



Tyne and Wear Integrated Transport Authority - Metro Sub Committee



Meeting to be held on Thursday 21 February 2013 at 10.30 am in a Nexus House, St. James' Boulevard, Newcastle upon Tyne

Membership: Blackburn, Curran, Hobson, Hodson, Lott, Stokel-Walker, Stone and D Wood

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AGENDA

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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 - 8
4. **2012/13 Metro ARP and Major Projects Capital Programme - Third Quarterly Review** 9 - 28
5. **Metro Asset Renewal Plan - Funding for Years 4 to 6 (2013/14 to 2015/16)** 29 - 36
6. **Affordability of Eleven Year ARP Programme** 37 - 44
7. **2013/14 Metro Capital Programme** 45 - 54
8. **Control of Line and Key Facilities Closure Plans 2012-13 and 2013-14** 55 - 64

This report will be accompanied by a presentation.

- 9. Quarterly Performance Data - Quarter 3 2012/13 - Metro Operating Concession** **65 - 70**
Replacement Report
- 10. Metro Customer Satisfaction Survey Results - November 2012** **71 - 80**
- 11. Date and Time of the Next Meeting**
Thursday 6 June 2013 at 10.30am (provisional date).
- 12. 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.
- 13. Confidential Minutes of the Previous Meeting** **81 - 82**
- 14. Quarterly Monitoring Report - Metro Farebox Income** **83 - 86**



Tyne and Wear Integrated Transport Authority - Metro Sub Committee

8 November 2012
(10.30 am - 12.20 pm)

Present:

Councillor: D Wood (Chair)

Councillors: Curran, Hobson, Hodson, Lott, Stokel-Walker and Stone

In attendance:

K Mackay	- Director of Rail and Infrastructure, Nexus
J Fenwick	- Director of Finance and Resources, Nexus
T Hughes	- Director of Customer Services, Nexus
R McClean	- Deutsche Bahn Tyne and Wear Ltd (DBTW)
O Bratton	- DBTW
V Miller	- Democratic Services, Newcastle City Council

63. APOLOGIES FOR ABSENCE

Councillor Blackburn.

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

Councillors Hodson, Lott, Stokel-Walker and D Wood declared a personal interest due to holding a concessionary travel pass.

Councillors Lott and Stokel-Walker declared a personal interest due to holding the Metro Gold Card.

65. TERMS OF REFERENCE (FOR INFORMATION ONLY)

Noted.

66. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 12 July 2012 subject to the amendment of the first sentence of Minute 53 (d) to read "Officers reported that a response from the Department for Transport (DfT) to Nexus' submission in December 2011 for funding for years 4-6 had not yet been received." were approved as a correct record and signed by the Chair.

Matters Arising

(a) Minutes of the previous meeting - Matters Arising – Nexus’ activities to make young people safe on Metro

(Minute 53 (b) refers)

A member welcomed the valuable recent experience of visiting the Safety Works Centre.

(b) Minutes of the previous meeting – Matters Arising – Quarterly Performance Report – Quarter 3 2011/12 – Asset Renewal Plan

(Minute 53 (d) refers)

In relation to Nexus’ submission to the DfT for funding for the Asset Renewal Plan for years 4-6, K Mackay was pleased to report that the DfT advisers had been appointed and a site visit to Nexus Rail had been undertaken. Formal approval was awaited.

(c) Minutes of the previous meeting – Matters Arising – Metrocar ¾ life refurbishment project

(Minute 53 (e) refers)

A member queried the quality of the refurbished Metrocars. A member also asked whether the programme was experiencing delays. Officers explained that this matter was explained later on the agenda.

(d) Possession and key facilities closure plans, 2012-13 plan - Front Street Bridge at Monkseaton Station

(Minute 57 refers)

K Mackay was pleased to report that some progress had been achieved to secure an earlier completion of the work on utilities. The final phase of the bridge renewal works would recommence in early January 2013.

(e) Possession and key facilities closure plans, 2012-13 plan – North Shields Station

(Minute 57 refers)

In response to a member’s query about the reasons behind the lift at North Shields station being out of order, K Mackay reassured members that this was a temporary operational fault.

67. ANALYSIS OF PROGRAMME TO DATE

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 Minutes).

J Fenwick introduced the report which provided an overview of the overall financial position of the Asset Renewal Plan (ARP) as at the end of the second quarter of the third year of the programme.

As a point of correction, it was confirmed that the analysis of financial performance outlined in paragraph 2.1 of the report related to years 4 to 6.

Members were satisfied with the clarification of the saving achieved through the modernisation of the depot wheel lathe.

It was clarified that the term “value engineering” applied in situations where in order to meet budget constraints and/or improve efficiency, the scope and methodology of an individual project was reviewed.

In response to a member’s question, it was clarified that the level of project management would remain unchanged.

In response to a member’s query about the quality of the refurbished Metro cars and the associated costs, officers explained the position to date, clarifying the following:

- The Metro car ¾ life refurbishment project was part of the Concession Agreement with DBTW, within which it had been agreed that Metro cars would be refurbished within a set budget. DBTW, in turn, had an agreement with Wabtec for these works. When the work to assess the condition of the first five Metro cars had been progressed, it had been identified that the cars had higher levels of corrosion than that previously envisaged but conversely the wiring was in better condition. As a result, a revised scheme of work had to be negotiated and agreed. The revised scheme had to be within the budget and adhere to the specifications given; this would ensure the same quality of experience for customers. Under the revised proposal 86 Metro cars would be refurbished rather than 90. This amount would still be sufficient and in excess of the operational requirements.
- It was emphasised that the project would be completed by the end of 2015 as originally planned.
- It was noted that continuous discussions were being held with engineers as technical information was being fed in on a continuous basis.
- The initial dissatisfaction with the quality of the returned Metro cars had been addressed. The cars were now being returned in a state of good order. Nexus had commissioned additional tests to ensure that every returned car was of a satisfactory quality.
- A member thanked officers for the clarification and asked for a report on this matter to be made available to members. A member also highlighted the need for members to be kept informed about the progress and any issues arising.

RESOLVED – That the report be noted.

68. 2012/13 METRO ARP AND MAJOR PROJECTS CAPITAL PROGRAMME - SECOND 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 Minutes).

J Fenwick introduced the report which advised members of the overall performance of the 2012/13 Metro and Major Projects Capital Programme, including its delivery to the end of the second quarter ending 15 September 2012.

He drew members' attention to the explanation of the £2,932,000 under-spend, as outlined in the report, noting in particular that this would not mean any loss of grant funding. He also drew members' attention to the illustration of the budgetary position of the individual projects, as in Appendix B. J Fenwick clarified that the report had presented a snap-shot picture of the position of the current year.

In response to a member's query about the reasons for the under-spend for South Gosforth, Ilford Road and West Jesmond stations, officers explained that these stations were now deferred to the following financial year.

Clarification was also provided on the wide scope of works to bridges on the Metro system, which depended largely on the type and condition of the bridge. It was noted that the financial position in relation to these works had been fluctuating due to the uniqueness of each individual bridge.

In response to a question from a member, officers confirmed that the Metro system was taking a lot of water from the surrounding land, and the need for an improved knowledge of the drainage across the Metro network was being addressed through the ARP.

RESOLVED – That:

- (i) the budget changes identified during Quarter 2, as outlined in section 2 of the report, be noted;
- (ii) the position with regard to the 2012/13 Capital Programme at the end of the Quarter 2, as per Appendices A and B, be noted.

69. POSSESSION AND KEY FACILITIES CLOSURE PLANS 2012-13 PLAN

Submitted:

- (i) A report of the Director of Rail and Infrastructure, Nexus (previously circulated and copy attached to Official Minutes);

- (ii) Metro Major Line Closure, Wallsend – Tynemouth, 13 August - 03 September 2012 (with the permission of the Chair, due to timetables involved circulated at the meeting and copy attached to Official Minutes);
- (iii) An updated Key Facilities Closure Plan 2012 – 2013 (with the permission of the Chair, due to timetables involved circulated at the meeting and copy attached to Official Minutes).

K Mackay introduced the report which informed members about the progress made on the delivery of the possession and key facilities closure plans for 2012/13. Members noted the up-to-date plan, as circulated at the meeting.

K Mackay explained the photographic representation of the works carried out on the tracks between Wallsend and Tynemouth in the period from 13 August to 3 September 2012. Members noted the complexity and extent of these works.

During the ensuing discussion it was confirmed that there had been some complaints received from the public regarding the operation of the system, especially at South Gosforth, and also the quality of the bus replacement service. It was noted that this period had been particularly challenging due to South Gosforth being a critical station for the operation of the whole network. Issues had been exacerbated by the temporary unavailability of the direct access to the main depot.

In response to the Chair's question, officers confirmed that the preparation for introducing the new automatic ticket gates was underway.

RESOLVED – That the report be noted.

70. **QUARTERLY PERFORMANCE DATA - QUARTER 1 & 2 2012/13 - METRO OPERATING CONCESSION**

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

T Hughes introduced the report which outlined the performance position of the Metro Operating Concession for the first two quarters of the financial year 2012/13, covering the period from 1 April to 15 September 2012.

It was confirmed that the performance data, specifically the contractual Operational Performance Regime (OPR), had been adjusted to include the effect of the blockades.

It was also confirmed that the majority of passenger accidents related to falls on escalators.

It was clarified that the data on passenger assaults related to assaults on passengers by other passengers.

RESOLVED – that the report be noted.

71. **METRO CUSTOMER SATISFACTION SURVEY RESULTS - MAY 2012**

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

T Hughes introduced the report which provided an update on the results of the latest customer satisfaction surveys.

A member commented that, where the customer satisfaction was falling, it was important to clarify the reasons behind this performance.

Whilst many indicators had shown an improvement, it was noted that the results in relation to security were linked predominantly to passenger perception and therefore were difficult to tackle.

RESOLVED – That the report be noted.

72. **HIGH VOLTAGE ELECTRICITY CONSUMPTION ON METRO**

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

T Hughes introduced the report which provided an update on the measures used to reduce the high voltage electricity consumption (HVEC) on Metro.

O Bratton delivered a presentation on DBTW's use of Fahrplan Assistenz System (FASSI), a system designed to contribute towards a reduction in HVEC by supplying real-time information on route timings and advising drivers of their optimum speed in terms of energy use. Whilst FASSI was delivering what had been anticipated, it had also revealed issues with the previous data.

It was noted that the work continued to achieve the target for the reduction in energy consumption.

It was also noted that further work was required to clarify HVEC by heating, stations and the depot, which represented a proportion of the overall consumption. More information was also needed on the impact of opening and closing doors on the Metro trains and the high consumption at night when no trains were being operated. O Bratton suggested that increasing the thermal efficiency of Depot was another area of work for the long-term future.

It was confirmed that some research had been undertaken into a possibility of using alternative energy sources. By this point in time a significant efficiency had been achieved through changing to the low energy consumption lamps.

J Fenwick reported that the price of HVEC was another concern. Currently, Nexus were responsible for the risk on the price of energy, whilst DBTW were responsible for the risk in relation to its usage.

RESOLVED – That the report be noted.

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

Thursday, 10 January 2013 at 10.30am.

74. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of section 100A and paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972 the press and public be excluded from the meeting because exempt information was likely to be disclosed and the public interest test against the disclosure had been satisfied.

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INFORMATION

DATE: 21 February 2013

SUBJECT: 2012/13 METRO ARP AND MAJOR PROJECTS CAPITAL PROGRAMME –
THIRD 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 2012/13 Metro and Major Projects Capital Programme including delivery to the end of the third quarter (ending 5 January 2013).

RECOMMENDATIONS

The ITA Metro Sub Committee is asked to:

- note the budget changes identified during quarter 3 as outlined in Section 2
- note the position with regard to the 2012/13 Capital Programme at the end of the third quarter, as per Appendices A and B.

BACKGROUND DOCUMENTS

Metro Capital Programme 2012/13 – January 2012

First Quarterly Review – July 2012

Second Quarterly Review – November 2012

CONTACT OFFICERS

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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 2012/13 Metro and Major Projects Capital Programme including delivery to the end of the third quarter (ending 5 January 2013).

2 Introduction and Background

The ITA approved a Metro Asset Renewal Programme for 2012/13 in January 2012 totalling £46,007k. This reflects the programme which has been submitted and agreed by DfT.

Following finalisation of the 2011/12 outturn, major projects (Ticketing and Gating) have been included within the 2012/13 programme, totalling £7,225k, bringing the total Metro ARP and Major Project programme to £53,232k.

Delivery of the Metro ARP is reviewed on a 4 weekly cycle by the Nexus Executive. At the end of the second quarter of 2012/13, the Metro and Major Projects capital programme was revised to a new level of £50,197k, which was noted by the Sub Committee at its meeting in November.

Since Quarter 2, further budget changes totalling £1,008k have been identified during Quarter 3, bringing the revised budget to £51,205k. An analysis of these variations is included below:

Description	£000
Acceleration of projects from future years (including ICT acceleration and Tamper Replacement)	3,394
Slippage into future years (West Jesmond, South Gosforth stations and Metro Car refurbishment)	(2,390)
Increased Cost South Gosforth Switches & Crossings	388
Other	(384)
Total	1,008

An explanation of these changes in Quarter 3 is outlined below.

Options have been developed to bring forward projects from future years, in particular the acceleration of ICT projects such as CCTV and PA which in total amount to £2.1m. In addition, an opportunity to bring forward the replacement of the Rail Tamping machine into 2012/13 thereby accelerating expenditure of some £0.7m has also been realised.

This acceleration of expenditure from future years has been in response to further slippage in the programme, in particular station refurbishment works at West Jesmond and South Gosforth stations where works have been re-tendered in order to meet budgetary requirements, thus deferring expenditure amounting to £1.4m until next



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financial year. In addition, the Metro Car refurbishment programme has been revised to take account of the revised payment schedule to the contractor, following a rebasing of the contract – something that has previously been discussed with the Sub-committee.

The proposed revised programme currently reflects over-programming of approximately 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 10 (5 January 2013), Nexus is currently forecasting expenditure to the end of 2012/13 of £45,718k which includes £7,225k for Major Schemes (Appendix A). Of this amount, £38,493k relates to the Metro Asset Renewal Plan. Whilst this forecast is below the revised Metro Asset Renewal Plan budget of £43,980k, 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 £5,487k under spend against budget is mainly accounted for by slippage but that there are other reasons for the variance as detailed in Appendix C, ranging from bringing forward (accelerating) expenditure from future years and budget reductions as the following table illustrates:

	£m
Reason for Variation (P10 Forecast v Latest Budget)	
C/Fwd slippage into next year	-3.7
B/fwd (accelerated) from next year	0.5
Budget Saving	-2.3
TOTAL	-5.5

As at the end of the third quarter actual spend is £29,518k (57.6%) for Metro ARP and Major Projects. This, together with estimated commitments, brings the total to £35,818k (70.0%).

Wherever possible, any budget pressures have been managed by value engineering to ensure projects remain within approved budget levels. This is particularly the case with station refurbishments, where value engineering has caused delays in implementation although all planned works are still going ahead.

3 Metro Ticketing and Gating

The Metro Ticketing and Gating project has a budget and projection of £7,225k at Quarter 3. There is no use of MRG funding towards this project in 2012/13, with all



costs proposed to be funded from S31 funding as agreed with DfT.

4 Capital Programme Financing

The following table explains how the Metro ARP and Major Projects capital programme for 2012/13 is to be funded. Given the current forecast, the over-programming level is not anticipated to be required. Options to bring forward elements of future years' programmes continue to be investigated, but options for acceleration are now largely exhausted.

	Available Funding in 2012/13		Projected Funding in 2012/13	
	£000	£000	£000	£000
<u>Asset Renewal Plan</u>				
Metro Rail Grant				
2012/13 Allocation	35,000		35,000	
c/f from 2011/12	2,285		2,285	
Grant acceleration in 2011/12	-3,485		-3,485	
Local Contribution				
LTP Minor Schemes (including postponed contribution from 2011/12)	5,345		5,345	
ITA Reserves	2,283	41,428	2,283	41,428
<u>Major Schemes</u>				
S31 Grant		7,225		7,225
<u>Over-programming</u>				
MRG virement from 2013/14	2,297		-2,641	
Local Contribution 10% reserve	255		-294	
Other Reserves	0	2,552	0	-2,935
Total Nexus Funding		50,197		47,718



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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 2012/13 Budget*	Latest Budget 2012/13	Actual Expenditure at end of Period 10	Forecast for year (as at Period 10)	Variation between Forecast and Latest Budget	Reason for Variation
	£	£	£	£	£	
Civils	6,664,528	4,151,192	1,789,744	3,004,986	-1,146,206	Revised programme reflects slippage in Ducting programme to future years although overall costs have been contained within budget
Communications	4,195,735	3,794,341	1,057,478	2,534,515	-1,259,826	Revised programme reflects slippage in Fibre Replacement programme to future years although overall costs have been contained within budget
Depot Equipment	17,000	98,285	88,645	117,523	19,238	
Level Crossings	120,000	423,195	55,926	129,640	-293,555	
Mechanical and Electrical	2,369,428	4,366,484	2,074,743	4,071,878	-294,606	Accelerated programme of lifts and escalators now included bringing forward spending from future years
Metro Cars	5,371,251	6,652,251	5,295,356	6,607,620	-44,631	Revised programme incorporates slippage from 2011/12. Work is ongoing to reach agreement regarding revised specification and timescales.
Miscellaneous	1,467,124	651,496	180,618	596,552	-54,944	
Overhead Line	316,624	365,413	51,547	114,865	-250,548	
Permanent Way	14,746,213	15,763,923	13,253,141	15,667,540	-96,383	Budget and Forecast incorporates increased tender costs for Plain Line
Plant	0	781,900	287,942	776,638	-5,262	
Power	561,349	576,224	90,428	537,217	-39,007	
Signalling	5,382,014	2,054,558	547,264	1,604,125	-450,433	Revised programme reflects slippage in Signalling programme to future years although overall costs have been contained within budget
Stations	4,796,100	4,300,460	1,572,527	2,729,438	-1,571,022	Revised programme incorporates projects accelerated into 2012/13 and re-scoping delays
Total Approved 2012/13 Capital Programme	46,007,366	43,979,722	26,345,359	38,492,537	-5,487,185	
Major Projects	7,225,000	7,225,000	3,173,127	7,225,000	0	
Total	53,232,366	51,204,722	29,518,486	45,717,537	-5,487,185	

*Certain associated costs have been reallocated to individual projects since the programme was approved by the ITA in January 2012 to facilitate comparison of the proposed changes to the programme.



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Appendix B

2012/13 Capital Programme at end of Period 10

Capital Code	Capital Scheme	Original Approved Budget 2012/13 (PID)	Latest Approved Budget 2012/13	Actual Expenditure at end of Period 10	PMO Period 10 Forecast	Variance between Forecast and Latest Approved Budget	Reason for Variation
		£	£	£	£	£	
	Civils						
BB001	Central Area Tunnel Refurbishment	6,000	3,089	2,159	2,159	-930	
BC200	Ground Investigation - Tynemouth to Chillingham Road	0	0	0	0	0	
BC201	Earthworks - North Shields to Howdon	408,952	364,387	234,810	237,810	-126,577	Efficiency saving & slippage: Some remaining ballast support works have slipped into 13/14 due to Engineering Change and design requirements for the preferred option.
BC202	Earthworks - Howdon to Wallsend	0	1,000	1,799	1,799	799	
BC203	Earthworks - Wallsend to Chillingham Road	0	0	310	310	310	
BC204	Earthworks- South Gosforth to Jesmond	55,000	53,142	31,906	102,276	49,134	



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Slippage: Technical complexities have resulted in the slippage of spend in 12/13. An Option Study is currently underway which will confirm if any work can be completed in 12/13.

BC971	Earthworks - TYN-NPK, NPK-SGF	66,124	388,824	35,417	59,324	-329,500
BC205	Bridges - Tynemouth to North Shields	0	0	0	0	0
BC206	Bridges - Percy Main to Wallsend	141,324	112,069	88,997	89,497	-22,572
BC207	Bridges - Howdon to Percy Main	141,324	141,324	120,081	120,581	-20,743
BC208	Bridges - Meadow Well to Walkergate	0	4,000	0	0	-4,000
BC209	Bridges - Tynemouth to Meadow Well	177,924	200,924	172,609	178,234	-22,690
BC210	Bridges - Percy Main to Hadrian Road	0	0	493	493	493
BC211	Bridges - Hadrian Road to Walkergate	105,152	504,200	156,368	477,528	-26,672
BC212	Bridges - Wallsend to Walkergate	54,124	54,124	2,154	6,155	-47,969
BC213	Retaining Walls	0	0	0	0	0
BC214	Bridges - Monkseaton, Cullercoats	150,124	12,843	4,794	7,351	-5,492
BC966	Cullercoats Bridge	0	0	0	0	0
BC218	Drainage - Tynemouth (Knotts Flats)	0	0	210	210	210
BC219	Drainage - South Gosforth to Jesmond	51,000	50,640	5,927	27,078	-23,562



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BC222	Duct Route - WallSEND to Manors	317,387	301,913	75,122	92,470	-209,443								Works nearing completion. Efficiency savings against original estimate due to internalisation of works. Full scope still being delivered.
BC223	Duct Route - Howdon to WallSEND	0	0	0	0	0								
BC224	Duct Route - North Shields to Howdon	305,169	445,313	147,837	198,788	-246,525								Works nearing completion. Efficiency savings against original estimate due to internalisation of works. Full scope still being delivered.
BC225	Duct Route - Tynemouth to North Shields	523,892	221,602	57,236	107,236	-114,366								Slippage: Feasibility works have identified that cable tray needs to be installed at height. Programme of works being developed. Works will slip into 13/14
BC226	Duct Route - South Gosforth to Jesmond	308,484	30,543	18,095	26,454	-4,089								
BC227	Duct Route - South Gosforth to Airport	607,881	57,961	44,438	53,874	-4,087								
BC228	Duct Route - Jesmond to Gateshead Stadium and Manors	447,112	54,946	45,456	54,946	0								
BC229	Duct Route - Gateshead Stadium to South Shields	650,261	373,781	276,488	383,100	9,319								
BC230	Duct Route - South Gosforth to Tynemouth	1,557,170	96,358	88,312	89,121	-7,237								
BC241	Culverts	0	0	0	0	0								
BC289	Ground Investigation - South Gosforth to Jesmond	0	0	0	0	0								
BC294	Airport Metro Station Drainage	0	0	0	0	0								
BC543	QE11 Bridge Refurbishment	0	20,000	16,279	16,279	-3,721								
BC545	Depot Refurbishment	0	12,000	11,939	11,939	-61								



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BC799	Monkseaton Station Ramp	582,124	562,063	101,118	595,533	33,470
BC811	Benton Station Footbridge	0	32,617	19,216	26,866	-5,751
BC855	MOG Remodelling	0	3,797	0	0	-3,797
BC883	Depot Lighting Upgrade	0	0	0	0	0
BC887	Earsdon Road Bridge	0	0	0	0	0
BC891	Control Room	8,000	12,068	4,666	12,067	-1
BC911	Knotts Bridge Repair	0	0	0	0	0
BC914	Benton Lane Bridge	0	0	0	0	0
BC928	North Shields Tunnels COMPLETE	0	0	0	0	0
BC937	Denholme and Mast Lane	0	3,900	3,275	3,275	-625
BC952	Depot Fire Alarm Systems	0	24,229	22,234	22,234	-1,995
BC958	Repairs to 1216A Quayside Arch	0	7,535	0	0	-7,535
	Total Civils	6,664,528	4,151,192	1,789,744	3,004,986	-1,146,206
BC250	Cable Pulling - Tynemouth to Manors	566,603	79,221	25,635	79,220	-1
BC251	Cable Pulling - South Gosforth to Jesmond	0	13,000	10,499	10,499	-2,501
BC253	Cable Pulling - Jesmond to Gateshead Stadium and Manors	309,464	37,958	16,816	37,958	0
BC252	Cable Pulling - South Gosforth to Airport	454,987	54,327	25,544	72,801	18,474
BC254	Cable Pulling - Gateshead Stadium to South Shields	657,050	69,205	34,274	87,680	18,475
BC255	Cable Pulling - South Gosforth Junction to Tynemouth	663,457	47,112	24,009	47,112	0
BC256	Radio	240,124	171,000	128,116	150,667	-20,333



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BC257	Telephony	0	360,000	0	100,000	-260,000							
BC259	Station Network Connections	1,300,000	1,208,468	791,404	1,208,432	-36							
BC556	Help Points	0	100,000	0	80,000	-20,000							
BC623	CCTV on Metro Cars	4,050	4,050	1,180	1,180	-2,870							
BC840	CCTV/PA Access	0	1,500,000	0	598,966	-901,034							
BC956	PA ICT	0	150,000	0	60,000	-90,000							
Total Communications		4,195,735	3,794,341	1,057,478	2,534,515	-1,259,826							
BC278	Train Wash	8,500	24,964	24,964	24,964	-0							
BC279	Wheel Lathe	8,500	73,321	63,682	92,560	19,239							
Total Depot Equipment		17,000	98,285	88,645	117,523	19,238							
BC275	Barriers - Kingston park	35,000	35,000	16,783	16,783	-18,217							
BC276	Barriers - Fawdon	35,000	34,921	12,583	12,583	-22,338							
BC277	Level Crossings - Highway works - Howdon, Fawdon, Kingston Park	0	305,000	5,754	52,000	-253,000							
BC539	Level Crossing Refurbishment	0	0	0	0	0							
BC800	LX Road Monitoring	0	0	0	0	0							

INFORMATION
ICT Proposal to accelerate spend to align with IP delivery. Forecast currently based on minimum spend. Forecast will increase when tender costs/ delivery timescales have been confirmed.

ICT Proposal to accelerate spend to align with IP delivery. Forecast currently based on minimum spend. Forecast will increase when tender costs/ delivery timescales have been confirmed.

Slippage: PM progressing feasibility options. Works estimates and delivery timescales to be utilised to update forecast when available.



Tyne and Wear
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INFORMATION

BC955	Level Crossing Deck Replacement	50,000	48,274	20,806	48,274	0
	Total Level Crossings	120,000	423,195	55,926	129,640	-293,555
BC281	Escalator - Central	309,576	297,609	273,361	274,111	-23,498
BC282	Escalator - Monument	1,442,576	1,449,115	918,625	1,321,811	-127,304
BC994	Escalator - Regent Centre (previously Manors)	0	678,802	76,939	649,569	-29,233
BC995	Escalator - Gateshead 4-6	0	785,423	162,176	769,207	-16,216
BC284	Lift - Four Lane Ends	163,576	200,493	176,913	177,563	-22,930
BC285	Lift - Heworth	163,576	199,620	176,824	176,824	-22,796
BC286	Fire Alarm	166,124	166,124	47,856	123,304	-42,820
BC532	Stations Refurb - Esc Imps/Major Items	60,000	66,889	72,006	70,465	3,576
BC617	Lifts Refurbishment/Major Items	64,000	63,939	1,603	59,939	-4,000
BC973	Lift- St James	0	190,216	39,902	180,254	-9,962
BC977	Lift- Manors	0	34,448	34,448	34,448	0
BC984	Lift- Jesmond	0	33,690	33,690	33,690	0
BC996	Lift - Regent Centre (previously St James)	0	200,116	60,399	200,692	576
BC805	Otn-Ups Support Power Supply	0	0	0	0	0
BC938	Sub Surface Vent System	0	0	0	0	0
	Total Mechanical & Electrical	2,369,428	4,366,484	2,074,743	4,071,878	-294,606

Efficiency savings from minor contract adjustment and downturn of contingency. Costs to be finalised before budget downturned.



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BC288	3/4 Life Refurbishment	4,678,251	5,921,942	4,699,571	5,885,934	-36,008
BC954	Capital Maintenance Concession	693,000	693,000	559,414	685,315	-7,685
BC874	On-Train PA	0	37,309	36,372	36,372	-937
	Total Metro Cars	5,371,251	6,652,251	5,295,356	6,607,620	-44,631
BB003	Maintenance Management System	0	0	56	56	56
BC587	Vehicle Replacement Programme	100,000	240,000	105,243	234,983	-5,017
BC849	Digitising and Approving Engineering Drawings	0	0	0	0	0
BC894	Security Review	267,124	277,124	21,979	230,791	-46,333
BC720	Lighting Upgrade	0	0	0	0	0
BC798	Replacement Scada Control Equipment	0	0	0	0	0
BC902		0	0	0	0	0
BC906		0	0	0	0	0
BC944	Omnicom Track Survey	0	0	0	0	0
BC943	IT Hardware - WASP project	0	9,713	9,703	9,703	-11
BC947	Nexus Document Control System	0	20,000	0	4,700	-15,300
BC957	PMO Transition IT Applications	0	3,532	960	15,960	12,428
BC959	Land at West Monkseaton Metro Station	0	0	0	0	0
BC960	Asset Knowledge	100,000	100,000	42,320	100,002	2
BC961	Rail crane	0	1,127	357	357	-770
BC962	Transformer (Benton)	0	0	0	0	0



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BC963	Tunnel Track bed	0	0	0	0	0	0
BC965	Regent Centre Asbestos Removal	0	0	0	0	0	0
BC001	Asset Knowledge	1,000,000	0	0	0	0	0
	Bus Costs	0	0	0	0	0	0
	Dayworks	0	0	0	0	0	0
	Blockade Resources	0	0	0	0	0	0
	Total Miscellaneous	1,467,124	651,496	180,618	596,552	-54,944	

Project Management Costs

	Project Management Costs	0	0	0	0	0	0
	Total Project Management Costs	0	0	0	0	0	0

Design slippage on Options Report. PM exploring options to maintain spend/ programme.

BC240	OLE - System Development	316,624	365,413	51,547	114,865	-250,548	
	Total Overhead Line	316,624	365,413	51,547	114,865	-250,548	

BC231	Plain Line - Tynemouth to Chillingham Road	9,157,691	9,841,934	8,482,511	9,693,189	-148,745	
BC232	Plain Line - South Gosforth to Jesmond	164,124	264,124	52,802	107,129	-156,995	
BC234	Switches & Crossings - Hylton Street	0	0	0	0	0	
BC235	Switches & Crossings - North Shields	1,694,826	1,728,874	1,725,553	1,728,906		32

Nexus PM/ PE undertaking ECI requirements (efficiency saving), which has reduced the 12/13 EAC.



**Tyne and Wear
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INFORMATION

Slippage: Some works not complete during the blockade. Negotiations are on-going :CE and remaining contract costs

SG3 approved at Management Committee 18/12. Works being accelerated for delivery in 2012/13. Currently out to tender.

BC236	Switches & Crossings - South Gosforth	2,017,076	2,409,603	2,156,649	2,203,763	-205,840
BC237	Switches & Crossings - Benton	100,124	100,124	13,229	644,203	544,079
BC238	Switches & Crossings - St James	104,124	104,124	7,219	13,641	-90,483
BC239	Switches & Crossings - Prudhoe Street	104,124	0	154	154	
BC967	Switches & Crossings - Regent Centre	104,124	104,124	6,053	65,539	-38,585
BC550	Rail Grinding	100,000	86,166	11,358	86,166	-0
BC558	Security Fencing	100,000	100,000	3,379	99,999	-1
BC703	Plain Line Renewal	1,000,000	927,443	768,453	927,443	0
BC706	Switch & Crossing Renewal	0	0	0	0	0
BC714	Tamper Trainstop	0	0	0	0	0
BC905	Wheel Slip Gel Applicators	0	0	0	0	0
BC964	S&C Steelwork Renewal	100,000	97,407	25,780	97,407	-0
	Total Permanent Way	14,746,213	15,763,923	13,253,140	15,667,539	-96,384
BC295	Spider Lift	0	48,900	37,754	46,754	-2,146
BC280	Tamper	0	733,000	250,188	729,884	-3,116
BC517	Road/Rail Vehicles	0	0	0	0	0
	Total Plant	0	781,900	287,942	776,638	-5,262
BC287	Power - Depot Stray Currents	27,000	28,000	8,069	15,739	-12,261
BC929	OHLE Network	534,349	548,224	82,359	521,478	-26,746
	Total Power	561,349	576,224	90,428	537,217	-39,007



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INFORMATION

BC260	Signalling - Bankfoot Interlocking Area	735,706	27,883	20,216	27,883	-0
BC261	Signalling - South Gosforth Interlocking Area	373,350	24,241	14,009	24,240	-1
BC262	Signalling - Benton Interlocking Area	632,758	17,420	11,751	17,421	1
BC263	Signalling - Monkseaton Interlocking Area	0	0	0	0	0
BC264	Signalling - North Shields Interlocking Area	555,304	23,225	10,230	23,225	0
BC265	Signalling - Wallsend Interlocking Area	65,000	133,310	57,310	132,310	-1,000
BC266	Signalling - Jesmond Interlocking Area	668,780	28,297	11,911	28,296	-1
BC267	Signalling - Manors Interlocking Area	350,820	29,025	11,257	29,025	0
BC268	Signalling - Heworth Interlocking Area	662,660	37,647	17,707	37,644	-3
BC269	Signalling - Pelaw Interlocking Area	697,136	32,753	21,349	32,752	-1
BC270	Signalling - Jarrow Interlocking Area	42,076	253,049	214,744	214,881	-38,168
BC271	Signalling - South Shields Interlocking Area	3,124	19,557	2,990	2,990	-16,567
BC272	Signalling - Depot Interlocking Area	0	0	0	0	0
BC273	Signalling - PTI	529,624	529,624	99,940	142,783	-386,841
BC274	Future Signalling System	0	0	0	0	0
BC946	Manors Enhancement Works	0	0	202	202	202

Contract award has slipped into 13/14, due to delays in the designer's programme.



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						INFORMATION
BC970	Signalling - Replacement point motors (critical locations)	65,676	898,527	53,648	890,473	-8,054
	Total Signalling	5,382,014	2,054,558	547,264	1,604,125	-450,433
BC242	Station - North Shields	1,639,876	2,172,924	1,683,554	1,770,426	-402,498
BC243	Station - Meadow Well, Percy Main and Howdon	273,224	93,598	-631,280	-433,855	-527,453
BC244	Station - Hadrian Road and Wallsend	192,576	801,609	100,070	577,319	-224,290
BC245	Station - Walkergate and Chillingham Road	812,624	297,656	158,189	285,970	-11,686
BC246	Station - South Gosforth	957,076	247,595	81,467	152,006	-95,589
BC247	Station - Ilford Road	66,324	98,574	33,344	78,058	-20,516
BC248	Station - West Jesmond	811,776	245,880	64,351	154,797	-91,083
BC249	Station - Central Station	0	4,900	5,550	5,550	650
BC968	Halt Station package - HEB, JAR, BDE Design	42,624	337,724	77,281	139,166	-198,558
	Total Stations	4,796,100	4,300,460	1,572,527	2,729,438	-1,571,022

Decrease in accrual based on Nexus assessment. No adjudication resources included in forecast
Decrease in accrual based on Nexus assessment. No adjudication resources included in forecast
Decrease in-line with contract award due to efficiency savings. Budget decreased at last Man Com

Design framework tender return lower than forecast, which has resulted in a potential efficiency saving against budget.



Tyne and Wear
Integrated Transport Authority Metro
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Total Approved 2011/12 Capital Programme	46,007,366	43,979,722	26,345,359	38,492,537	-5,487,185
BB005 Sunderland Station Redevelopment	0	0	-32,590	0	0
BB006 Ticketing and Gating	7,225,000	7,225,000	3,205,717	7,225,000	0
Total Major Projects	7,225,000	7,225,000	3,173,127	7,225,000	0
TOTAL	53,232,366	51,204,722	29,518,486	45,717,537	-5,487,185



Tyne and Wear
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INFORMATION

Project		Total	Slippage	Savings	Acceleration	Budget Pressure	Comments
		£m	£m	£m	£m	£m	
BC201 Earthworks - North Shields to Howdon		-0.1	-0.1				
BC971 Earthworks - TYN-NPK, NPK-SGF		-0.3	-0.3				
BC222 Duct Route - Wallsend to Manors		-0.2		-0.2			
BC224 Duct Route - North Shields to Howdon		-0.2		-0.2			
BC225 Duct Route - Tynemouth to North Shields		-0.1	-0.1				
BC257 Telephony		-0.3	-0.3				
BC840 CCTV/PA Access		-0.9	-0.9				
BC956 PA ICT		-0.1	-0.1				
BC277 Level Crossings		-0.3	-0.3				
BC282 Escalator - Monument		-0.1	-0.1				
BC240 OLE - System Development		-0.3	-0.3				
BC231 Plain Line - Tynemouth to Chillingham Road		-0.1		-0.1			
BC232 Plain Line - South Gosforth to Jesmond		-0.2		-0.2			
BC236 Switches & Crossings - South Gosforth		-0.2	-0.2				
BC237 Switches & Crossings - Benton		0.5			0.5		
BC273 Signalling - PTI		-0.4	-0.4				
BC242 Station - North Shields		-0.4		-0.4			
BC243 Station - Meadow Well, Percy Main and Howdon		-0.6		-0.6			
BC244 Station - Hadrian Road and Wallsend		-0.2		-0.2			
BC246 Station - South Gosforth		-0.1	-0.1				
BC248 Station - West Jesmond		-0.1	-0.1				
BC968 Halt Station Package - HEB, JAR, BDE Design		-0.2		-0.2			
Other		-0.6	-0.6				
Total		-5.5	-3.7	-2.3	0.5	0.0	

Appendix C

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INFORMATION

DATE: 21st February 2013

SUBJECT: Metro Asset Renewal Plan – Funding for Years 4 to 6 (2013/14 to 2015/16)

REPORT OF: Director of Finance and Resources

If confidential, please indicate and state the reason for confidentiality.

PURPOSE OF REPORT

The report advises Members that DfT have not formally written to the Director General confirming that 100% funding as referred to in the original grant offer letter from February 2010 for the years 2013/14 to 2015/16 will be made available to Nexus for investment in its Metro Asset Renewal Plan. This amounts to £93m over the three year period, for which Nexus will need to fund a local contribution of at least £10.3m.

RECOMMENDATIONS

That Metro Sub-Committee note the contents of this report.

BACKGROUND DOCUMENTS

Background papers are held by the Contact Officer.

CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
John Fenwick	John.fenwick@nexus.org.uk	0191 2033248

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																																																																								
1.1	To inform Members that Nexus have been formally written to by DfT confirming 100% funding for years 2013/14 to 2015/16 of the Metro Asset Renewal Plan.																																																																								
2	Introduction and Background																																																																								
2.1	<p>When DfT made its grant offer for the Metro Asset Renewal Plan in February 2010, it put conditions on up to £100m of funding (applicable from year 4 through to year 11 i.e. from 2013/14 to 2020/21).</p> <p>The table below illustrate this:-</p> <p>Funding that represents a firm commitment from the Department to Nexus:</p> <table border="1"> <thead> <tr> <th>10/11</th> <th>11/12</th> <th>12/13</th> <th>13/14</th> <th>14/15</th> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> <th>19/20</th> <th>20/21</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>£34m</td> <td>£35m</td> <td>£35m</td> <td>£24m</td> <td>£23m</td> <td>£23m</td> <td>£16m</td> <td>£15m</td> <td>£15m</td> <td>£15m</td> <td>£15m</td> <td>£250m</td> </tr> </tbody> </table> <p>Funding that is not subject to the firm commitment which may be subject to adjustment according to consideration of the following factors:</p> <ul style="list-style-type: none"> the need to maintain the infrastructure to a condition that enables train services to be provided by the operator as required under the Concession Agreement; Nexus' performance to date on delivery of the Asset Renewal Plan (criteria to be agreed); and Affordability within the context of the Department's overall budget. <table border="1"> <thead> <tr> <th>10/11</th> <th>11/12</th> <th>12/13</th> <th>13/14</th> <th>14/15</th> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> <th>19/20</th> <th>20/21</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> <td>£7m</td> <td>£8m</td> <td>£8m</td> <td>£15m</td> <td>£16m</td> <td>£16m</td> <td>£15m</td> <td>£15m</td> <td>£100m</td> </tr> </tbody> </table> <p>Total available funding:-</p> <table border="1"> <thead> <tr> <th>10/11</th> <th>11/12</th> <th>12/13</th> <th>13/14</th> <th>14/15</th> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> <th>19/20</th> <th>20/21</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>£34m</td> <td>£35m</td> <td>£35m</td> <td>£31m</td> <td>£31m</td> <td>£31m</td> <td>£31m</td> <td>£31m</td> <td>£31m</td> <td>£30m</td> <td>£30m</td> <td>£350m</td> </tr> </tbody> </table>	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total	£34m	£35m	£35m	£24m	£23m	£23m	£16m	£15m	£15m	£15m	£15m	£250m	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total	-	-	-	£7m	£8m	£8m	£15m	£16m	£16m	£15m	£15m	£100m	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total	£34m	£35m	£35m	£31m	£31m	£31m	£31m	£31m	£31m	£30m	£30m	£350m
10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total																																																														
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10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total																																																														
-	-	-	£7m	£8m	£8m	£15m	£16m	£16m	£15m	£15m	£100m																																																														
10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	Total																																																														
£34m	£35m	£35m	£31m	£31m	£31m	£31m	£31m	£31m	£30m	£30m	£350m																																																														
3	Years 4 to 6 (2013/14 to 2015/16)																																																																								
3.1	In accordance with the terms of the grant offer letter from February 2010, DfT have now formally written to the Director General confirming that 100% funding for the years 2013/14 to 2015/16 will be made available to Nexus for investment in its Metro Asset Renewal Plan. This amounts to £93m over the three year period, for which Nexus will need to fund a local contribution of at least £10.3m (a copy of the																																																																								



	letter dated 21 January 2013 is appended to this report).
4	Other Implications
4.1	Whilst confirmation of receipt of 100% funding to the end of year 6 is extremely welcome and also represents a huge vote of confidence in Nexus as a delivery organisation, there are some aspects of this January 2013 letter from DfT that require careful attention if 100% funding for the latter part of this ambitious eleven year programme is to be realised.
4.2	As part of the various processes DfT undertook to assure itself that Nexus was delivering the ARP in accordance with the terms and conditions of the original grant offer letter from February 2010, it commissions Parsons Brinkerhoff / AMCL to review Nexus' first three years of delivery. This review concluded that Nexus has made good progress in delivering aspects of its Asset Renewal Plan but that there are elements of its capability which require further improvement, particularly around Capital Investment Decision Making where current planning processes rely heavily on engineering judgement as opposed to more quantitative analysis. As a result, DfT and Nexus have jointly accepted 16 recommendations which will be implemented over the next 6 to 18 months (although in this regard, some are already implemented and some are directed more at DfT than Nexus). These are attached as Appendix B.
4.3	There are also some significant incentives for Nexus in relation to bringing forward planned work to deliver additional benefits and/or efficiencies which is something that Nexus and civil servants have been discussing for some time.
4.4	Also, and significantly for the first time, DfT have formally indicated that they (we) will need to start considering the likely shape and options for Phase 3 of the programme, for 2021/22 to 2023/24 and beyond.



Department
for Transport

Mr Bernard Garner
Director General
Nexus
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Stuart Baker
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Web Site: www.gov.uk/dft

Dear Bernard

21 January 2013

TYNE & WEAR METRO ASSET RENEWAL PROGRAMME

I am very pleased to be able to tell you that, under the terms of the Funding Agreement letter dated 2 February 2010, Ministers have agreed to confirm full funding for Nexus for years 4 to 6 of the Asset Renewal Programme.

For the avoidance of doubt, this confirms the capital funding for Nexus for the years 2013/2014 to 2015/2016 in the Funding letter and as set out in the table below.

Nexus Capital Grant

<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>
£34m	£35m	£35m	£31m	£31m	£31m

As you are well aware, this confirmation takes place against a background of extremely tight funding within the Department. With this in mind I thought it would be helpful to set out a few points in respect of other opportunities and funding for the Asset Renewal Programme in future years.

ARP Funding for 2016/2017 and beyond

We will work with Nexus to confirm funding for future years under the terms of the Funding Agreement letter. Given that the sums subject to confirmation for those years are larger than those for years 4-6, and the Department's financial position is likely to be tighter, it is very important that we work together to ensure that there is a very solid evidence base to support this. In particular, we would like to see Nexus progress in implementing the key recommendations from our recent review of the ARP including moving to a more whole life and whole system approach to prioritising renewal investment.



In addition, we will need to start considering the likely shape and options for Phase 3 of the programme, for the period 2021/2022 to 2023/2024 and beyond.

I think it will also be of benefit to revisit and update the business case for the programme, taking account of the better understanding of the asset condition which you now have compared to when it was originally done. Again, I think this will be useful evidence to support future investment decision – both in terms of the Asset Renewal Programme and any other opportunities to deliver investment which may arise.

Opportunities to bring forward planned work, deliver additional benefits and deliver efficiencies

In 2012/2013 Nexus carried out some work looking at opportunities for bringing forward some pieces of work and to deliver additional benefits. Although it was, unfortunately, not possible to secure funding to take it further at that time, there almost certainly will be further opportunities in the future. For example, we would be interested, if the opportunity presents itself, to take forward the scheme proposed to align works at Newcastle Central with the mainline station upgrade and to therefore bring spend forward.

We are also seriously interested in pursuing further investment where there is a clear opex return. This might be your proposals to enable single car operation at quieter times of the day or to enable you to source much more of the regular renewals and maintenance work in house.

In investment cases such as these it would be vital to have a quantifiable and numerate business case to provide evidence to support any opportunities to secure additional funding for the Metro. I will, with Ben Stafford, be in touch with Ken Mackay to discuss how we might achieve this. Clearly we want to avoid generating potentially abortive work but equally we want to be able to act if further opportunities for investment present themselves.

I have copied this letter to Ken Mackay and John Fenwick.

Yours sincerely

P.P. **STUART BAKER**
Deputy Director



APPENDIX B

REVIEW OF TYNE AND WEAR ASSET RENEWAL PLAN – DECEMBER 2012

RECOMMENDATIONS

	Description	AMCL Priority
1	DfT should schedule a review of the full programme of work for years 4 to 6 and up to year 11 (due end of December 2012) prior to committing funding for years 4 to 6. Refer to Section 4.2.2. <i>(High Priority) Suggested review after 3 months</i>	High
2	Nexus should revise its specification and on-going monitoring of the scope and corresponding cost and timescales for individual projects to allow for improved reviews of actual progress and assessment of effectiveness and efficiency of delivery. Refer to Sections 4.3.1 and 4.5. <i>(High Priority) Suggested review after 6 months</i>	High
3	Nexus should develop asset specific policies to address project scoping issues, such as for stations, prioritising those assets covered in years 4 to 6 of the ARP. Refer to Section 4.5. <i>(High Priority) Suggested review after 6 months</i>	High
4	Nexus should evaluate the need for additional resources to accelerate progressing projects through the established stage gates and to internalise some of the inspection and quantity surveying work done as part of the scoping and cost estimation of the projects. Refer to Sections 4.5 and 4.6. <i>(High Priority) Suggested review after 6 months</i>	High
5	DfT should schedule a review of the QRA for the full programme of work for phase II of the ARP when this is produced by Nexus. Refer to Section 4.3.5. <i>(Medium Priority) Suggested review after 6 months or sooner if available</i>	Med
6	Nexus should develop a plan for further improving scope and cost estimation of individual projects which includes clear deliverables and milestones. Refer to Section 4.2.2. <i>(High Priority) Suggested review after 6 months.</i>	High
7	Nexus should develop a plan to improve its justification of the ARP for future years, which should include: - A whole-life, whole-system approach supported by quantified analysis. Refer to Section 4.2.2. <i>(High Priority) Suggested review after 6 months;</i> - Business case modelling of alternative options (either at individual asset or project level, or across assets), aiming to optimise the trade-offs between Capex and whole-life whole-system costs, risks and revenue opportunities. Refer to Section 4.2.2. <i>(High Priority) Suggested review after 6 months</i>	High
8	Nexus should develop its specification for asset condition assessments to include an estimate of residual asset life. Refer to Section 4.4. <i>(High Priority) Suggested review after 6 months</i>	High
9	DfT should schedule a review of the Nexus Project Controls Manual when this becomes available against an appropriate good practice framework. Refer to Section 4.3.1. <i>(High Priority) Suggested review after 6 months</i>	High
10	Nexus should develop an overarching asset management strategy document that sets out its approach to asset management and clearly defines the objectives and processes required to be followed for the successful delivery of the	Med



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	ARP. Refer to Section 4.2.1. <i>(Medium Priority) Suggested review after 1 year</i>	
11	Nexus should identify opportunities for justifying further funding from DfT, either to accelerate the spending allocated for phase II of the ARP or to obtain additional funding to deliver more work where a positive business case exists. Refer to Section 4.2.2. <i>(Medium Priority) Suggested review after 1 year</i>	Med
12	Nexus should develop an Asset Information Strategy setting out the asset data requirements to support asset management decision making and plans for any improvements needed to meet these requirements. Refer to Section 4.2.3. <i>(Medium Priority) Suggested review after 1 year</i>	Med
13	Nexus should address the Project Initiation Document (PID v5) requirement for defining and reporting KPIs on Condition, Asset Management, and Cost. Refer to Section 4.3.4. <i>(Medium Priority) Suggested review after 1 year</i>	Med
14	Nexus should improve the peer review process of the risk assessment with the Business Risk Model, so that it captures the views of all key stakeholders and experts within Nexus. Refer to Section 4.3.5. <i>(Medium Priority) Suggested review after 1 year</i>	Med
15	Nexus should improve the Quantified Risk Assessment process for the overall programme and also for individual projects via utilising software such as @Risk to enable more accurate risk estimates to be produced. Refer to Section 4.3.5. <i>(Low Priority) Suggested review after 1 to 2 years</i>	Low
16	DfT should consider scheduling a review for the phase III ARP strategy and its integration with phase II once it becomes available. Refer to Section 4.2.2. <i>(Low Priority) Suggested review after 1 to 2 years or sooner if available</i>	Low

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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 funding of £350m from DfT, 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' delivery performance and DfT affordability.

Affordability – Years 1 to 3

The Sub Committee will recall that at its last meeting in November 2012, 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 remains the position as at the end of the third quarter of 2012/13 and the situation is not envisaged to materially change as at the end of the first three years of the programme.



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Asset Category	Initial PID Estimate	Current Projection	Variation
	£000	£000	£000
Civils	20,250	29,578	9,328
Permanent Way	28,581	33,577	4,996
Overhead Line	0	452	452
Stations	11,370	20,114	8,744
Communications	9,123	12,767	3,644
Signalling	15,146	15,084	-62
Level Crossings	4,739	464	-4,275
Plant	2,500	3,376	876
Mechanical/Electrical	7,439	6,991	-448
Power	832	1,342	510
Metro Cars	12,181	14,167	1,986
Depot Equipment	3,329	2,167	-1,162
Capital Maintenance	11,520	9,427	-2,093
Miscellaneous	4,000	1,637	-2,363
Project Management	8,161	-767	-8,928
Capital Slippage	5,027	0	-5,027
Major Projects	2,500	2,142	-358
Total	146,699¹	152,518	5,820

Whilst this suggests that the original work bank will not be completed without finding additional resources, in practical terms this is not necessarily the case given the work that has been ongoing to further develop the ARP which now provides an outline programme that prioritises investment across Metro, based on experience gained throughout the first three years of delivery e.g. better asset knowledge, greater awareness of costs and improvements in programme and project management capability.

This determination of the initial priorities for the remainder of the programme through to Year 11 will also allow a more strategic approach to the management of the programme which will be frequently reviewed and updated to reflect revised priorities and greater cost certainty as asset condition is further clarified and detailed design work is progressed.

Consequently the quarterly affordability update will now concentrate upon affordability over the eleven year funding period.

¹ Adjusted for Central Station and IP Network projects



Stock Take at the end of Year 3

Having regard to the first three years of delivery, the following table identifies the current (December 2012) 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) £m	Current Projection as at December 2012 £m	Variance £m
Structures (Earthworks, Bridges/Structures, Drainage and Ducting)	42	67	25
Track (Plain Line, Switches & Crossings, Overhead Line)	121	109	(12)
Stations	38	61	23
Signalling and Comms	72	64	(8)
Depot Equipment	3	2	(1)
Mobile Equipment and Plant	5	7	2
Mechanical and Electrical	27	18	(9)
Power	1	1	0
Metro Cars	23	30	7
Fare Collection	4	2	(2)
Other*	53	60	7
TOTAL	389	421	32

*Includes PM costs/Day works/Possession costs (Years 5 to 11)

There are two things worthy of note in relation to this. First of all, the total assessed need amounts to some £32m in excess 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 the December 2012 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, the following has been taken into account:-

- **Structures** – drainage and earthwork projects are proving more expensive than anticipated in the original bid. Added to this, this category includes a number of legacy projects which were not included in the original programme.
- **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 in order to deliver a common level of accessibility, safety and passenger information will also 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 well advanced.
- **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 ARP 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. This had not been included within the original PID but recent analysis of fare box losses have revealed greater than anticipated losses that are directly attributable to the delivery of the ARP
- **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
- **Signalling and Communications** - the overall costs of this asset category have fallen since the initial bid 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 be considerably more expensive than previously anticipated in the initial PID as more detailed work



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on these projects has progressed and cost estimates have become somewhat clearer.

- **Mechanical and Electrical** – this category allows for remaining lift and escalator works required, 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.

Despite the virement of budgets to/from various asset categories, it is important to recognise that the basic renewal and refurbishment strategies outlined in the previous submissions to DfT remain valid and achievable.

However, given that current projections of the eleven year programme total £421m, approximately £32m (8%) above the available funding of £389m, it has been necessary to review the priorities within the ARP and reallocate funding commensurate with available resources as follows:-

- **Structures:** Currently the bridge work requirement is based upon a pessimistic view of future assessments which may allow for a reduction in this category
- **Track:** the current programme allows for over £16m for future Switches & Crossing replacements post Year 4. This may need to be reduced dependent upon available funding
- **Stations:** The level of future works to stations has had to be scaled down in view of the level of available funding. However, as outlined above, all stations on the Metro network (i.e. excluding those on the Sunderland extension) will receive refurbishment commensurate with their strategic importance and existing condition to bring them up to a common level of accessibility, safety and passenger information. It is hoped that other external funding can be secured to assist in complementing the ARP station refurbishments
- **Signalling and Communications:** The risk with this asset category is that higher costs than currently envisaged might require reduced specification levels to match funding availability, in particular in relation to Radio and PTI projects.
- **Other:** this category provides for over £3m inflation, Project management costs and metro fare revenue disruption. Work will continue to try to achieve procurement efficiencies.

The table below identifies those asset categories where the proposed reallocation of funding is being suggested:-



Asset Category	Current Projection Years 1 to 11 £m	Proposed Revised Allocation of available resources £m	Proposed Reallocation of Funding £m
Structures (Earthworks, Bridges/Structures, Drainage and Ducting)	67	65	-2
Track (Plain Line, Switches & Crossings, Overhead Line)	109	93	-16
Stations	61	57	-4
Signalling and Telecoms	64	61	-3
Depot Equipment	2	2	0
Mobile Equipment and Plant	7	5	-2
Mechanical and Electrical	18	18	0
Power	1	1	0
Metro Cars	30	30	0
Fare Collection	2	2	0
Other*	60	55	-5
TOTAL	421	389	-32

*Includes PM costs/Day works/Possession costs (Years 5 to 11)

Delivery Strategy Years 4 to 11

To ensure on-going achievement of value for money, and given it is suggested that only the highest priority projects are progressed, a number of projects totalling £32m (the current shortfall on available funding) will be identified from this December 2012 assessment of need as reserve projects. The intention being that these reserve projects will proceed if savings in other projects (or additional funding) can be attracted.

What this effectively means is that key future projects included within the ARP at this stage are as set out below:

- **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 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 network (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 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
- **Other**
 - This category includes the estimated loss of metro fare revenue as a result of the disruption to service while the ARP works are taking place.

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.



REPORT FOR INFORMATION

DATE: 21 February 2013

SUBJECT: 2013/14 METRO CAPITAL PROGRAMME

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

PURPOSE OF REPORT

To note the Metro Capital Programme for 2013/14.

RECOMMENDATIONS

The ITA Metro Sub Committee is asked to:

- Note the Metro capital programme for 2013/14 as detailed in Appendix A, totalling £49.3m
- Agree to receive a further report following delivery of the 2012/13 programme, ensuring that any variations during the remainder of the current financial year are accommodated

BACKGROUND DOCUMENTS

Background documents are held by the Contact Officers.

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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 outlines the proposed Metro Capital Programme for 2013/14 for information.
2	Introduction and Background
	<p>Since April 2010 Nexus has been delivering the first three years of its eleven year Asset Renewal Plan.</p> <p>As part of the terms of the funding agreement with DfT, Nexus is required to submit a detailed work plan for each financial year no later than 28 February in the preceding year.</p> <p>The ITA approved the full ITA Capital Programme for 2013/14, including both Metro and non-Metro elements, at its meeting on 24 January 2013.</p>
3	Metro Asset Renewal Plan
	<p>The current prediction of £39.2m capital expenditure in 2012/13, as at Period 9, is based upon the master programme which is managed by the Nexus Programme Management Office. It is currently estimated that over £14m will be spent in the remaining four periods of the financial year.</p> <p>The outturn for 2012/13 will influence the resources available in 2013/14 and it is therefore proposed that a further report be presented to the Sub Committee later in the year to:</p> <ul style="list-style-type: none"> • Update the programme to reflect the final 2012/13 outturn and; • Outline the progress in reducing over programming levels to a more acceptable level <p>DfT has now confirmed 100% funding for 2013/14 to 2015/16 following positive feedback received from DfT civil servants. The general approach towards Year 4 of the Metro All Change Asset Renewal Plan is therefore as follows:-</p> <ul style="list-style-type: none"> • £31m of Metro Rail Grant will be receivable • Consolidation of the processes and procedures that have been successfully introduced during Years 1 to 3 • Maintain delivery of the Asset Renewal Plan within funding limits • Bring projects that are currently underway to a successful conclusion • Continue to identify projects required over the eleven year period resulting from increased asset knowledge and prioritise accordingly to maximise value for money for the programme • Flatten the spend profile throughout the year • Give consideration to projects with long lead items e.g. new radio system



In this regard, the major elements of the investment programme for 2013/14 are as follows:

- **Civils: Budget £8.202m**
Including Earthworks, Drainage and Bridge works of £5.541m and Duct Route repairs and renewals of £2.497m.
- **Communications: Budget £6.752m**
Including fibre installation and replacement of £3.052m and continuing work on Station Network Connections of £1.65m to replace the open transmission network (OTN) with an internet protocol (IP) network. In addition work on the new radio system will continue (£2.049m).
- **Mechanical and Electrical: Budget £2.716m**
This provides for the continuation of Lift and Escalator replacement including Gateshead escalators at £1.524m. It also provides for the replacement of the Fire Alarm system at £1.119m.
- **Metro Cars ¾ Life Refurbishment: Budget £5.372m**
Continuation of the refurbishment programme that commenced in 2010/11.
- **Permanent Way: Budget £12.552m**
Including further Plain Line Renewal between South Gosforth and Jesmond at £8.1m and the renewal of Switches and Crossing units at Regent Centre totalling £2.220m.
- **Rail Track Tamping Machine: Budget £2.069m**
Completion of the replacement tamper project totalling £2.069m.
- **Signalling: Budget of £4.672m**
Continued programme of cable testing and replacement (£2.562m), together with further development of the Positive Train Indicator (PTI) equipment replacement at £2.11m.
- **Stations: Budget of £3.615m**
Completion of on-going Station refurbishment together with works at Walkergate, South Gosforth, Ilford Road and West Jesmond totalling £3.615m.



4 Over programming and Station Investment

The proposed draft programme detailed at Appendix A totals £49.3m. At this level, the programme is currently 34% over programmed which is in excess of what has historically been generally accepted. However, when the programme was compiled there were two significant areas where further detailed programming discussions were still required.

The main areas currently under consideration to reduce the level of over programming relate to:

- **Earthworks – South Gosforth to Jesmond (£2.143m)** – where the programme currently provides for earthworks, drainage and track renewal to the Central Corridor in the next financial year. More detailed programming work and discussions with stakeholders indicate that these improvements may be better delayed beyond March 2014.
- **Switches & Crossings – Benton (£1.004m)** – where every effort is being made to progress the project during the current financial year.

Should there still be a need to reduce the level of over-programming to a more manageable level when the outturn for 2012/13 is available, then there a number of projects within the proposed 2013/14 programme which can be straddled over the 2013/14 financial year end, in particular, Switches & Crossings at Regent Centre (£2m).

As far as the Station Investment Programme is concerned, feedback from stakeholders has highlighted the need for consideration of additional works to be carried out at key stations across the network in order to enhance what is currently programmed and financed to occur and to provide synergy with recent works carried out in central Newcastle (Haymarket) and North Shields as well as works previously carried out (below the surface) and also planned (above ground) at Sunderland Station where Nexus has committed resources outside of the Asset Renewal Plan in a joint venture with the City Council and Network Rail.

These additional locations include Newcastle Central Station where the City Council has also secured investment for the mainline railway station and improvements to the metro station are seen as complementary, South Shields station where the Council is currently developing plans to regenerate its town centre and Gateshead where sizeable investment in the town centre is currently underway.

At this point in time, the resource necessary to deliver these station enhancements has not been secured and the Asset Renewal Plan only provides for a basic refurbishment at each location at this time. However, bids for external 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 well advanced.



5 Capital Programme Financing

The DfT Metro Rail Grant funding for 2013/14 is £31m. The funding available, including the local contribution and anticipated carry forward of funding from 2012/13 is set out below (NB. – over programming in this respect is a management tool used to ensure that delivery against the funding target actually happens):-

	Proposed 2013/14 Budget
	£000
Metro Rail Grant	31,000
Virement between years (proposed at this stage)	2,399
Local contribution (10%)	3,444
Total ARP Funding	36,843
Over-programming	12,426
Over-programming (%)	33.7%
TOTAL	49,269



REPORT FOR INFORMATION

APPENDIX A

Capital code	Capital Scheme	2013/14 Budget Requirement £000
Civils		
BC204	Earthworks - South Gosforth to Jesmond	2,143
BC971	Earthworks - TYN - NPK, NPK - SGF	323
BC209	Bridges - Tynemouth to Meadow Well (1157 1156 1168 1171)	22
BC211	Bridges - Hadrian Road to Walkergate (1197 1198 1200)	12
BC212	Bridges - Wallsend to Walkergate (1201 1203 1204 1206)	352
BC213	Retaining Walls	50
BC214	Bridges - Monkseaton, Cullercoats (1124 1137 1144)	343
BC215	Bridges - Benton (1114 1115B)	36
BC216	Bridges - Gateshead (1059 1962)	59
BC217	Bridges - Bede, Shiremoor (1024 1024A)	116
BC972	Bridges GST-SSS	340
BC219	Drainage - South Gosforth to Jesmond	1,492
BC974	Drainage - TYN-NPK	303
BC222	Duct Route - Wallsend to Manors	3
BC224	Duct Route - North Shields to Howdon	3
BC225	Duct Route - Tynemouth to North Shields	3
BC226	Duct Route - South Gosforth to Jesmond	297
BC227	Duct Route - South Gosforth to Airport	477
BC228	Duct Route - Jesmond to Gateshead Stadium and Manors to St. James (tunnels)	45
BC229	Duct Route - Gateshead Stadium to South Shields	356
BC230	Duct Route - South Gosforth to Tynemouth	1,313
BC290	Ground Investigation - Rest of System	100
BC799	Monkseaton Station Ramp	9
BC811	Benton Station Footbridge	5
BC891	Control Room	2
	Total Civils	8,202
Communications		
BC250	Cable Pulling - Tynemouth to Manors	589
BC252	Cable Pulling - South Gosforth to Airport	528
BC253	Cable Pulling - Jesmond to Gateshead Stadium and Manors	70
BC254	Cable Pulling - Gateshead Stadium to South Shields	1,153



REPORT FOR INFORMATION

BC255	Fibre Cable Replacement - South Gosforth Junction to Tynemouth	712
BC256	Radio	2,049
BC259	IP Network	1,650
	PA	0
	Total Communications	6,752

Depot Equipment

BC278	Train Wash	2
BC279	Wheel Lathe	3
	Total Depot Equipment	5

Level Crossings

BC277	Bank Foot Callerton Parkway	264
	Total Level Crossings	264

Mechanical and Electrical

BC281	Escalator - Central	4
BC282	Escalator - Monument	6
BC992	Escalator - Heworth	12
BC993	Escalator - Gateshead 1-2 (previously 1-3)	12
BC994	Escalator - Regent Centre (previously Manors)	89
BC995	Escalator - Gateshead 3-6 (previously 4-6)	894
BC284	Lift - Four Lane Ends	4
BC285	Lift - Heworth	4
BC973	Lift - St James	252
BC996	Lift - Regent Centre (previously St James)	247
BC997	DC Feeder Cable	34
BC286	Fire Alarm	1,119
BC805	Otn-ups Support Power Supply	40
	Total Mechanical and Electrical	2,716

Metro Cars

BC288	3/4 Life Refurbishment	5,372
	Total Metro Cars	5,372

Capital Maintenance

BC550	Rail Grinding	100
BC558	Security Fencing	100
BC587	Vehicle Replacement Programme	175
BC617	Lifts Refurbishment/Major Items	50
BC703	Plain Line Renewal	0
BC929	OHL Network	529



REPORT FOR INFORMATION

BC954	Capital Maintenance Concession	788
BC532	Stations Refurb - Esc Imps/Major Items	40
BC964	S&C Steelwork Renewal	100
	Total Capital Maintenance	1,882

Miscellaneous

BC894	Security Review	2
BC960	Asset Knowledge	50
	Metro Service	500
	Bus costs	0
	Dayworks	0
	Blockade Resources	0
	Total Miscellaneous	552

PM Costs

	PM Costs	0
	Total PM Costs	0

Overhead Line

BC240	OLE - System Development	400
	Total Overhead Line	400

Permanent Way

BC231	Plain Line - Tynemouth to Chillingham Road	112
BC232	Plain Line - South Gosforth to Jesmond	8,054
BC233	Plain Line - Jesmond to Gateshead Stadium	120
BC976	Plain Line - TYN-NPK	396
BC235	Switches & Crossings - North Shields	8
BC236	Switches & Crossings - South Gosforth	6
BC237	Switches & Crossings - Benton	1,004
BC238	Switches & Crossings - St James	590
BC239	Switches & Crossings - Prudhoe Street	41
BC967	Switches & Crossings - Regent Centre	2,220
	Total Permanent Way	12,552

Plant

BC280	Tamper	2,069
	Total Plant	2,069

Power

BC287	Power - Depot Stray Currents	218
	Total Power	218



REPORT FOR INFORMATION

Signalling

BC260	Signalling - Bankfoot Interlocking Area	276
BC261	Signalling - South Gosforth Interlocking Area	246
BC262	Signalling - Benton Interlocking Area	59
BC264	Signalling - North Shields Interlocking Area	289
BC265	Signalling - Wallsend Interlocking Area	3
BC266	Signalling - Jesmond Interlocking Area	52
BC267	Signalling - Manors Interlocking Area	56
BC268	Signalling - Heworth Interlocking Area	274
BC269	Signalling - Pelaw Interlocking Area	373
BC270	Signalling - Jarrow Interlocking Area	2
BC271	Signalling - South Shields Interlocking Area	2
BC273	Signalling - PTI	2,110
BC970	Signalling - Replacement point motors (critical locations)	929
	Total Signalling	4,672

Stations

BC242	Station - North Shields	237
BC243	Station - Meadow Well, Percy Main and Howdon	44
BC244	Station - Hadrian Road and Wallsend	6
BC245	Station - Walkergate and Chillingham Road	926
BC246	Station - South Gosforth	698
BC247	Station - Ilford Road	409
BC248	Station - West Jesmond	681
BC249	Station - Central Station	247
BC968	Halt Station Package (Hebburn, Jarrow, Bede) Design	5
BC981	Station - SSS	348
BC983	Station - Heworth Interchange	14
	Total Stations	3,615

Major Projects

BB006	Ticketing and Gating Enabling Works	0
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49,269

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INFORMATION

DATE: 21 February 2013

SUBJECT: CONTROL OF LINE AND KEY FACILITIES CLOSURE PLANS 2012-13 AND 2013-14

REPORT OF: DIRECTOR OF RAIL & INFRASTRUCTURE, NEXUS

Not confidential

PURPOSE OF REPORT

To update Members of Metro Sub Committee with progress in delivering the annual possession and key facilities plans for 2012-13 and 2013-14.

RECOMMENDATIONS

That Metro Sub-Committee notes the contents of the report.

BACKGROUND DOCUMENTS

Background papers are held by the Contact Officer.

CONTACT OFFICERS

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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

To update Metro Sub Committee about the annual possession and key facilities plan for 2012-13 and 2013-14 and any key issues arising therefrom.

2 Introduction and Background

The table below identifies where a series of possessions for ARP and Maintenance have been completed and/or remain to be completed within the programme for 2012-13.

Possession Duration	Possessions booked to date 2012-13	Possessions completed 2012-13	Cancelled Possessions	Possessions Outstanding
Blockades	3	1	0	2
54hr	19	4	2	13
29hr	3	1	1	1
12hr	10	0	0	10

The remaining activities prior to the end of March are for overhead line renewals between Gateshead Stadium and Hebburn, Byker to Meadowell blockade, Benton plain lining and completion of Front Street Bridge at Monkseaton.

3 Highlights & Key Issues

Blockade Programme 2012-13 (Appendix A)

South Gosforth Junction (28 October – 3 November)

Since the last report to this committee, the complete renewal of this important junction has taken place. This involved the replacement of rail, sleepers and ballast through the junction and up to 18m beyond the outer limits of the unit. In order to reduce the installation time a modular system was chosen, by using this system the junction was taken to site in nine pre-built sections instead of separate components.

As part of the works the points motors were also renewed and the overhead line re-aligned; prior to the works 300m of track drainage was renewed to ensure that the trackbed remains dry and to increase the lifespan of the asset.

This was the first time the Metro central corridor has been directly affected for this length of time and accordingly Nexus monitored the arrangements very carefully. The bus replacement service between Regent Centre, South Gosforth and Four Lane Ends worked well and there was a mixture of complaints and praise from Metro customers.



Byker to Tynemouth (16 February to 22 February 2013)

This blockade will see the last of the main works being carried out on this stretch of line.

Under this blockade, Wallsend crossover will be renewed, plain line reballasted and realigned, Bridge 1200 (Carville Road) will be subjected to a full deck replacement and new signalling and communication cables installed.

Gateshead Stadium to Hebburn (29 March to 1 April)

This blockade is associated with the first major renewal of overhead line involving the replacement of the contract and catenary wire droppers and some bracketry. The reason that this section has been chosen is because this is the highest priority area in terms of asset condition and performance risk.

A short presentation will accompany this item at the meeting.

Blockade Programme 2013-14 (Appendix B)

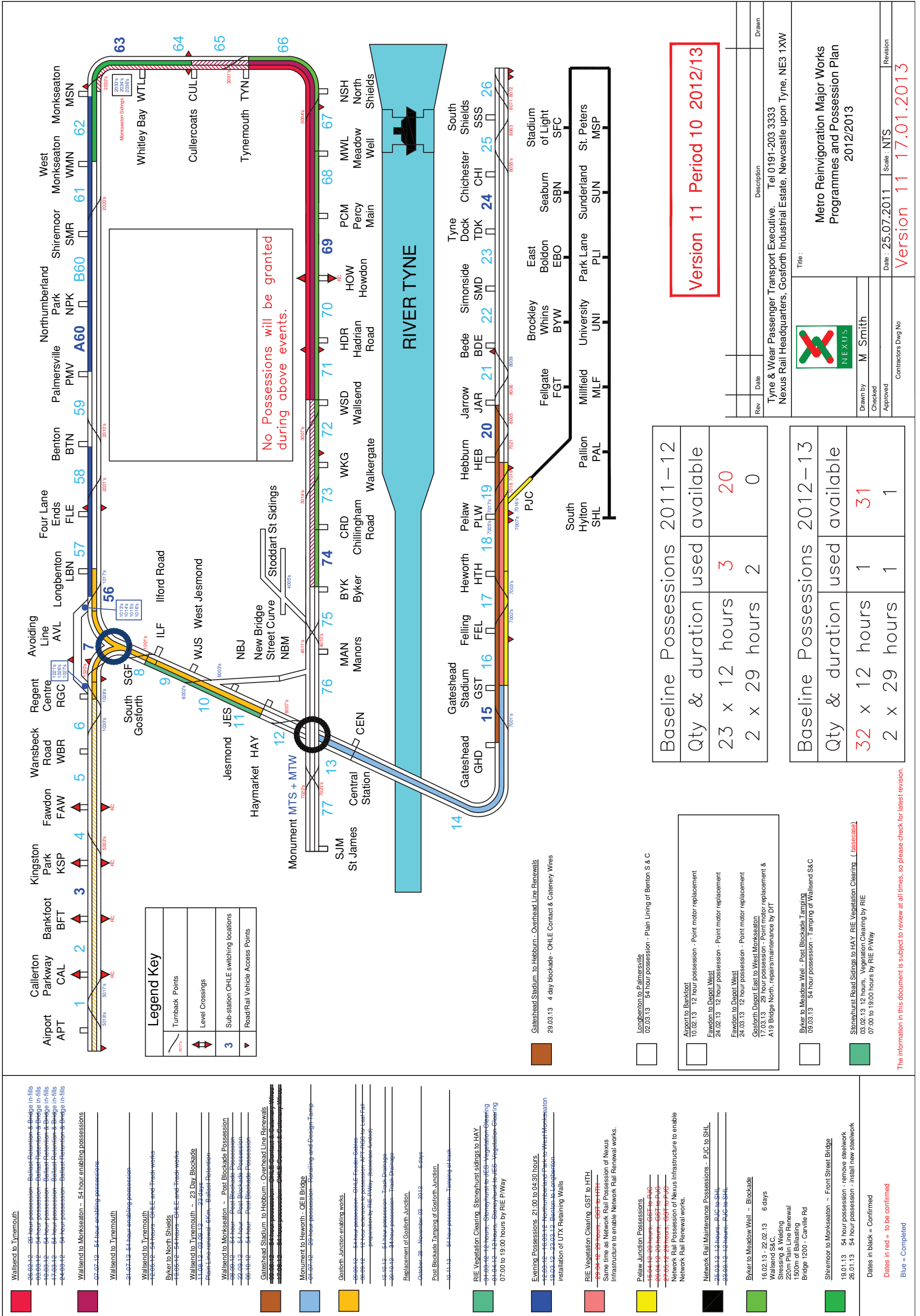
The major blockade for 2013-14 will be for the purpose of renewing the permanent way formation and drainage between South Gosforth and Jesmond. In essence this will be very similar to the work that has been carried out between Chillingham Road and Tynemouth which Members have been apprised of previously. In this case approximately 18km of new rail on 7,000 sleepers will be installed on new ballast and existing drains refurbished together with new drains where required.

Key Facilities Plan – (Appendix C)

Please see Appendix C for those facilities which will be out of use for more than 24 hours.

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ARP Possession/Blockade Year Plan 2012-2013



Version 11 Period 10 2012/13

Baseline Possessions 2011-12	
Qty & duration used	available
23 x 12 hours	3
2 x 29 hours	2
20	
0	

Baseline Possessions 2012-13	
Qty & duration used	available
32 x 12 hours	1
2 x 29 hours	1
31	
1	

Legend Key	
	Turnback Points
	Level Crossings
	Sub-station OHLE switching locations
	Road/Rail Vehicle Access Points

- Gateshead Stadium to Hebburn - Overhead Line Renewals
29.03.13 4 day blockade - OHLE Contact & Catenary Wires
- Longbenton to Palmersville
02.03.13 54 hour possession - Plain Lining of Benton S & C
- Airport to Bankfoot
10.02.13 12 hour possession - Point motor replacement
Fawdon to Depot West
24.02.13 12 hour possession - Point motor replacement
Fawdon to Depot West
24.03.13 12 hour possession - Point motor replacement
Gosforth Depot East to West Monkseaton
17.03.13 29 hour possession - Point motor replacement & A19 Bridge North, repairs/maintenance by DT
- Byker to Meadow Well - Post Blockade Tamping
09.03.13 54 hour possession - Tamping of Wallsend S&C
- Stonehurst Road Sidings to HAY - RIE Vegetation Clearing (Baseline)
03.02.13 12 hours, Vegetation Clearing by RIE
07.00 to 19:00 hours by RIE P/Way

- Wallsend to Tynemouth
26.03.12 20 hour possession - Ballast Replacement & Bridge in-fills
09.03.12 54 hour possession - Ballast Replacement & Bridge in-fills
17.03.12 54 hour possession - Ballast Replacement & Bridge in-fills
24.03.12 54 hour possession - Ballast Replacement & Bridge in-fills
- Wallsend to Monkseaton - 54 hour enabling possessions
02.02.12 54 hour enabling possessions
- Wallsend to Tynemouth
24.02.12 54 hour enabling possession
- Wallsend to Tynemouth
16.05.12 54 hours OHLE and Track works
- Byker to North Shields
19.05.12 54 hours OHLE and Track works
- Wallsend to Tynemouth - 23 Day Blockade
11.08.12 23 days
Plain Line renewal 6km - Ballast Rejection
- Wallsend to Monkseaton - Post Blockade Possession
29.03.12 54 hour - Post Blockade Possession
29.03.12 54 hour - Post Blockade Possession
05.04.12 54 hour - Post Blockade Possession
- Gateshead Stadium to Hebburn - Overhead Line Renewals
29.03.13 4 day blockade - OHLE Contact & Catenary Wires
- Monument to Heworth - OE II Bridge
01.07.12 29 hour possession - Retaining and Design Tump
- Gosforth Junction enabling works
28.03.12 54 hour possession - OHLE Encoder Cables
09.03.12 54 hour possession - OHLE Encoder Cables
preparation by RIE delivery - (baseline blockade)
- 13-14.12 54 hour possession - Track Drainage
20-14-12 54 hour possession - Track Drainage
- Replacement of Gosforth Junction
October 28 - November 03 - 2012 - 6 days
Post Blockade Tamping of Gosforth Junction
16.11.12 54 hour possession - Tamping of track
- RIE Vegetation Clearing - Stonehurst sidings to HAY
01.02.12 12 hours - Stonehurst to JES - Vegetation Clearing
04.02.12 12 hours - Stonehurst to JES - Vegetation Clearing
07:00 to 19:00 hours by RIE P/Way
- Evening Possessions 21.00 to 04:30 hours
16.03.12 16:05-12 Northumberland Park to West Monkseaton
19.03.12 23:03-12 Benton to Longbenton
Installation of UTX Retaining Walls
- RIE Vegetation Clearing - GST to HTH
29.04.12 29 hours - GST to HTH
Same time as Network Rail Possession of Nexus Infrastructure to enable Network Rail Renewal works.
- Pelaw Junction Possessions
16.04.12 20 hours - GST to PJC
20.04.12 20 hours - GST to PJC
27.05.12 29 hours - GST to PJC
Network Rail Possession of Nexus Infrastructure to enable Network Rail Renewal works.
- Network Rail Maintenance Possessions - PJC to SHL
25.03.12 12 hours - PJC to SHL
22.03.12 12 hours - PJC to SHL
- Byker to Meadow Well - Blockade
16.02.13 - 22.02.13 6 days
Wallsend S&C
Stripping & Welding
220m Plain Line Renewal
1500m of Ballasting
Bridge 1200 - Carville Rd
- Shiremoor to Monkseaton - Front Street Bridge
19.01.13 54 hour possession - remove steelwork
26.01.13 54 hour possession - install new steelwork

The information in this document is subject to review at all times, so please check for latest revision.

Dates in black = Confirmed
Dates in red = to be confirmed
Blue = Completed

Rev	Date	Description	Drawn

Tyne & Wear Passenger Transport Executive. Tel 0191-203 3333
 Nexus Rail Headquarters, Gosforth Industrial Estate, Newcastle upon Tyne, NE3 1XW

Title: Metro Reinvigoration Major Works Programmes and Possession Plan 2012/2013

Drawn by: M. Smith
 Checked: Approved
 Date: 25.07.2011 Scale: NTS
 Contractors Dwg No:

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ARP Possession/Blockade Year Plan 2013-2014

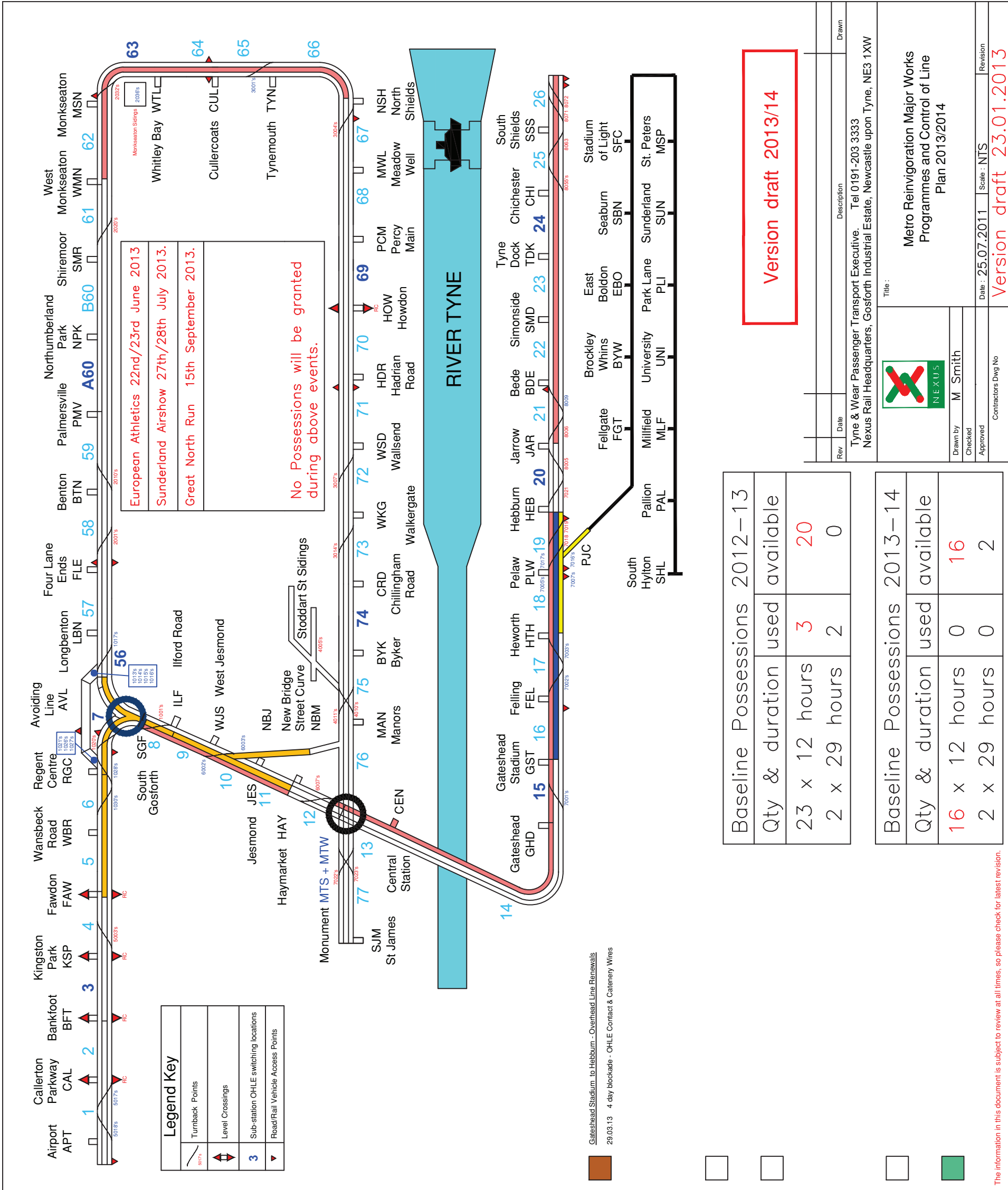
Point Motor Replacement Programme
 21.04.13 12 hours, SGF to HAY 6002's + 6003's
 05.05.13 12 hours, JAR to SSS 8009's
 12.05.13 12 hours, MTS to FEL 7001's
 19.05.13 12 hours, GST to HEB, BYW 7002's + 7003's
 26.05.13 12 hours, GST to HEB, BYW 7005's + 7007's
 02.06.13 12 hours, WMN to NSH, 2036's + 3001's
 09.06.13 12 hours, GST to HEB, BYW 7016's + 7017's

Central Corridor Track and Drainage renewals - FAW to HAY, NBJ
 06.07.13 54 hours, FAW to HAY, NBJ enabling possession
 04.08.13 27 Days, FAW to HAY, NBJ pWay blockade
 07.09.13 54 hours, FAW to HAY, NBJ blockade snagging works
 05.10.13 54 hours, FAW to HAY, NBJ post blockade Tamping

Pelaw Junction Possessions

Network Rail Maintenance Possessions - PJC to SHL
 16.02.14 29 hours, PJC to SHL
 23.02.14 29 hours, PJC to SHL
 02.03.14 29 hours, PJC to SHL
 09.03.14 29 hours, PJC to SHL

Dates in black = Confirmed
 Dates in red = to be confirmed
 Blue = Completed



European Athletics 22nd/23rd June 2013
 Sunderland Airshow 27th/28th July 2013.
 Great North Run 15th September 2013.

No Possessions will be granted during above events.

Baseline Possessions 2012-13	Qty & duration used	available
	23 x 12 hours	3
	2 x 29 hours	2

Baseline Possessions 2013-14	Qty & duration used	available
	16 x 12 hours	0
	2 x 29 hours	0

Version draft 2013/14

Rev	Date	Description	Drawn
Tyne & Wear Passenger Transport Executive. Tel 0191-203 3333 Nexus Rail Headquarters, Gosforth Industrial Estate, Newcastle upon Tyne, NE3 1XW			
Title: Metro Reinvigoration Major Works Programmes and Control of Line Plan 2013/2014			
Drawn by	M. Smith		
Checked			
Approved			
Contractors Dwg No		Date : 25.07.2011	Scale : NTS
		Revision	Revision
		Version draft 23.01.2013	

The information in this document is subject to review at all times, so please check for latest revision.

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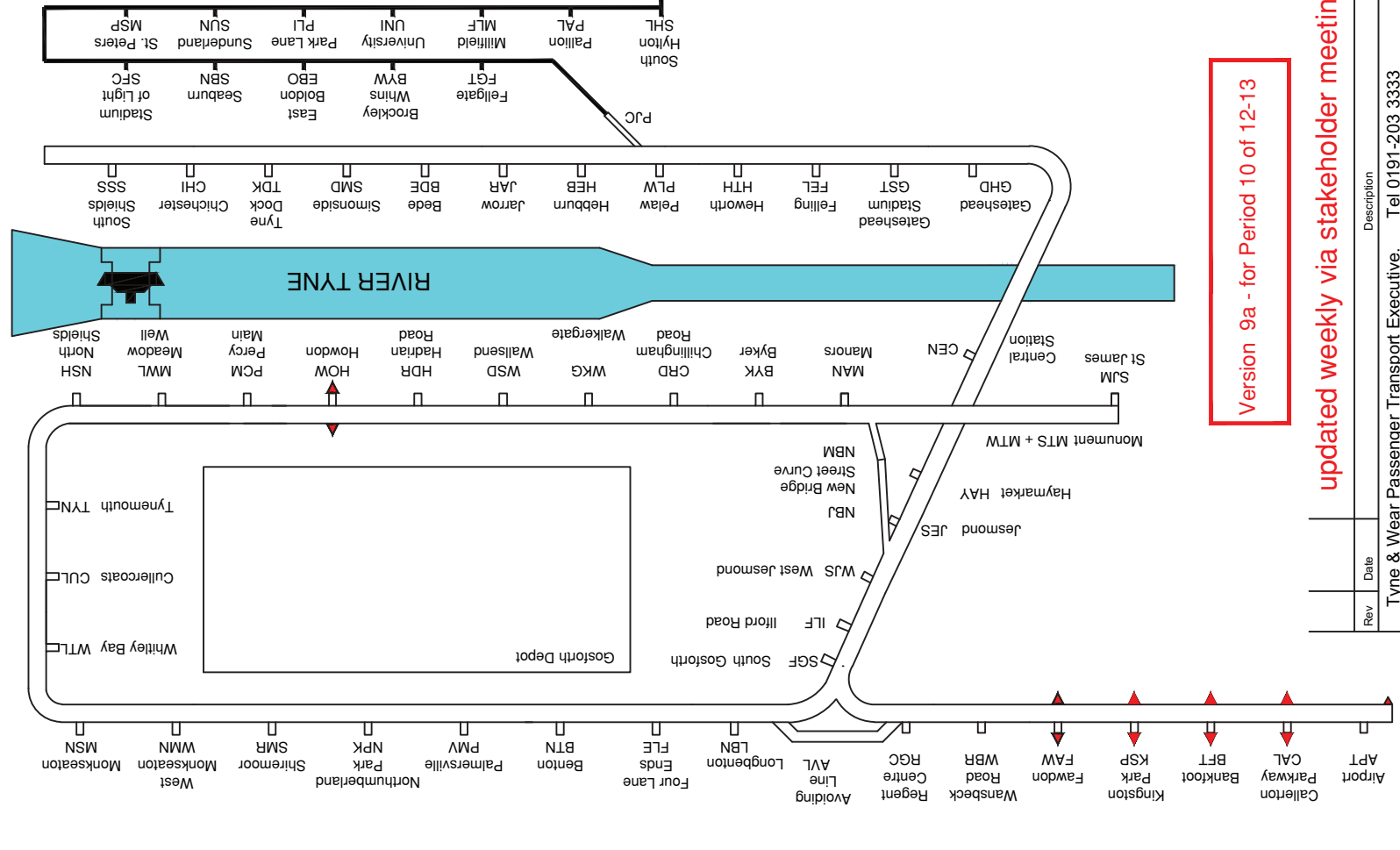
Key Facilities Closure Plan 2012-2013

The information in this document is subject to review at all times, so please check for latest revision.

Station/ Location	Full Station	Platform 1	Platform 2	Platform 3	Platform 4	Escalator 1	Escalator 2	Escalator 3	Escalator 4	Escalator 5	Escalator 6	Lift 1	Lift 2	Staircase	Ramp	Concourse	Early Closings & Times							Date Closed/ out of use	Date Open/ back in use	Cost Code	s n a t s							
																	20:00 hrs											04:30 hrs						
																	Mo	Tu	We	Th	Fr	Sa	Su					Mo	Tu	We	Th	Fr	Sa	Su
Monument No/So							Y																	06.11.12	25.01.13	BC282	S							
Monument No/So								Y																	28.01.13	18.03.13	BC282	S						
Regent Centre									Y																18.02.13	12.04.13	BC994	C						
Regent Centre								Y																	18.02.13	19.04.13	BC994	C						
Gateshead 3									Y																22.04.13	07.06.13	BC995	C						
Gateshead 4										Y															10.06.13	09.08.13	BC995	C						
Gateshead 5										Y															22.04.13	07.06.13	BC995	C						
Gateshead 6											Y														10.06.13	09.08.13	BC995	C						
Regent Centre									Y																10.06.13	23.08.13	BC996	C						
Regent Centre									Y																23.09.13	29.11.13	BC996	C						
St James										Y															10.06.13	23.08.13	BC973	C						
St James										Y															23.09.13	29.11.13	BC973	C						
Percy Main																Y									16.02.13	31.03.13		C						
Wallsend															Y										Feb 13	Mar 13		T						
Hadrian Road														Y											Feb 13	Mar 13		T						
Walkergate				Y																					Jul 13	Oct 13		T						
Walkergate					Y																				Oct 13	Nov 13		T						
Monument																Y									20.01.13	23.01.13		C						
Monument															Y										27.01.13	30.01.13		C						

Version 9a - for Period 10 of 12-13

updated weekly via stakeholder meeting



Legend Key	
	Level Crossings
	Tentative
	Confirmed
	Slipped

Rev **Date** **Description**

1 25.07.2011 Scale : NTS

2 **Version 9a** 23.01.2013

Title :

Contractors Dwg No

Drawn by M Smith

Checked

Approved

Contractors Dwg No

Revision

Scale : NTS

Date : 25.07.2011

Version 9a

23.01.2013

Key Facilities Closure Plan 2012/2013

Tyne & Wear Passenger Transport Executive, Tel 0191-203 3333

Nexus Rail Headquarters, Gosforth Industrial Estate, Newcastle upon Tyne, NE3 1XW

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DATE: 21st February 2013

SUBJECT: Quarterly Performance Data – Quarter 3 2012/13 – 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

Background documents are held by the Contact Officer.

CONTACT OFFICERS

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<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 outlines the highlights of the third quarter of the 2012/13 financial year with regards to the Metro Operating Concession.
2	Introduction and Background
2.1	This report covers the period 16 September 2012 to 8 December 2012 (Periods 7 to 9 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	<p>An agreement on varied contractual terms for the ¾ Life Metrocar refurbishment project was reached in principle during the quarter and will be finalised early in the fourth quarter. The agreement will see the project complete to the original end date of 31st December 2015 with no reduction in quality observable to the passenger. To the end of Period 9, 13 completed units were in passenger service.</p>
3.2	<p>Metro punctuality reduced to levels well below the MAA throughout the Quarter. Several factors contributed to the poor performance, including an unusually lengthy and significant leaf fall period causing rail adhesion problems in large areas. Poor fleet reliability compounded these difficulties, with DBTW struggling to fully diagnose and resolve faults against the pressures of a longer than normal list of stopped Metrocars which threatened to impact on service levels. Resolving these issues is now a priority and work will be concentrated in Quarter 4 into ensuring that punctuality improves.</p>
3.3	<p>The Great North Run took place on the first day of the Quarter. An enhanced timetable was in operation and DBTW reported no significant problems. The first Tyne & Wear derby of the football season took place at the Stadium of Light on 21st October. Additional trains were provided specifically to carry Newcastle supporters to and from the stadium, and Central Station was closed to non-football travellers for around one hour in the hours before the match to allow for effective crowd control and segregation.</p>
3.4	<p>The first major blockade in the central corridor commenced on 28th October 2012 and lasted for 6 days. Trains had to be out stabled and special access through the worksite arranged for them to go back to the depot for servicing. Overall the arrangements worked well.</p>
3.5	<p>Station failures under the SQR reduced to their lowest-ever quantity during Period 9. DBTW achieved ‘passes’ at a significant number of stations and received a bonus on the stations aspect of the regime. Difficulties between DBTW’s cleaning contractor and the RMT union continued without resolution, although strike action has not affected the quality of output due to effective contingency planning. The bonuses achieved at stations were more than offset by failures on the Metrocars. Exterior cleanliness remains problematic and further failures in signage have increased penalties further. Work in Quarter 4 will focus on exploring solutions to improving the exterior appearance of Metrocars.</p>



INFORMATION

3.6	The first RIDDOR major reportable public accident of the Concession Year occurred during Period 9 involving an escalator at Monument. An investigation is underway which will report its findings during the fourth Quarter. Other accidents increased throughout the Quarter, and although there does not appear to be any sole or underlying cause, it seems likely that the overall annual total will exceed that of 2011/12. Escalators are still the most significant source of passenger accidents.
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4	Potential impact on objectives
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	N/A
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	Benchmark	Period 7	Period 8	Period 9
OPR-(Excess Waiting Time) (see glossary)	13.59 MAA to P9 end	15.58	13.54	17.70
Charter Punctuality (see glossary)	87.54% MAA to P9 end	84.97%	81.64%	80.97%
SQR – Stations (no. of failures)	75 MAA to P9 end	62	84	47
SQR – Trains (no. of failures)	116 MAA to P9 end	108	112	122
Fleet (Ave km per fault)	12,500 DBTW target	6,918	10,588	6,506



INFORMATION

	Benchmark	Period 7	Period 8	Period 9
Fraud Rate (% ticketless travel recorded)	4.5% Contractual target	3.78%	3.94%	3.96%
Head Count (no. of DBTW staff)	513 DBTW target	484.8	492.8	505.3
Passenger Accidents (RIDDOR)	4.36 DBTW target	5	6	1
Passenger Accidents (Other)	18.76 DBTW target	10	21	29
Passenger Assaults	7.96 DBTW target	5	5	9



DATE: 21st February 2013

SUBJECT: Metro Customer Satisfaction Survey Results – November 2012

REPORT OF: Director of Customer Services, Nexus

PURPOSE OF REPORT

To update members on the latest customer satisfaction survey results for Metro.

RECOMMENDATIONS

Members are recommended to note the contents of this report.

BACKGROUND DOCUMENTS

Background papers are held by the Contact Officer.

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	The attached appendices illustrate the most recent results of the Customer Satisfaction Surveys (CSS). The surveys are conducted by Nexus Business Intelligence in accordance with a methodology set out in the Concession Agreement.
1.2	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 the Concession Agreement.
1.3	Increased scores are observed in five out of seven category indicators compared to the May 2012 survey, with a further category (Information) remaining static. The only category declining was Reliability & Punctuality. When comparing year-on-year, every category showed improvement.
1.4	Despite the above, the overall score reduced to below 8. As a result DBTW failed to discharge their obligation to achieve a score of 8.3 or above in this survey. A financial penalty has been leveled accordingly. DBTW did achieve their obligation to achieve a score of 7.3 or above in the Security & Comfort category.
2	Introduction and Background
2.1	Satisfaction with information has remained static since the May 2012 survey, as observed in the results illustrated in Appendix A. Satisfaction with information on arrivals and departures, and information on the ticket machines has improved, whilst satisfaction decline is observed with the helpfulness and ease of understanding of signage and the clarity of station announcements. However when comparing year-on-year, all sub-categories improve with the exception of station announcement clarity. Information remains the highest-performing category overall.
2.2	Staff remains the poorest performing category. This continues the trend observed since 2008 (see Appendix C). However an improvement is observed over the results of the previous two surveys.
2.3	Overall satisfaction with station equipment increased both over the six months since the previous survey, and year-on-year. However, satisfaction with station lighting and lifts decreased since May. In the case of the condition of lifts, satisfaction reduced for a third consecutive survey, whereas it has previously increased greatly between 2008 and 2011. However, the overall trend is still one of improvement.



INFORMATION

2.4	Satisfaction with ticketing continued to improve with the overall score increasing above 70 for the first time since 2008, when satisfaction with value for money was not surveyed. Satisfaction with the range of tickets and facilities for purchasing them reached their highest level in this survey.
2.5	The terms of the Concession Agreement obliges DBTW to achieve a score of 7.3 for Security and Comfort from this survey onwards. The actual score was 7.45, achieving DBTW's target. Every sub-category improved both since May and year-on-year, and all achieved their highest scores in recent years.
2.6	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 November survey are displayed in Appendix A.
2.7	The overall average score of 7.83 is a decrease on the previous score of 8.02. When the scores are analysed by route section (see Appendix C), the lowest average satisfaction is observed between North Shields and St James (7.5), replacing the previous worst performing line section, South Shields to Pelaw (7.6). The highest average satisfaction was recorded on the route section from Park Lane to South Hylton (8.2), although it should be noted that scores in every route section reduced with one exception (Fellgate to Sunderland) and that the number of route sections scoring above 8 reduced from 5 to 2.
2.8	The discrepancy between improved scores in the category indicators but decreases in the overall average scores suggests that passengers place greater value on certain categories. As the Reliability & Punctuality category was the only one to decrease in this survey, it may be inferred that this has greater weighting on passenger's overall satisfaction with the product. This reinforces data from Nexus' household surveys which also suggested that passengers consider reliability and punctuality as one of the most important aspects of Metro travel. Punctuality has suffered in the second half of 2012 as a result of an unusually significant and lengthy leaf fall period, as well as both driver and train resourcing problems at DBTW. The latter is a result of a number of factors which are all being addressed with the relevant parties and it is expected that punctuality will recover as a result of this work.
2.9	Under the terms of the Concession Agreement, DBTW are obliged to achieve an overall CSS score (overall category indicator) of 8.3 in this survey and maintain or improve upon this score in every survey until the Concession End Date.



INFORMATION

2.10	As the aforementioned contractual obligations were not met; the appropriate financial adjustments has been made to the Concession Payment.
3	Next Steps
3.1	Nexus addressed the results of the November 2012 CSS survey with DBTW at the appropriate Concession Meeting. The Operator was reminded of its obligations under the Concession Agreement and was asked to produce a report containing recommendations on how the obligated overall satisfaction score will be achieved by the next survey in May 2013.
3.2	Nexus will monitor the results of the next CSS survey, and make the appropriate financial adjustments to the Concession Payment in the event of a failure by DBTW to comply with the obligations.
4	Potential impact on objectives
	N/A

Appendix A: Results of the November 2012 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	Trend from May	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				
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	↑	↑	77.0	0.35
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	↓	↑	81.6	0.80
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	↓	↑	81.3	1.10
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	↓	↓	70.7	-1.00
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	↔	↑	76.8	1.48
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	↑	↑	73.0	2.09
Information.	74.0	74.5	75.7	75.5	75.9	76.1	75.4	75.0	77.8	77.8	↔	↑	76.7	1.15
Condition of the Station	66.4	69.5	69.4	69.9	74.1	73.6	74.5	73.7	73.9	74.4	↑	↑	74.0	0.35
Lighting at the Station	74.6	76.4	76.2	75.0	77.5	79.3	78.5	77.2	78.5	77.9	↓	↑	78.0	-0.10
Condition of the Lifts	62.1	64.5	57.4	70.0	67.4	67.4	75.5	73.6	71.9	70.9	↓	↓	74.3	-3.40
Condition of the escalators	72.9	75.1	74.2	76.5	76.4	77.4	79.6	76.0	75.1	76.2	↑	↑	77.5	-1.31
Station Equipment.	69.0	71.4	69.3	72.9	73.9	74.4	76.9	75.1	74.9	75.7	↑	↑	75.8	-0.16
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	↑	↑	73.2	3.85
Facilities for buying tickets	69.8	72.9	70.1	70.8	70.8	70.0	72.5	70.0	72.6	74.6	↑	↑	71.6	2.99
Ticket cost Value for money			46.2	52.6	52.1	50.9	51.9	56.8	55.8	56.7	↑	↓	56.2	0.44
Ticketing.	70.5	72.1	63.8	65.8	65.0	63.8	66.2	66.2	67.5	70.5	↑	↑	67.0	3.52
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	↑	↑	76.5	1.66
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	↑	↑	75.3	1.77
Behaviour of other passengers	58.7	60.8	60.4	62.8	62.6	64.5	63.4	66.1	65.8	67.1	↑	↑	65.9	1.14
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	↑	↑	73.6	1.89
Security & Comfort.	65.4	68.9	69.1	68.6	69.8	71.2	72.9	72.3	72.6	74.5	↑	↑	72.6	1.90
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	↓	↑	72.3	0.30
Levels of graffiti	68.4	73.3	76.8	76.8	79.2	81.6	79.4	83.2	84.7	84.3	↓	↑	84.1	0.22
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	↑	↑	78.9	2.84
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	↑	↑	69.5	-0.02
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	↑	↓	70.8	-2.54
Cleanliness.	65.7	68.1	69.0	69.5	72.5	73.7	74.4	74.2	74.4	75.4	↑	↑	74.3	1.05
Availability of staff	36.9	45.2	45.0	48.2	50.3	49.0	53.5	50.9	50.6	52.2	↑	↑	52.0	0.21
Staff	36.9	45.2	45.0	48.2	50.3	49.0	53.5	50.9	50.6	52.2	↑	↑	52.0	0.21
Train Reliability			76.7	76.0	77.3	77.7	78.0	75.9	79.2	74.5	↓	↓	77.9	-3.43
Train Punctuality			77.8	76.7	78.8	79.1	78.8	76.7	80.0	74.7	↓	↓	78.6	-3.94
Availability of seats			67.2	67.1	69.6	68.3	71.8	68.9	72.7	72.0	↓	↑	71.2	0.86
Availability of standing			70.0	69.9	71.4	70.9	73.6	71.3	74.4	73.9	↓	↑	73.1	0.79
Reliability & Punctuality			72.9	72.4	74.3	74.0	75.5	73.2	76.6	74.5	↓	↑	75.2	-0.74

Overall Category Indicator	Score
Overall score out of 10	7.83
1	2
2	2
3	0
4	4
5	26
6	71
7	265
8	434
9	205
10	74

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Appendix B: Results of the November 2012 Customer Satisfaction Survey

Overall Score by Route Section

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

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Appendix C: CSS Trends Since 2009

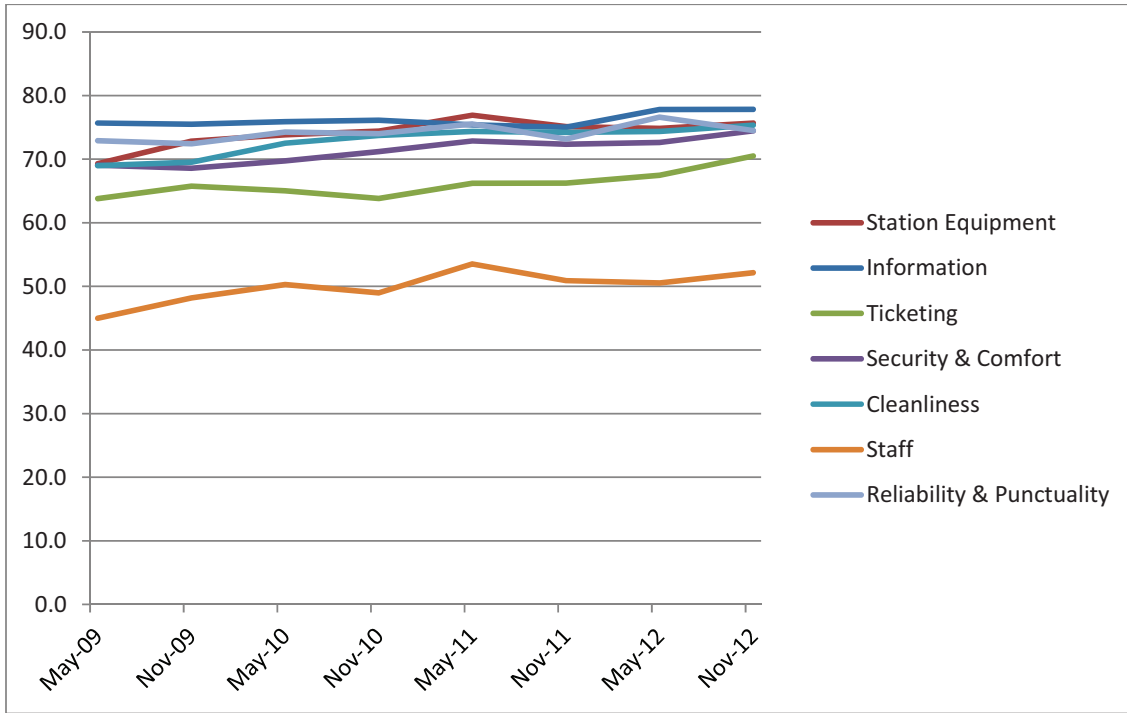


Figure 1: Results in all category indicators since the May 2009 survey.

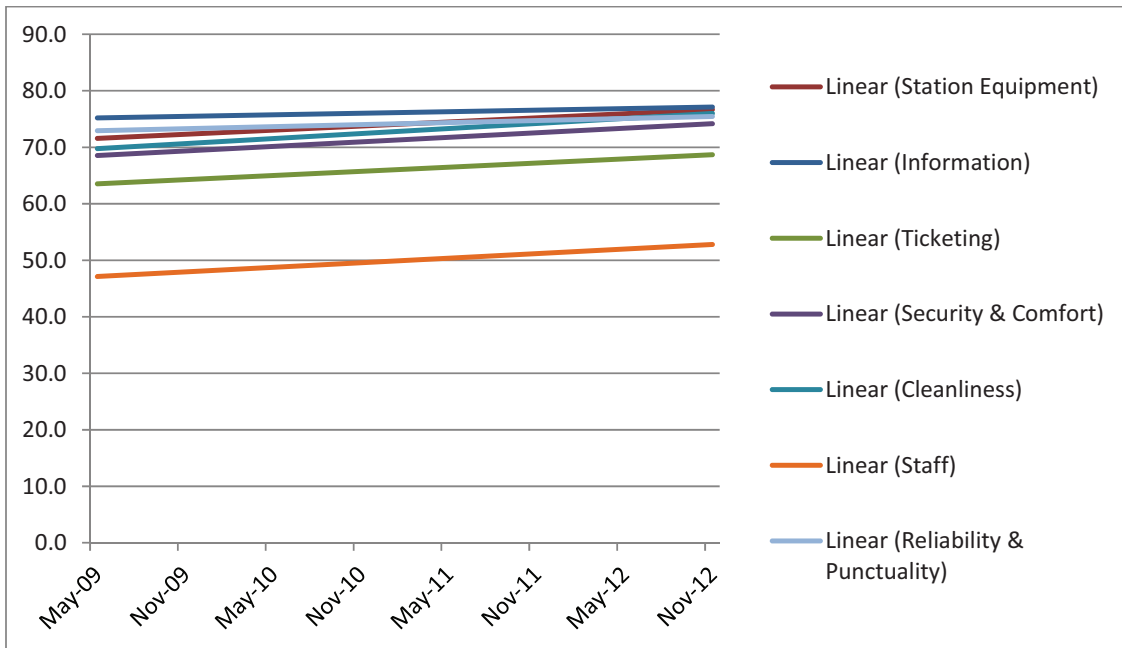


Figure 2: Linear trends in all category indicators since the May 2009 survey.

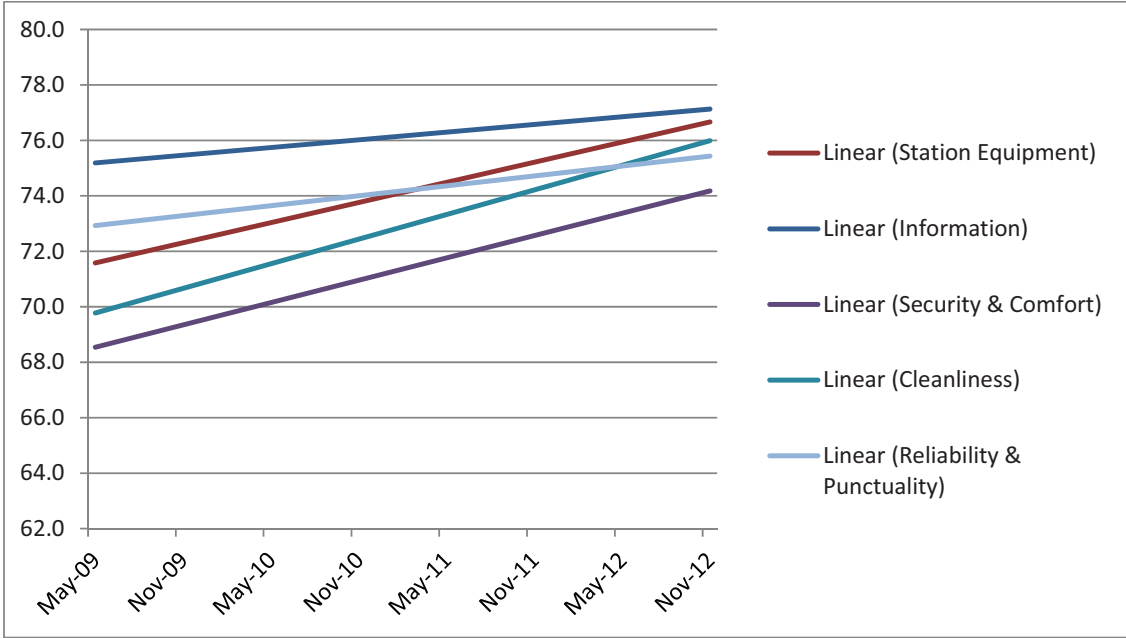


Figure 3: Linear trends in category indicators (excluding ticketing and staff) since the May 2009 survey.

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