Disruption Revenue	500,000	500,000	500,000	620,000	120,000

Latest estimate indicates that metro fare box income has reduced by more than previously



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BC900	Nexus Rail HQ Improvements	0	30,000	3,755	12,580	-17,420	anticipated.
BC444	Control Centre Improvements	0	30,000	4,858	20,466	-9,535	
	Total Miscellaneous	727,650	808,566	656,180	842,910	34,344	
BC240	OLE - System Development	399,885	470,000	31,706	93,171	-376,829	Slippage: Contractor presentation has highlights gaps in the completion of Work Package 1. Evaluation of options and Whole Life Costs to be presented 02/10. Programme assumes like for like progression.
	Total Overhead Line	399,885	470,000	31,706	93,171	-376,829	
BC231	Plain Line - Tynemouth to Chillingham Road	112,000	314,000	208,518	308,032	-5,968	
BC232	Plain Line - South Gosforth to Jesmond	8,054,046	7,890,072	5,900,757	7,466,875	-423,197	Slippage: Works not complete during the blockade. Delivery options being assessed.
BC976	Plain Line - TYN-NPK	396,000	135,631	37,645	69,142	-66,489	Slippage to allow drainage options report to be completed
BC233	Plain Line - Jesmond to Gateshead Stadium	119,900	119,900	11,003	131,557	11,657	
BC234	Switches & Crossings - Hylton Street	0	0	0	0	0	
BC235	Switches & Crossings - North Shields	8,110	8,110	2,513	8,112	2	
BC236	Switches & Crossings - South Gosforth	6,335	70,000	3,207	68,074	-1,926	
BC237	Switches & Crossings -	1,004,139	455,272	145,412	454,644	-628	



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	Benton						
BC238	Switches & Crossings - St James	590,139	80,679	7,536	12,750	-67,929	Slippage - Procurement strategy aligned with Regent Centre S&C
BC239	Switches & Crossings - Prudhoe Street	41,329	0	0	0	0	
BC967	Switches & Crossings - Regent Centre	2,219,663	120,216	55,838	91,408	-28,808	
BC550	Rail Grinding	100,000	100,000	6	100,556	556	
BC558	Security Fencing	100,000	100,000	19,368	101,500	1,500	
BC703	Plain Line Renewal	0	484,382	224,561	483,180	-1,202	
BC964	S&C Steelwork Renewal	100,000	25,000	25,000	25,000	0	
	Total Permanent Way	12,851,661	9,903,262	6,641,365	9,320,831	-582,431	
BC280	Tamper	2,068,650	2,001,386	274,004	1,744,273	-257,113	Efficiency: Decrease in contingency forecast and PM time.
	Total Plant	2,068,650	2,001,386	274,004	1,744,273	-257,113	
BC287	Power - Depot Stray Currents	217,500	184,000	80,655	183,574	-426	
BC929	OHLE Network	529,000	635,849	129,763	536,599	-99,250	Slippage to allow OHL business case to be considered
	Total Power	746,500	819,849	210,418	720,173	-99,676	
BC260	Signalling- Bankfoot Interlocking Area	275,858	452,365	95,040	452,366	1	
BC261	Signalling - South Gosforth Interlocking Area	246,344	1,425	1,425	57,219	55,794	Acceleration from start in April to March 2014
BC262	Signalling - Benton Interlocking Area	58,705	3,494	3,149	3,149	-345	



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BC263	Signalling - Monkseaton Interlocking Area	0	0	0	0	0	
BC264	Signalling - North Shields Interlocking Area	289,133	7,990	6,618	6,618	-1,372	
BC265	Signalling - Wallsend Interlocking Area	2,850	78,378	2,054	6,494	-71,884	Efficiency assuming cables are satisfactory
BC266	Signalling - Jesmond Interlocking Area	52,265	358,984	9,280	344,967	-14,017	
BC267	Signalling- Manors Interlocking Area	55,579	1,555	1,555	1,555	0	
BC268	Signalling - Heworth Interlocking Area	274,477	238,918	137,004	158,276	-80,642	Efficiency - failure rate lower than anticipated and contingency not required
BC269	Signalling - Pelaw Interlocking Area	372,909	91,929	8,844	91,931	2	
BC270	Signalling - Jarrow Interlocking Area	2,400	2,400	3,710	3,710	1,310	
BC271	Signalling - South Shields Interlocking Area	2,400	2,234	3,555	3,555	1,321	
BC272	Signalling - Depot Interlocking Area	0	0	0	0	0	
BC273	Signalling - PTI	2,110,000	130,000	46,852	129,169	-831	
BC274	Future Signalling System	0	0	0	0	0	
BC946	Manors Enhancement Works	0	0	0	0	0	
BC970	Signalling - Replacement point motors (critical locations)	929,324	928,742	784,277	877,752	-50,990	Efficiency - final account to be confirmed
	Total Signalling	4,672,244	2,298,414	1,103,363	2,136,761	-161,653	



Tyne and Wear Integrated Transport Authority
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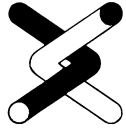
BC242/ BC243	Station - North Shields, Meadow Well, Percy Main and Howdon	281,509	1,991,895	115,466	1,902,090	-89,805	Budget and forecast reflect agreed settlement with contractor.
BC244	Station - Hadrian Road and Wallsend	5,600	25,600	7,702	7,702	-17,898	
BC245	Station - Walkergate and Chillingham Road	926,074	940,049	45,477	953,343	13,294	
BC246	Station - South Gosforth	698,032	454,501	334,431	396,068	-58,433	Efficiency as works undertaken during blockade
BC247	Station - Ilford Road	409,150	213,863	166,645	199,874	-13,989	
BC248	Station - West Jesmond	681,171	531,551	447,570	508,376	-23,175	
BC249	Station - Central Station	247,000	534,000	26,940	244,130	-289,870	Decrease of 13/14 costs: Design costs are lower than estimated following tendering exercise (efficiency)
BC968	Halt Station package - HEB, JAR, BDE Design	5,000	24,860	12,648	24,860	0	
BC981	Station - SSS	347,500	147,000	11,550	98,206	-48,794	
BC983	Station - Heworth Interchange	13,500	13,500	4,245	13,919	419	
BC300	Callerton	0	21,890	11,895	21,889	-2	
BC430	Bank Foot	0	21,465	9,470	21,464	-1	
BC530	Kingston Park	0	72,183	3,807	72,184	1	
BC603	Fawdon	0	33,250	2,997	33,248	-2	
BC403	Wansbeck Road	0	34,772	3,722	34,770	-2	
BC747	Airport	0	65,685	46,078	65,684	-1	
	Total Stations	3,614,536	5,126,064	1,250,643	4,597,807	-528,257	
	Total Approved 2013/14 Capital Programme	49,269,130	42,203,976	18,288,729	38,691,794	-3,512,182	



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BB005	Sunderland Station Redevelopment	0	0	1,943	0	0
BB006	Ticketing and Gating	0	3,748,000	187,980	3,748,000	0
	Total Major Projects	0	3,748,000	189,923	3,748,000	0
	TOTAL	49,269,130	45,951,976	18,478,652	42,439,794	-3,512,182



INFORMATION

DATE: 7 November 2013

SUBJECT: AFFORDABILITY OF ELEVEN YEAR ARP PROGRAMME

REPORT OF: JOINT REPORT OF DIRECTOR OF FINANCE AND RESOURCES AND
DIRECTOR OF RAIL AND INFRASTRUCTURE , NEXUS

PURPOSE OF REPORT

To update the Sub Committee on the affordability of the programme having regard to the position at the end of the first three years of delivery together with the emerging strategy for the remainder of the eleven year programme.

RECOMMENDATIONS

The ITA Metro Sub Committee is recommended to note the contents of the proposed eleven year programme including the need to develop this in line with £389m of available funding which will lead to the identification of reserve projects which will be committed to wherever funding opportunities present themselves.

BACKGROUND DOCUMENTS

DfT Funding Submissions

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive

1 Executive Summary

This report updates the Sub Committee of the affordability of the proposed eleven year programme.

2 Introduction and Background

In February 2010 the Department for Transport (DfT) agreed a funding package for Metro Re-Invigoration Phase 2, following a bid submission identifying spending needs totalling £457m. The funding package provided the potential for up to £350m grant from DfT through to 2021, which would be matched by a 10% local contribution, bringing the total resources available to £389m. DfT has now confirmed full funding is available up to Year 6 (2015/16) of the programme. Funding subsequent to Year 6 will continue to be dependent upon Nexus' performance in delivering the investment, performance of the infrastructure and DfT affordability. The programme is heavily dependent upon LTP funding to fund the local contribution.

Affordability – Years 1 to 3

The Sub Committee will recall that at its last meeting in July 2013, the quarterly review of affordability highlighted that in overall terms the pressure on the initial work bank across the first three years of delivery had improved, although it was still estimated to be running approximately £5.8m (or 4.8%) over the original budget. This was largely as a result of legacy projects which were not included in the original submission to DfT and the problems encountered at North Shields station. This remained the position at the end of the first three years of the programme.

Stock Take at the beginning of Year 4

Having regard to the first three years of delivery, in particular:-

- Cost pressures that have arisen;
- Improvements in asset knowledge;
- Enhancements in programme and project management capability and;
- A better understanding of the cost of renewing the range of assets across the network,

detailed work has been undertaken in order to inform the future direction and cost of the programme.

As previously noted, DfT funding is not fully guaranteed beyond March 2016. Whilst various scenarios have been formulated to accommodate a reduction in DfT funding (should this happen and should for example, the NELEP Single Local Growth Fund be unable to provide replacement funding) the central planning assumption used in determining investment across the remainder of the programme is that at least £389m of investment will be available to deliver the Metro Asset Renewal Plan.



INFORMATION

The following table therefore identifies the current (September 2013) estimate of need across the various asset categories, as compared to the original Programme Initiation Document (PID) submission to DfT in February 2010 (scaled to fit the available £389m total resource):-

Asset Category	Original DfT Bid Scaled to available resources (February 2010)	Current Projection as at September 2013	Proposed Revised Allocation of available Resources
	£m	£m	£m
Structures (Earthworks, Bridges/Structures, Drainage and Ducting)	42	66	63
Track (Plain Line, Switches & Crossings, Overhead Line)	121	110	93
Stations	38	60	57
Signalling and Telecoms	72	63	61
Depot Equipment	3	2	2
Mobile Equipment and Plant	5	5	5
Mechanical and Electrical	27	18	17
Power	1	1	1
Metro Cars	23	30	30
Fare Collection	4	2	2
Other			
Capital Maintenance/Programme Management	22	23	22
	21	21	21
Bus Replacement /Inflation Provision	10	13	11
Metro Fare Box – losses charged to capital	-	4	4
Total	389	418	389

There are two things worthy of note in relation to this.

First, the total assessed need at £418m amounts to some £29m (7%) in excess of £389m of available resource (this is dealt with further below).

Secondly, there are a range of variances across the different asset categories when compared to the original PID submitted to DfT in February 2010.

At this assessed level of need, it is apparent that Structures, Stations, Metro Cars and 'Other' which is predominantly overheads but now also includes a provision for loss of fare box revenue attributed to line and station closures, now require greater



investment than previously envisaged.

Conversely, Track, Signalling and Communications and Mechanical and Electrical assets require less investment than previously envisaged.

In reaching this view, it is important to recognise that the basic renewal and refurbishment strategies outlined in the previous submissions to DfT remain valid and achievable. Detailed commentary in regard to the various asset categories are outlined below:-

- **Structures** – drainage and earthwork projects are proving both more extensive and more expensive than anticipated in the original plan. Added to this, this category includes a number of legacy projects which were not included in the original programme. Currently the bridge work requirement is based upon a pessimistic view of future assessments which may allow for a reduction in this asset category of around £3m.
- **Stations** – the station investment programme has increased because of significant cost over runs at North Shields station where a complete rebuild became necessary. In addition, to refurbish all stations on the Metro network (i.e. excluding those on the Sunderland extension) commensurate with their strategic importance and existing condition and in order to deliver a common level of accessibility, safety and passenger information will require additional investment. Bids for external funding to supplement ARP station funding e.g. local major scheme funding have been put forward and discussions with DfT to explore whether any additional investment could be made available are also well advanced. Having said that, it should be possible to scale back on the level of future works to stations by around £3m in view of the level of available funding.
- **Metro Cars** – here, worse than anticipated condition of the cars gave rise to the need to rebase the contract for their refurbishment
- **Other** – a provision has now been included within the budget to compensate for loss of revenue as a direct consequence of line and station closures when the ARP delivery unit take possession of the track. Whilst this had not been included within the original PID, analysis elsewhere in the rail industry indicated that this is a legitimate cost of asset renewal where line closures are required and fare box losses can be demonstrated.. Whilst this category also provides for capital maintenance and inflation together with overheads such as bus replacement costs and programme and project management, procurement efficiencies are expected to be able to reduce this forecast.



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- **Track** – the overall cost of track work has reduced. This is because detailed assessment of track conditions between Pelaw and South Shields, specifically the sleeper type, rail age and overall ballast condition, will result in less full depth renewal than originally anticipated. Works in this area will concentrate on bringing the existing track back to current standards and compliance. The current programme also allows for over £16m for future Switches & Crossing replacements post Year 4 which will need to be reduced, dependent upon actual costs of track renewal elsewhere.
- **Signalling and Communications** - the overall costs of this asset category have fallen since the initial plan was submitted to DfT since the costs of the replacement signalling system are now considered to be more closely linked with the replacement of the Metro Cars, not currently envisaged until phase 3. However, other projects within this category, in particular, the Radio and Positive Train Identification (PTI) projects are expected to cost considerably more than previously anticipated but further, more detailed work is still required and the cost of implementing these two key technological projects remains a funding risk to the programme
- **Mechanical and Electrical** – this category allows for remaining lift and escalator works, together with the replacement Fire Alarm system. It was previously anticipated that the Linear Heat Detection system for escalators would be replaced but legislative changes means that this is no longer required.

Delivery Strategy through to 2021

Set out below is the indicative programme through to 2021 (assuming at least £389m of investment is achieved) outlining what will be delivered against the various asset categories:-

- **Structures**
 - Earthworks to the remainder of the network (Regent Centre to Airport and Gateshead Stadium to South Shields)
 - Bridge strengthening and/or replacement works (although as previously highlighted, further work is required to clarify the extent of works required)
 - DC Power cable ducting
- **Track**
 - Plain Line renewal and refurbishment works to the remainder of the



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network (the Central Tunnels and QE bridge, Regent Centre to Airport, Gateshead Stadium to South Shields, Chillingham Road to Manors and Manors to St James)

- Switch and Crossing (S&C) works (Pelaw to South Shields), although as previously highlighted, further work is necessary to clarify the extent of S&C works required to the remainder of the network.
- Replacement of the Overhead Line.

- **Stations**

- Station refurbishment, including works at St James, Monument, Manors, Jesmond, Central, Regent Centre, Four Lane Ends, South Shields and Gateshead

- **Signalling and Telecoms**

- CCTV and PA replacement on a gradual basis alongside station refurbishment
- Radio system renewal
- PTI system renewal

- **Mechanical and Electrical**

- Remaining escalator and lift replacements required

3 Next Steps

The overall financial standing of the ARP programme will continue to be monitored and reported to this Sub Committee on a quarterly basis.

4 Potential impact on objectives

There is no impact on objectives as a result of this report.



INFORMATION

DATE: 7th November 2013

SUBJECT: Quarterly Performance Data – Quarter 2 2013/14 –Metro Operating Concession

REPORT OF: Director of Customer Services, Nexus

PURPOSE OF REPORT

This is the eighth quarterly report submitted to the Metro Sub-Committee in accordance with the Terms of Reference agreed by the Integrated Transport Authority in May 2010.

RECOMMENDATIONS

The Metro Sub-Committee is recommended to note this report.

BACKGROUND DOCUMENTS

None

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1	Executive Summary
1.1	This report outlines the highlights of the second quarter of the 2013/14 financial year with regards to the Metro Operating Concession.
2	Introduction and Background
2.1	This report covers the period 23 June 2013 to 14 September 2013 (Reporting Periods 4 to 6 inclusive)
2.2	<p>A glossary of terms used in the attached summary report follows:</p> <p><i>Charter Punctuality</i> – DBTW’s measurement of train punctuality; measures the percentage of trains arriving within three minutes later or within 29 seconds earlier than scheduled.</p> <p><i>Concession Agreement</i> – the contract between Nexus and DBTW which governs all transactions and discussions between the two parties.</p> <p><i>DBTW</i> – Deutsche Bahn Tyne and Wear Ltd, the current operator of the Tyne and Wear Metro through the Concession Agreement with Nexus</p> <p><i>EWT (Excess Waiting Time)</i> – the measurement used to calculate punctuality in a high-frequency operation; instead of measuring adherence to timetable, the measurement looks at the number of minutes a passenger is kept waiting above a reasonable threshold.</p> <p><i>Failure</i> – an occasion where the operator did not succeed in meeting its performance criteria on a specific occasion, resulting in a penalty being applied.</p> <p><i>MAA</i> – moving annual average; the average for the past 12 months including the periods being reported on.</p> <p><i>Major Line Closure</i> – a significant possession, leading to a long section of track being unavailable for normal passenger service over an extended time period.</p> <p><i>OPR</i> – Operational Performance Regime; the means by which train service performance is measured in terms of excess waiting time for customers and punctuality of first and last trains.</p> <p><i>Period</i> – 4-week periods (there are 13 in each financial year) used for financial accounting and performance measurement purposes.</p> <p><i>Possession</i> – a period of time when engineering works take place on a section of track, preventing normal passenger service from being provided.</p> <p><i>RIDDOR</i> - The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), place a legal duty on employers, self-employed people and people in control of premises to report to the Health & Safety Executive: work-related deaths; major injuries or over-three-day injuries; work related diseases; and dangerous occurrences (near miss accidents).</p> <p><i>SQR</i> – Service Quality Regime; the means by which quality standards on stations and trains is measured</p>



3	Report
3.1	The Metrocar ¾ Life refurbishment project continued, with 32 completed units in passenger service by the end of the quarter. The project is still due to complete by 31 st December 2015.
3.2	Charter punctuality deteriorated since Quarter 1 and remained static at around 83% throughout the Quarter. Metrocar reliability has remained well below DBTW's target level and the continuing shortage of spare vehicles has stretched their ability to replace withdrawn services. Further cancellations and delays were caused by an industrial dispute between DBTW and their driving staff, which saw union members refuse to extend shifts or work overtime. Whilst the issue has since been resolved, it severely hindered DBTW's ability to respond to disruption and resource the required number of shifts for a period of around one month prior to the summer line closure. Significant incidents in July induced service suspensions for considerable periods on the days affected.
3.3	Nexus and DBTW are working to address the poor performance outlined in 3.2. Prior to and during to the major line closure, four problematic Metrocars were withdrawn from service to enable DBTW to complete intensive fault finding and rectification works. A number of faults were identified and fixed, and the results have been generally positive. DBTW have been instructed to consider performance improvement as Nexus' highest priority until punctuality and reliability improves, and a separate report is being presented to the sub-committee providing further details on this subject.
3.4	The major line closure was in effect from 4 th until 30 th August. DBTW delivered extensive additional services including three separate bus replacement routes and a significant staffing presence throughout the affected area. Whilst some initial problems were identified in the first days, these were generally minor and were quickly rectified. The bus replacement service was well received by those passengers using the service. A number of learning points were collected during the closure and these will be discussed with DBTW with a view to improving the quality further for future possessions. The delayed handback of the line on 31 st August generated significant complaints but a bus replacement service was sourced at short notice by DBTW.
3.6	Good performance under the SQR was again sustained throughout the quarter. The Moving Annual Average (MAA) continues to fall for both Stations and Metrocars



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	<p>despite the industrial dispute between DBTW's subcontractor Churchill and its employees continuing for the majority of the quarter. However, this dispute has now been satisfactorily resolved, with Churchill offering their staff an enhanced four year package of pay and conditions which was accepted by the trade union. Nexus are finalising plans for a major marketing campaign to promote new customer service features which will include additional staffing and litter removal on trains in the evenings and enhanced train cleaning.</p>
3.6	<p>Additional Metro services operated to transport spectators to and from the Sunderland Airshow on the weekend of 27/28th July. Despite record visitor numbers, the capacity supplied was sufficient to meet demand and Seaburn station was staffed in numbers to assist passengers.</p>
3.7	<p>Despite small spikes in the number of passenger accidents in Periods 4 and 6, the number of RIDDOR reportable accidents in the year to date is lower than at the same time last year. The first and only RIDDOR major reportable accident of the year to date occurred during the Quarter when a passenger tripped over their dog and fell down a flight of stairs. By comparison, there had been 6 RIDDOR major accidents by the end of the second quarter in 2012/13. The number of non-RIDDOR reportable accidents is 30 lower than at the same time last year, and the number of escalator-related accidents is currently trending downwards. However, the number of passenger assaults has risen over the past year and continued to do so in this quarter. The safety of staff and passengers remains fundamental to the on-going operation of Metro.</p>
4	Potential impact on objectives
	N/A

	Benchmark	Period 4	Period 5	Period 6
OPR-(Excess Waiting Time) (see glossary)	14.42 MAA to P13 end	28.28	21.54	13.57
Charter Punctuality (see glossary)	84.15% MAA to P6 end	83.07%	83.16%	83.27%
SQR – Stations (no. of failures)	49.5 MAA to P6 end	53	66	35
SQR – Trains (no. of failures)	95 MAA to P6 end	85	120	104
Fleet (Ave km per fault)	12,500 DBTW target	6,179	6,643	6,245



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	Benchmark	Period 4	Period 5	Period 6
Fraud Rate (% ticketless travel recorded)	4.5% Contractual target	2.84%	3.67%	3.11%
Head Count (no. of DBTW FTE in post)	512 DBTW posts	510.57	509.77	516.77
Passenger Accidents (RIDDOR)	4.36 DBTW target	6	6	4
Passenger Accidents (Non-RIDDOR)	18.76 DBTW target	20	9	27
Passenger Assaults	7.96 DBTW target	5	12	3



INFORMATION

DATE: 7th November 2013

SUBJECT: Metro Operational Performance

REPORT OF: Deputy Director General, Nexus

PURPOSE OF REPORT

This report is intended to provide an update on recent issues affecting Metro's performance, and to set out the measures being taken to improve reliability.

RECOMMENDATIONS

The Metro Sub-Committee is recommended to note this report.

BACKGROUND DOCUMENTS

None

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1	Introduction and Background
1.1	Metro’s operational performance is currently below the expected standard, with ‘charter punctuality’ running below the target level of 87.2% for a prolonged period. The principle causes are fleet reliability, driver availability and a number of significant one-off infrastructure incidents which have all disrupted the service delivered to passengers.
1.2	Faults when a Metrocar is already in passenger service can lead to the train being withdrawn before it arrives at the train’s destination – depending on the severity of the fault either at the next station, or at South Gosforth so that the train can be dispatched to the depot and a replacement train can be introduced into the schedule. This leads to passengers being de-trained before their intended station stop, introduces delay and inconvenience to their journey, can leave gaps in the service pattern, and gives an impression of poor punctuality in passengers’ minds which is beyond the actual delay minutes reflected in punctuality monitoring statistics.
1.3	Driver availability (and fleet faults that occur before trains leave the depot) can lead to trains being cancelled at short notice, causing gaps in the service pattern and giving a poor impression of frequency and punctuality.
1.4	Infrastructure failures, whilst rare, when they do occur can result in major service disruption including multiple train cancellations, heavy delays and periods where no train service is operating on the affected stretch of line. As a contingency, control room staff seek agreement for the acceptance of Metro tickets on alternative bus services, and if circumstances are appropriate will procure a dedicated bus replacement service.
1.5	This report is intended to examine the issues in more detail, and inform members what action is being taken to remedy the situation.
2	Performance statistics
2.1	Charter Punctuality is posted at Metro stations and on the internet to inform passengers of how closely the Metro service has run compared to the specified timetable, and takes into account the performance of DBTW (including delays and cancellations) as well as Nexus as infrastructure maintainer. Figure 1 below shows Charter Punctuality since April 2010 (note: P1 is April, and P13 is March in each financial year):



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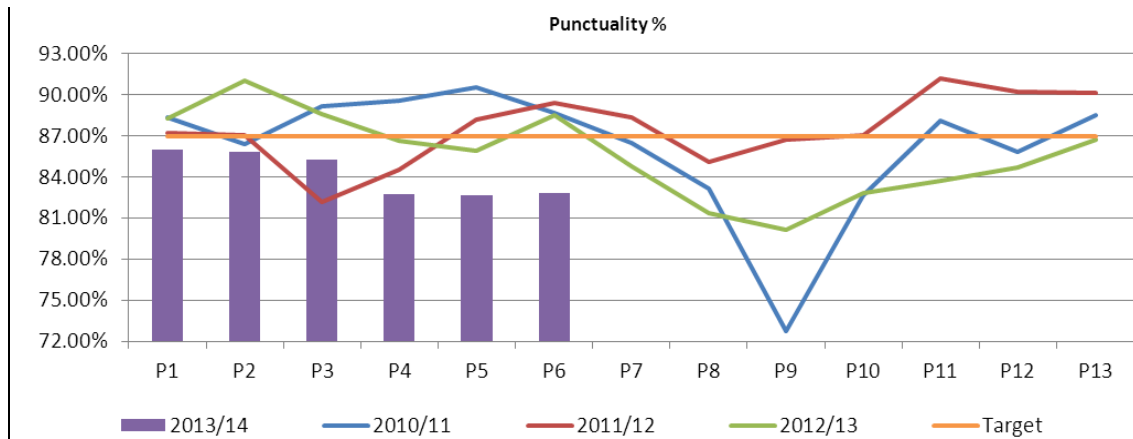


Fig 1: Metro Charter Punctuality

Whilst there is no contractual target for Charter Punctuality (the contractual target relates to excess headway), DBTW's stated target is 87.2%.

It is clear from the graph above that Charter Punctuality has been consistently below the stated target since period 4 of 2012/13. This period contained the exceptional flooding event of 28th June 2012, which led to three Metrocars being out of service for an extended period due to water damage. In line with other UK rail operators the autumn weather brings a reduction in punctuality performance in P8/9 which is associated with the consequence of leaf fall and its effect on train performance during both traction and braking. However poor fleet availability in 2012/13 made these periods particularly challenging.



2.2

A more detailed view of day-to-day reliability is provided by figure 2 below, which displays the percentage of services actually running against those scheduled to run under the timetable. Any unexpected cancellation will cause this figure to decrease, although scheduled possessions and line closures do not result in unexpected cancellations and do not affect these figures.

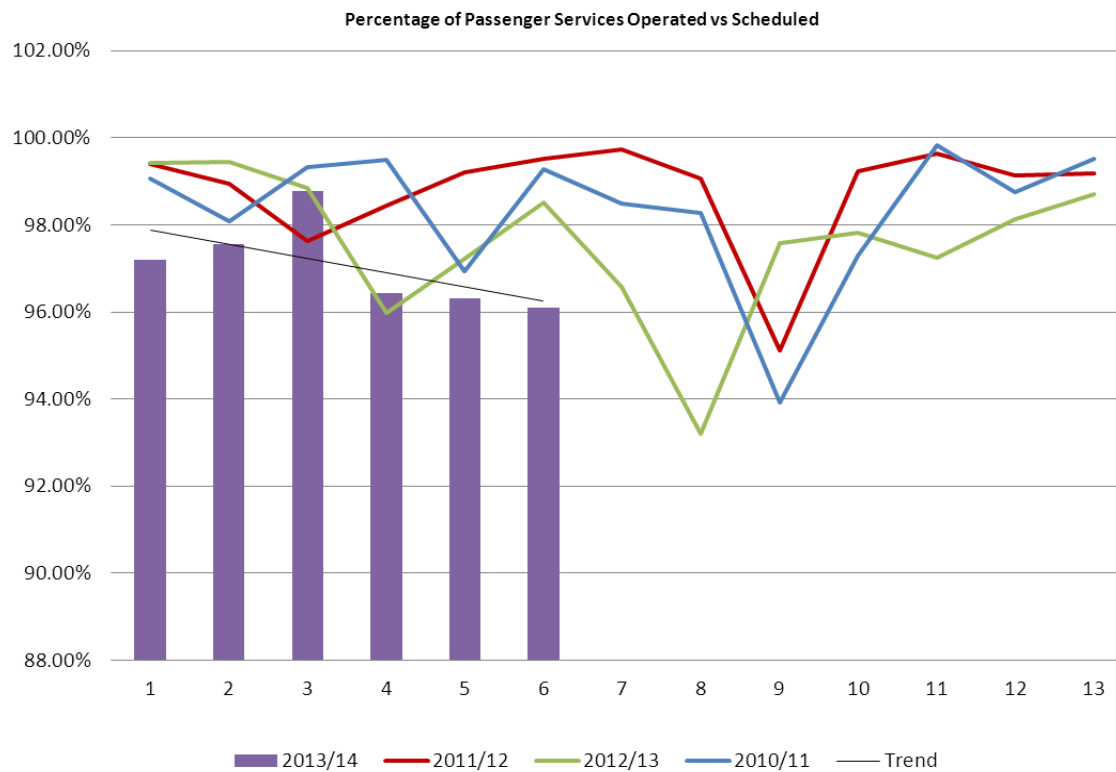


Figure 2: % of Passenger Services Operated vs Scheduled

As with charter punctuality, a clear seasonal fluctuation is observable in previous years as cancellations sometimes become more frequent during winter months. However, in the last few periods in 2012/13 and throughout 2013/14 to date, this figure has been consistently lower than that achieved in previous years, suggesting a higher number of cancelled services.

That said, the vast majority of Metro services continue to run as timetabled, and the figure has remained above 96% throughout the year to date.

An issue with the train recording system led to one day's passenger services not being recorded in the system, resulting in a reduction in reported reliability in P1. However these services did operate as specified despite not being shown in the figures.



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3	Fleet issues
3.1	The principal cause of poor performance in recent months has been the reliability of the Metrocar fleet. Component failures and faults have increased over the past year, with saloon doors and power-related problems causing the majority of these issues. Less frequent faults with brakes, on-train signalling systems and traction motors continue to occur and add to the fault-rectification burden on DBTW's depot staff.
3.2	These increased faults should be considered against a background of fewer Metrocars being available for service due to the $\frac{3}{4}$ Life Project, which at any one time requires that 6 of the 90 units to be non-operational. Other units will always be required to be unavailable to carry out planned maintenance and examinations. As the peak Metro timetable requires 78 of the 90 cars to be in service, there is often very little spare capacity to replace units which develop a fault, amplifying the impact of service withdrawals.
3.3	A saloon door overhaul programme for the entire fleet is included in the scope of the $\frac{3}{4}$ Life Refurbishment Project. This work was originally planned to be carried out by Wabtec in Doncaster as part of the main works; however this was changed as part of the revised $\frac{3}{4}$ programme and will now be carried out by DBTW at the depot in South Gosforth. This work is scheduled to begin imminently and will lead to a significant improvement in this area, which is a significant causal factor in Metrocar failure.
3.4	Prior to and during the major line closure, Nexus sanctioned the withdrawal from service of four problematic Metrocars for intensive investigation works. This required a minor reduction in timetabled services during peak hours for one week. The works uncovered and rectified faults or potential faults that would not have been noted under the current examinations. Since returning to service, three of the four units have performed excellently, with the fourth experiencing some unrelated faults. This has helped to inform a reliability improvement plan which will see similar intensive examinations of other units to improve reliability. This may require further short-term timetable reductions to make units available.
4	Driver availability
4.1	DBTW's current driver resource, whilst within required levels for contractual compliance, often requires DBTW to rely on overtime to cover the normal weekly timetable. Overtime or extended driving time is also required to ensure that delayed services reach their end destination.
4.2	Reliance on overtime is inherently risky, because by definition it requires drivers to volunteer for extra duties. Over the past year there have been numerous opportunities for drivers to accumulate overtime payments, including foreseeable



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	<p>special events such as Christmas extra services, Great North Run, football matches and Stadium of Light Concerts. A high degree of activity in the Asset Renewal Programme over that period also gave rise to overtime opportunities for drivers. The combined effect is that some drivers may choose not to take up additional overtime opportunities to cover regular issue of sickness or leave, adding risk to daily service delivery.</p>
4.3	<p>During periods 4 and 5 of this year the RMT Union was in dispute with DBTW over an employee issue, and imposed an overtime ban as part of its industrial action. This caused DBTW significant problems and resulted in a number of services having to be cancelled either in part or entirely. DBTW has since resolved its differences with the RMT Union on this issue and the industrial action is now over.</p>
4.4	<p>DBTW plans to reduce its reliance on overtime by employing additional numbers. 8 new drivers are expected to complete their training imminently, and a further 8 are expected to become available in the new year. By February, DBTW plans to have eliminated its reliance on overtime to resource the daily timetable, although possession works and special events may still have some reliance on overtime.</p>
5	Nexus infrastructure issues
5.1	<p>The Nexus network or infrastructure performance has been very mixed for the first 6 period of this year ranging from the best quarterly performance in the first quarter to worst in the second. The second quarter has been dominated by three very sizeable events. On July 12th and 18th two major overhead line failures occurred at separate locations around Gateshead Stadium. The former was a result of a defect introduced by the ARP Overhead Line Contractor and the exact cause of the latter remains unknown. Specific actions to mitigate any further incidents were immediacy out in place after the second event. The third sizeable infrastructure incident in the quarter was on the 31 August when the Central Corridor Blockade overrun by one day between South Gosforth and Haymarket. A 'lessons learnt' review has been undertaken involving both Nexus and the contractor Balfour Beatty Rail Limited.</p>
5.2	<p>During periods of extreme weather, inspections are stepped up on vulnerable infrastructure so that issues can be dealt with as they arise. Over the longer term, the purpose of the Metro: All Change programme is to strengthen the asset that is the Metro system and make it less vulnerable to failure.</p>
6	Conclusion
6.1	<p>In conclusion, Nexus and DBTW acknowledge that the reliability of the Metro service has been below the expected standard in recent months, causing inconvenience and annoyance to passengers.</p> <p>Although the vast majority of journeys continue be delivered to the timetable, a</p>



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number of separate issues have impeded the ability of Nexus and DBTW to maintain a reliable Metro service. However, measures are being taken in a number of areas to combat the various problems experienced.

7 Potential impact on objectives

7.1 A reliable and high-performing Metro service will grow patronage by retaining passengers and attracting new users to the system, contributing towards reduced congestion and greater productivity.

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