



Tyne & Wear ITA - Metro Sub Committee

Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE99 2 BN on Thursday 17 February 2011 at 10.30 am

Membership: Blackburn, Hanson, Hodson, Lott, Maughan, McElroy, Stone and D Wood (Chair)

Contact Officer: Victoria Miller (0191) 211 5118 victoria.miller@newcastle.gov.uk

The agenda, minutes and reports are also available on the ITA website at www.twita.gov.uk

Members are requested to bring their diaries to the meeting

Page

1. Apologies for absence

2. Declarations of Interest of Members or Officers

(If any Member has a personal/prejudicial interest please complete the appropriate form and hand this to the Democratic Services Officer before leaving the meeting. A blank form can be obtained from the DSO at the meeting).

Members are reminded to verbally declare their interest and the nature of it and, if prejudicial, leave where appropriate at the point of the meeting when the item is to be discussed

3. Minutes of the Previous Meeting

1 - 6

4. Quarterly Performance Report - Metro Operating Concession

7 - 16

5. Quarterly Performance Report - Quarter 3 2010/11- Asset Renewal Plan

17 - 30

6. Public Communications (ARP)

31 - 36

7. Metro Capital Programme 2011/12

37 - 46

8. Date and Time of the Next Meeting

Members are required to bring their diaries to the meeting.

- 9. Exclusion of Press and Public
- 10. Confidential Minutes of the Previous Meeting 47 - 48
- 11. Quarterly Performance Report - Metro Farebox Income 49 - 56

NOTE: Under the Local Government (Access to Information) Act 1985 members of the public have a right to inspect any non-confidential background papers used in the production of a non-confidential report to the Authority. Requests for information should be made to the Department originating the report.



Tyne & Wear ITA - Metro Sub Committee

4 November 2010
(10.30 - 11.55 am)

Present:

Councillor: Councillor John McElroy (In the Chair)

Councillors: Blackburn, Hanson, Councillor Ed Hodson, Lott, Maughan, McMillan, Stone and D Wood

IN ATTENDANCE

K Mackay	Director of Rail and Infrastructure, Nexus
H Martin	Rail Procurement Director, Nexus
R Johnstone	Nexus' Rail Director, Nexus
S Kelly	Customer Service Director, DBTW
V Miller	Democratic Services, Newcastle City Council

8. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hanson, Maughan and D Wood.

9. DECLARATIONS OF INTEREST OF MEMBERS OR OFFICERS

Councillors Blackburn, Lott and Hodson declared a personal interest in any potential discussions in relation to concessionary travel.

10. MINUTES OF THE PREVIOUS MEETING HELD ON 8 SEPTEMBER 2010 AND AN EXTRACT FROM THE DRAFT MINUTES OF THE ITA HELD ON 23 SEPTEMBER 2010

The minutes of the previous meeting held on 8 September 2010 were approved as a correct record and signed by the Chair.

The Additional Points:

- The extract from the Draft Minutes of the ITA held on 23 September 2010 was noted for information. It was agreed to take the raised issues as matters arising from the minutes, when appropriate.
- A member suggested that the agenda should be more flexible so that members could raise issues which were not on the agenda. The Chair undertook to raise this with the Chair of the ITA.

- A member suggested that consideration should be given to finding a way of making confidential minutes accessible to the members of the Committee on the ITA website. V Miller would raise this with the relevant officers.

Matters Arising

(a) Quarterly Performance Data

(Minute 3 refers)

Metro Operating Concession

Car Parking Charges

- A reference was made to the situation with regret to the car parking charges which formed part of the bid for the concession contract, and some of which had now increased. It was noted that the situation had now settled down and more information on usage would be provided at the next meeting.
- It was confirmed that, in relation to the current parking charges, the full day parking was a good value for money. In response to a member's question, it was noted that revenue from the car parking charges was retained by DBTW.
- It was explained that to increase the car parking charges in the future, DBTW would need to make a case to Nexus for consideration and approval. Nexus would judge the proposals on the grounds of how reasonable they were.
- In response to a member's comment that some car park ticket machines were out of order, it was explained that this inherited issue had been resolved. The machines now worked well and were serviced on a regular basis.

Metro Asset Renewal Plan

Possession Plans

In relation to the scheduled possession plans in Eastern Newcastle, a member asked for the reassurance that there would be sufficient bus replacement services in place. H Martin explained that two steering groups were working on the possession plans; their work included consideration of the replacement services and communication with the users.

11. QUARTERLY PERFORMANCE DATA

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

K Mackay presented the report which provided information on the performance of Metro for the Quarter 2 of 2010/2011. He invited members to consider the future reporting arrangements, suggesting that basing it on regular periodic reports would be

better as it would coincide with Nexus' reporting and result in clearer documents and more efficient preparation of the reports. Members discussed the matter and expressed a number of views. It was agreed that, as a pilot, the next report to the Committee should be based on four-weekly reports. It was also agreed that K Mackay would raise this matter with the Chair. Members would discuss this further at the next meeting.

Questions/Comments

- A positive progress was noted in relation to discharging the Improvement Notices.
- It was noted that the first possession for the works on bridges and tracks was due to take place between Hebburn and South Shields from 14 November. Bus replacement services were scheduled to cover this period. In response to a member's question about the frequency of buses as part of the replacement service and a comment that the situation with the existing bus services was already difficult, H Martin explained that the regularity of the replacement service would depend on the demand. The initial assessment of the potential impact of the forthcoming blockade had indicated that the proposed service would not be detrimental. However, this matter would be monitored and reviewed on a weekly basis and, if necessary, adjustments would be made to the replacement service. It was emphasised that this blockade was the first one to take place and it would be a learning curve. Specific information on the regularity of the replacement service from Hebburn to South Shields could be provided to members on request. Additionally, H Martin would provide relevant information to V Miller who would circulate it to members.
- A number of other essential works, which were supported by the successfully secured funding, would continue up to March 2011. The Committee would be informed about progress at the next meeting. It was noted that members had previously been informed about Nexus' methods of communication with the public in respect of essential maintenance.
- In responding to a member's query about the length of the rail track between Palmersville and Tynemouth, K Mackay explained that whilst he did not have information on the exact length in miles at the meeting, it was 4 Metro stations. A member indicated that passengers using the replacement services might find that their journey became considerably longer.
- In response to a member's comment, K Mackay agreed that there was a risk that during the blockades passengers might prefer different modes of transport, which might result in a reduction in patronage. The usage and income would be closely monitored.

(a) Metro Operating Concession Report

H Martin and S Kelly presented the executive summary. Members noted a number of positive developments and also the challenges, as outlined in the report.

Questions/Comments

- Members noted the success of the Clean Up project, which resulted in an award based on customer satisfaction, and agreed that the improvements were evident.
- In responding to a member's question about the work on removing graffiti, S Kelly agreed that graffiti, and especially scratched graffiti, was one of the biggest issues in the Metro environment and a number of mechanisms were involved to address these. For the scratched graffiti, a film was used to protect the surface and allow a quick repair. Graffiti along the track side was a particularly difficult issue to tackle as graffiti appeared soon after it had been removed. A lot of educational work was carried out with communities, including young people, young offenders and people from disadvantaged backgrounds.
- Members expressed positive comments in relation to the handling of the press regarding the alleged provision of free travel for the Great North Run runners.
- It was noted that members and customers would be informed in advance about the proposed changes to the peak time timetable; the potential changes were aimed at regulating services at peak times.
- It was also noted that Nexus continued to work with DBTW to resolve outstanding issues in relation to the concession, a list of which had been identified by both sides.
- A member asked for clarification of the term "Service Quality Regime Stations". It was explained that this indicator included a number of measures such as graffiti, litter, seat cover and vegetation, which contributed to the quality of customer experience. The indicator was mandatory and rather strict.
- In response to a question, K Mackay explained that, statistically, slips and falls were always a large risk factor, especially in relation to escalators and passengers travelling on them with prams and luggage. The work on communicating with customers and raising their awareness of how to prevent accidents continued. It was explained that the work also continued on encouraging passengers, especially those with luggage, to use lifts, but this was not a popular choice. A member suggested that this could be due to some people feeling claustrophobic in confined spaces. A question was also asked why there were no members of staff present at the bottom of the escalators at Metro Stations. Following the discussion, the Chair indicated that these issues needed to be fed into the proposals for Metro reinvigoration and improvement. Members were reassured that work continued on the improvements of passenger safety.
- It was noted that the performance in relation to passenger assaults now included data from the Metro Police Unit, which helped to reflect a more realistic picture.

(b) Nexus' Rail

K Mackay presented information on the performance of Nexus' Rail, as outlined in the report.

Questions/Comments

- R Johnstone clarified a number of technical terms. It was noted that “PTI” related to a system for automatic direction of trains but for customers this meant the number of train services. A “bridge strike” incident meant a heavy goods or similar vehicle hitting a railway bridge.
- A member asked how the performance would compare with other train operators, including continental. It was explained that Nexus Rail’s target system was reliable and more challenging than the national one. It was confirmed that the Nexus’ Rail was performing well when compared to the national figures. In relation to the continental rail, there had been no comparison made to date.
- When discussing the effect of weather seasons on the railway and its operation, it was explained that slippery, decaying leaves could present a hazard and sandite (a friction enhancing agent) was used to minimise this problem as part of the maintenance process.
- A member suggested that improvements were needed to the position of the electronic advertisement boards at Haymarket, which were sometimes difficult to read due to their angle. The Chair suggested that this issue linked to passenger safety on escalators and it should be carefully considered. H Martin and S Kelly agreed and explained that the notice boards had been inherited and the work would continue to ensure that they were used effectively and generated revenue.
- It was noted that Nexus received an award for the improvements to Haymarket Metro Station.

(c) ARP Report

The report outlined the ARP performance at the end of Period 6. The following updates were noted at the meeting:

- 1) Four Lane Ends - Shiremore (page 15 of the supplemental agenda pack) – the possession had changed from 3 x 12 hours to 3 x 29 hours;
- 2) Four Lane Ends - Tynemouth (page 15 of the supplemental agenda pack) – the possession had changed from 1 x 29 hours to 1 x 54 hours.

Questions/Comments

- It was agreed that the future reports would include a glossary to help with the understanding of terminology.
- Members commented that it was important to communicate the changes to the possession plans to the users.
- Officers explained that every possession was a new learning opportunity.

- In relation to the supplementary chart for Appendix C (page 1 of the 2nd supplemental agenda pack), officers explained the areas of re-programming, which was required to maximise the delivery.

RESOLVED – That:

- (i) the report and members' comments be noted and addressed as appropriate;
- (ii) the future reports should include a glossary;
- (iii) as a pilot, the next report to the Committee be a four-weekly report, and this should be discussed further at the next meeting.

12. DATE AND TIME OF THE NEXT MEETING

The next meeting of the Committee would be held on Thursday 17 February 2011 at 10am.

13. EXCLUSION OF PRESS AND PUBLIC

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting due to the likely disclosure of commercially sensitive information.



Tyne and Wear Integrated Transport Authority Metro Sub-Committee

DATE: 17 February 2011

TITLE: QUARTERLY PERFORMANCE REPORT – QUARTER 3 2010/11 – METRO OPERATING CONCESSION

REPORT OF: THE DIRECTOR OF CUSTOMER SERVICES, NEXUS

Not confidential

District Implications: All Tyne & Wear

1. **Summary / Purpose of Report**

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

2. **Recommendations**

2.1 That Metro Sub-Committee notes this progress report.

3. **Introduction / Background**

3.1 This report covers the period 19 September 2010 to 11 December 2010 (Periods 7, 8 and 9).

3.2 A glossary of terms used in the attached periodic summary reports follows:

OPR – 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.

SQR – Service Quality Regime; the means by which quality standards on stations and trains is measured.









4. Highlights & Key Issues

- 4.1 The severe winter weather experienced between late November 2010 and January 2011 had a significant impact on operational performance. However, when many other operators ceased to provide a service (buses, taxis) Metro continued to provide a very credible service with the sole exception of Friday 3rd December when the depth of snow impacted severely.
- 4.2 Contractual issues regarding various delay attributions are ongoing and will be resolved over time. The OPR includes a 'headway' regime where performance is measured by the excess waiting time a customer may experience as opposed to the traditional method of timetable performance. This was specified by Nexus as being more appropriate for a frequent interval service but has brought with it some bedding in problems as both parties get used to it.
- 4.3 Miscellaneous awards include 3 successes at the National Light Rail Awards and DBTW's success at achieving Customer Service Accreditation (successor to Charter Mark).
- 4.4 The new improved peak timetable was successfully introduced on Sunday 12th December 2010.
- 4.5 Work has commenced on site at Byker in regard to enabling works associated with the Nexus Ticketing and Gating project which is due to be completed in 2012.
- 4.6 The first disruptive possessions associated with delivery of the Asset Renewal Plan have now occurred. Provision of alternative bus services has in the main gone well. However lessons are being learned in preparation for the major blockade during March 2011.

5 Contact Officer (s)

- 5.1 Tobyn Hughes, Director of Customer Services, Nexus (Tel: 0191 203 3246)








Period 7

OPR-(cost against budget)	Green		At a daily average of 11.72 excess headway minutes, DBTW managed to achieve their best operating performance to date despite the impact of the flooding at Gateshead and cable theft at Shiremoor.
SQR – Stations (Cost against budget)	Green		Cost to DBTW has increased further this period due to the ratchet mechanism, but overall total number of failures continues to fall (123 down from 160). Graffiti remains main area of concern with heavy cleaning showing highest level of improvement.
SQR – Trains (Cost against budget)	Green		Costs have increased due to the ratchet mechanism. Trend this period is better with number of actual failures decreasing (138 from 164) which is again, the best performance to date.
Fleet – Ave km per fault	Amber		This measure is revised being only those fleet failures causing a delay of over 4 minutes. DBTW are recalibrating Periods 1 to 6 to check whether this new metric better reflects their target of 19,900km/fault as bid.
Fraud Rate –compared to target	Green		The rate for the period has fallen to 3.9% which is better than target.
Head Count	Amber		Numbers at 500 remain lower than revised target of 510.6. This will be monitored.
Passenger Accidents	Amber		6 in Period 7 compared with 14 in Period 6.
Passenger Assaults	Amber		6 in Period 7 compared with 22 in Period 6.

1. Executive Summary:

- DBTW and Nexus were successful at the Light Rail awards. DBTW won the Customer Service category with their 100 day cleanup programme and were highly commended for in the Innovation category for their “SQM” software developed to help deliver the Service Quality Regime.
- Nexus won the Project of the Year category for the redevelopment of Haymarket.
- Period 7 performance continues to be good compared with Period 6 and with the same period last year. Alternative transport for possessions has worked well but provision during morning peak as a result of cable theft at Shiremoor was by DBTW’s own admission, not sufficient and we are jointly looking at how this can be improved.
- The OPR and SQR regimes have gone “live “but payments from DBTW are higher than DBTW budgeted for.
- There have been some passenger accidents on escalators over this period. Mitigation measures have been introduced including a trial of prominent signage on the escalators.
- All major events have been well handled including the GNR particularly given last minute concerns over Tyne Tees decision to broadcast that runners could travel for free. Initial problems with external contacts appear to have been resolved and review meetings have been held to improve further for next year. Following the successful Pink concert earlier this year, the first Take That concert of their 2011 tour will take place at The Stadium of Light. Planning meetings are being initiated for other major bands also.
- Revised car park charges have been introduced with some adverse comment particularly from corporate bodies seeking to promote integrated transport which have created additional workload on our Comms section. Demand, after initially falling, seems to have recovered. DBTW are seeking to develop a season ticket and also want to raise the price on match days at SAFC.
- Areas which appear to be progressing well with no significant current concerns include:
 - Resource level
 - Staff training
 - ¾ life refurbishment
 - Communications and Marketing
 - Delivery of Committed Obligations where evening staff commitment is now being met
 - Concession Meetings
- Areas where DBTW could be doing better but which are not generating any major concerns include
 - Non fare income particularly penalty fares. DBTW are seeking an additional income stream form advertising on the gates
- An area which needs pursuing is auditing DBTW on their compliance with their obligations

Period 8

OPR- (Excess Waiting Time)	n/a	n/a	The results for Period 8 have not been able to be finalised at this stage as Nexus have disputed the allocations to them of low rail adhesion and train faults caused by the PID project. Discussions to resolve these are ongoing with Nexus seeking to exercise its right to impose a solution.
SQR – Stations (Failures against budget)	Amber		Overall total number of failures increased slightly (125 up from 123) but 3 failures were at Felling which is now included in the inspection regime for the first time following works last year.
SQR – Trains (Failures against budget)	Red		Costs to DBTW have increased due increased number of failures for interior cleanliness. Trend this period is slightly worse with number of actual failures increasing (144 from 138).
Fleet – Ave km per fault	Red		Fleet reliability causing excess headway of 4 minutes and above declined compared to last period. However as previously explained calibration of this new metric is still being undertaken and figures are currently estimates
Fraud Rate compared to target	Green		The rate for the period has fallen to 3.8% from 3.9 % last period which is better than target.
Head Count	Amber		Numbers at 507 remain lower than revised target of 510.6 but is an increase of 7 on the number in post last period.
Passenger Accidents	Red		21 in Period 8 compared with 16 in Period 7. Note the figure of 6 for P7 in last report was a typing error. The increase was mainly to slips and train brake applications due to wheel slip causing people to fall.
Passenger Assaults	Amber		9 in Period 8 compared with 6 in Period 7 and 22 in Period 6.

1. Executive Summary:

- Given the difficult operating environment due to leaf fall the performance in Period 8 was good although the actual results can not be confirmed pending agreement on a number of outstanding allocation disputes.
- Highlights in the Period include :
First 54 hour possession took place and weekly review mechanism set up

SQR cost decreased due to fewer failures under the ratchet

Agreement in principle has been reached on resolving a number of outstanding issues

DBTW believes there has been significant progress on resolving their issues arising from the ticketing and gating project

There was a smooth transition from time based to kilometre based maintenance of the fleet.

DBTW achieved Customer Service Accreditation, the successor to Charter Mark. The car park charge increase at the Stadium of Light on match days will increase to £4

Four Take That and a Kings of Leon concert that will take place at the Stadium of Light next June were announced. Arrangements have commenced.
- Main Concerns on areas not going according to plan include :
The reason for increased OPR penalties which were paid by DBTW in Period 8 for the first time (for Period 6) remains to be resolved. Effort will be focussed in P9 to resolve this

The lack of sufficient buses following suspension of services in the morning peak as a result of cable theft at Shiremoor .This has been raised with DBTW
- Both DBTW and Nexus remain on course to achieve their respective budgets
- In Period 9 the main highlights will include :
Drafting and fleshing out of the proposal on resolving a number of outstanding issues will commence.

New improved peak timetable will commence but main publicity will occur in the New Year so that it is not lost within the publicising of the extra trains at Xmas and changes to services over the festive period.

Ticketing and gating enabling works will commence at Byker .Work will be on going to resolve DBTW's outstanding issues with this project.

As this report is being compiled severe winter weather is being experienced, DBTW are likely to seek force majeure protection from the financial consequences of failing to comply with their obligations.

A discount at car parks for Metro season ticket holders is planned (detail in Farebox report).
- Current Key Risks or areas where DBTW could improve include :

Additional Asbestos and corrosion has been found on the Metrocars to that already known. Main concerns are on the risk to the ¾ life programme and thus payment due this year and any extra cost to Nexus.

Auditing DBTW on their compliance with their obligations has not been possible due to staffing constraints

- Emerging issues include :

The staffing resources in the section and need to reduce the excessive hours on a number of staff in the section

DBTW have contended that the Ticketing and Gating project falls out-with the ARP change process and that therefore, their additional costs are recoverable from Nexus. This will be disputed.

Investigations as to why DBTW's use of High voltage power has increased significantly this year will commence.







1.1 Changes to the Business Case

- Business case unchanged.

1.2 Decision required from this board/committee

- No decisions required.

Period 9

OPR-(Excess Waiting Time)	n/a	n/a	The results for period 9 in addition to period 8 have not been able to be finalised at this stage as a number of disputes due to low rail adhesion and discussions regarding Force Majeure remain ongoing.
SQR – Stations (Failures against budget)	Red		Overall total number of failures dropped to 105 (from 125 in period 8) which is the lowest number of periodic failures to date.
SQR – Trains (Failures against budget)	Red		Train failures also recorded its best figure to date with only 126 failures in period 9, down from 144 in period 8.
Fleet – Ave km per fault	Red		Fleet reliability causing excess headway of 4 minutes and above declined significantly compared to last period. However as previously explained calibration of this new metric is still being undertaken.
Fraud Rate (compared to target)	Amber		The rate for period 9 is 4.6%, versus 3.8% in period 8.
Head Count (versus target)	Amber		Numbers at 507.0 remain lower than revised target of 510.6 but remain stable versus period 8 with 2 new starters and 2 leavers in period 9.
Passenger Accidents (trend)	n/a	n/a	DBTW has not yet confirmed the number of passenger accidents in period 9; however a sharp increase versus the period 8 figure of 21 is expected due to severe winter weather.
Passenger Assaults (trend)	Green		6 in period 9 compared with 9 in period 8, 6 in period 7 and 22 in period 6.

1. Executive Summary:

- OPR disputes ongoing from period 8 and Force Majeure discussions due to severe winter weather dominated the work undertaken in period 9.
- An OPR settlement for period 8 has been imposed upon DBTW as per the process set out in the Concession Agreement. This still allows DBTW the right to dispute the results which they continue to pursue.
- Extensions to waivers for Key Contracts and Direct Agreements have been completed. The obligation to produce timetable booklets has now been completed and hence the associated waiver has been discharged.
- The lowest number to date of SQR failures for both stations and Metrocars occurred in period 9.
- Ticketing and gating enabling works commenced without any significant issues.
- The customer information plan related to the timetable change was implemented.
- A full review of the Uniform Plan has been completed and a decision taken to launch the new uniform and new livery simultaneously.
- A number of 54 hour possessions occurred during period 9 which passed without significant issues, including the dates that saw football matches at St. James Park.
- Additional Take That concerts at the Stadium of Light were announced during period 9. Regular meetings have been set up with SAFC and include representatives from both Nexus and DBTW.
- DBTW has established single points of contact within its organisation to facilitate ARP and Ticketing and Gating works.
- Nexus remains on course to achieve its budget for Concession payments. Financial performance by DBTW has not yet been provided by DBTW for period 9.
- Upcoming activity will focus on concluding Force Majeure discussions, discussing OPR penalties and the $\frac{3}{4}$ life programme and costs.
- Risks and issues include potential revenue loss during times of station outages linked to possessions and staffing numbers at future gated stations which both need to be progressed during period 10.

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Tyne and Wear Integrated Transport Authority Metro Sub-Committee

DATE: 17 February 2011

TITLE: QUARTERLY PERFORMANCE REPORT – QUARTER 3 2010/11 – ASSET RENEWAL PLAN

REPORT OF: THE DIRECTOR OF RAIL AND INFRASTRUCTURE, NEXUS

Not confidential

District Implications: All Tyne & Wear

1. **Summary / Purpose of Report**

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

2. **Recommendations**

2.1 That Metro Sub-Committee notes this progress report.

3. **Introduction / Background**

3.1 This report covers the period 19 September 2010 to 11 December 2010 (Periods 7, 8 and 9).

3.2 A glossary of terms used in the attached periodic summary reports follows:

VOWD – value of work done representing the investment incurred and receipted through accounts.

Stage Gate – an eight stage process through which all proposals must pass from pre feasibility to project close out.

ARP – the 11 year Metro Asset Renewal Plan funded by government and local

contributors.

RIDDOR – the reporting of work related deaths, major injuries, over three day absences, work related diseases and dangerous occurrences (near miss accidents) under the Reporting of Injuries, Disease and Dangerous Occurrences Regulations 1995.

QSRA – qualitative schedule risk assessment using Monte Carlo analysis, a technique which involves scenario testing over 1000 iterations to get to a predetermined percentage level of probability of delivering a desired outcome.

3.3 In undertaking the total of six weekend possessions to date, there have been no accidents, injuries or similar events; neither have there been any possession overruns, delays or service disruption.

4. **Highlights & Key Issues**

4.1 Period 8 saw the first of an almost continuous series of disruptive possessions commence on the Metro network. 4 x 54 hour weekend (from last train Friday to first train Monday) possessions between Pelaw and South Shields were taken. Unfortunately, productivity of the work was less than desired owing to the extreme cold weather.

4.2 The current possession plan up to 31 March 2011 is appended to this report.

4.3 Period 8 saw a major re-estimation exercise undertaken aimed at ensuring that use of Metropolitan Rail Grant in 2010/11 was maximised. As a result, the 2010/11 working forecast (including over programming) is now c £44m which exceeds the funding available from DfT.

4.4 However, Nexus may if it wishes bring forward up to 10% MRG funding from 2011/12 into 2010/11 and this it has done. Accordingly, the amount of funding available in 2010/11 including the local contribution is £41.555m. This means that the amount of over programming at this stage in the year has been reduced to 5.8% which is considered to be prudent given that expenditure in Period 13 alone is approximately £13m.

5 **Contact Officer (s)**

5.1 Ken Mackay, Director of Rail & Infrastructure, Nexus (Tel: 0191 203 3241)

Asset Renewal Programme

The period 7 ARP results and activities can be summarised as follows:

Results:

- Forecasted capital spend is £43,197,866, which is £273,848 behind the budget of £43,471,714.
- VOWD to date is £10,036,934 which is 85% of the planned VOWD and represents 23% of forecast spend.
- The 3 year ARP forecast spend is £128,850,150, which is £1,086,015 less than the budget of £129,936,165.

Activities in Period 7:

- Continuing to progress Stage Gate reviews.
- Progression of the Blockade QSRA.
- Continuing with the awards of Framework contracts along with awards of specific works packages.
- Initiation of re-estimating exercise aimed at improving the cost certainty of the ARP.
- Completion of the level 2 training development programme for the project managers.

Commentary on Period 7

Results year to date, relative to this years programme, are in line with expected levels. The cost re-estimation exercise, including phasing and certainty, is expected to improve this period's figure of 85% VOWD versus Planned VOWD as we move toward the key decision point for the ARP. This exercise is expected to be completed by early December 2010.

Period 7 VOWD was the highest in the year to date (excluding $\frac{3}{4}$ Life Refurbishment payments) and takes the VOWD to date to 23% of the forecast spend. 2010/11 quarter 4 spend is 53% of the forecast annual spend.

The forecast for the 3 year programme remains within 1% of budget and continues to give no cause for concern.

Moving Forward

Moving forward, the main focus for activities in Period 8 is:

- Finalisation of the cost re-estimation process.
- Utilising the Blockade QSRA output, to minimise risk in the planning of this key activity, and finalising the plan for the blockade.
- Reviewing the ARP details in relation to both 2011/12 and 2013/14 programmes.
- Commencement of the process of developing and populating the Nexus in-house Programme Management Office.
- Delivering our first ARP possessions.
- Continuation of process and people development.

Output Performance Measures

Period 7 saw a continued good set of results throughout operations and the engineering network.

On Safety DBTW posted a period result of 0 RIDDOR accident/100,000 hours, and for Nexus Rail the figure was 2.82. Train running performance Excess Headway was 18,878.42 for all organisations.

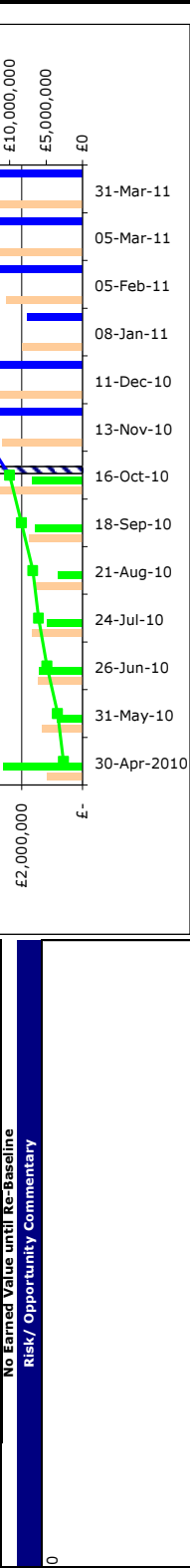
Nexus Rail's performance was 2930.98 EHM and PPM + reached a level of 98.21% which is higher than the average of 96.48%

Other measures remained stable and offered no cause for concern.

Project Manager	#N/A	NEXUS ARP		Period Ending	16-Oct-10
Sponsor	Nexus PSs	TOTAL		Asset	TOTAL
Stage	0	TOTAL		Project Start	00-Jan-00
Estimate Level	0	TOTAL		Project Finish	00-Jan-00

PERIOD PERFORMANCE			
Period Budget	This Period's VOWD	Period Forecast (Last Period)	Period Budget - VOWD Variance
2,883,270	1,645,604	3,618,609	1,242,666
			1,973,005
PM Actions			
0			

Earned Value			
Planned Value to Date (BCWS)	Percent Complete	Earned Value	Schedule Performance Indicator
11,861,973	6.0%	7,835,516	0.78
0.66			
No Earned Value until Re-Baseline Risk/ Opportunity Commentary			
0			



Annual Costs			
A1	B1	C1	A1-D1=E1
Budget This Year	VOWD This Year	Estimate to Complete This Year	EAC This Year - Budget This Year
43,471,714	10,036,934	33,160,932	-43,197,866
-273,848			

Budget				Commitment				Forecast				Variances		
A	B	A+B=C	D	D+K=E	C-E=G	J	J+B1=K	VOWD	L	M	D+F+H=N	N-C=P	Variances	
Last Period's Current Budget	Changes in Period	Current Budget	Outstanding Commitment	VOGR + Outstanding Commitment	Budget - (VOGR + Outstanding Commitment)	VOGR	VOWD To Date	Estimate to Complete	Estimate to Complete	Future Years	Estimate At Completion Total	EAC - Budget	Last Period's EAC	
129,250,088	686,076	129,936,165	5,083,840	13,456,151	116,480,013	8,372,312	10,036,934	118,813,216	118,813,216	85,652,284	128,850,150	-1,086,015	128,390,456	

Comments on Period Performance

Cost Report

ID + Description	BUDGET			COSIS		FORECAST		ANNUAL COSIS				
	Last Period's Current Budget	Approved Changes in Period	Current Budget	VOVD to Date	Estimate to Complete	Estimate At Completion Total	EAC - Budget	Budget This Year	VOVD This Year	Estimate to Complete This Year	Estimate At Completion This Year	EAC This Year - Budget This Year
TOTAL	£129,250,088	£686,076	£129,936,165	£10,036,934	£118,813,216	£128,850,150	-£1,086,015	£43,471,714	£10,036,934	£33,160,932	£43,197,866	-£273,848
01-Civils	£24,443,388	£0	£24,443,388	£3,072,552	£22,781,086	£25,853,638	£1,410,250	£12,054,677	£3,072,552	£10,378,989	£13,451,541	£1,386,864
02-Remanent Way	£31,250,506	£0	£31,250,506	£1,237,918	£28,955,122	£30,193,040	-£1,057,466	£10,353,623	£1,237,918	£8,973,966	£10,211,884	-£141,739
03-OIE	£0	£32,059	£32,059	£2,241	£29,816	£32,057	-£2	£32,059	£2,241	£29,816	£32,057	-£2
04- Stations Framework	£19,048,356	£0	£19,048,356	£301,434	£19,009,807	£19,311,241	£282,885	£3,953,805	£301,434	£2,660,855	£2,962,289	-£991,516
05-Communications	£5,774,597	£27,000	£5,801,597	£178,904	£5,998,840	£6,177,744	£376,147	£935,348	£178,904	£607,190	£786,094	-£149,254
06-Signalling	£13,428,549	£613,461	£14,042,010	£790,147	£12,499,888	£13,290,035	-£751,975	£4,210,628	£790,147	£3,263,797	£4,053,944	-£156,684
07-Level Crossing	£2,106,869	£0	£2,106,869	£10,430	£2,103,029	£2,113,459	£6,590	£163,146	£10,430	£164,896	£175,326	£12,180
08-Depot Equipment	£3,790,677	£0	£3,790,677	£45,502	£3,746,233	£3,791,735	£1,058	£1,273,118	£45,502	£1,231,179	£1,276,681	£3,563
09-Rant	£2,687,457	£0	£2,687,457	£0	£2,688,208	£2,688,208	£751	£400,463	£0	£247,222	£247,222	-£153,261
10-M&E	£8,617,588	£13,566	£8,631,144	£750,738	£7,879,598	£8,630,336	-£808	£1,895,602	£750,738	£1,228,089	£1,978,827	£83,225
11-Power	£1,815,574	£0	£1,815,574	£324,641	£1,489,093	£1,813,734	-£1,840	£943,697	£324,641	£458,433	£783,074	-£160,623
12-Misc.	£1,195,528	£0	£1,195,528	£210,828	£868,943	£1,079,771	-£115,757	£995,528	£210,828	£668,949	£879,777	-£115,751
13-Other Non-Project Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
14-Capital Maintenance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
15-Capital Shippage	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
16-FM Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
17-Metro Cars	£15,091,000	£0	£15,091,000	£3,111,599	£10,763,553	£13,875,152	-£1,215,848	£6,260,000	£3,111,599	£3,247,551	£6,359,150	£99,150

Period 8

Asset Renewal Programme

Results:

- Forecasted capital spend is £47,552,604. This is £2,542,063 in excess of the budget of £45,010,541.
- VOGR year to date is £9,611,358. This is 66% of the planned VOGR and represents 20% of forecast annual spend.
- The 3 year ARP forecast spend is £133,794,354 which is £2,757,133 more than the budget of £131,037,221.

Activities in Period 8:

- Continuing to recover Stage Gate slippage.
- Continuing with the awards of Framework contracts along with awards of specific works packages.
- Completion of re-estimating exercise aimed at improving the cost certainty of the ARP for significant projects.

Commentary on Period 8 Performance

The main area of focus during Period 8 was that of re-estimating the programme value for 2010/11. This involved a complete review of the high value projects together with a significant number of other lesser value projects. The outcome of this exercise is as described above. As a consequence of this exercise we are now finalising this years programme, including arranging our internal budgetary approvals.

With regards to delivery of our programme, this period saw 4 x 54 hour (weekend) possessions being used. Disappointingly the results from these possessions showed lower levels of output than what was required due mostly to inclement weather and, to a lesser degree, contractors planning. We are currently in the process of re-programming works, with a view to recovering any shortfalls.

Moving Forward

Moving forward, the main focus for activities in Period 9 is:

- Preparation for our January possessions and other delivery works.
- Continuation of de-risking the main Blockade (March 2011).
- Implementing our new organisational arrangements, aimed at strengthening programme delivery.
- Initiating the finalisation of 2011/12 detailed plan.

Output Performance Measures

Safety

The Staff Accident Frequency Rate for Nexus Rail was 0.9 per 100,000 hours worked compared to 1.7 for DB T&W.

The Passenger Accident Frequency Rate was 0.16 per 100,000 passenger journeys.

Performance

4.8% of Excess Waiting Time (EWT) was attributable to Nexus, 1% to Network Rail and 94% to DB T&W during Period 1. There were 539 cancelled services and 230 faults/incidents affecting the service, 168 of which were attributable to DB T&W, 33 to Nexus and 29 to Network Rail.

During Period 1 a Public Performance Measure Plus (PPM+) figure of 94.15% was achieved when measured against the timetable but this reduced to 91.66% when measured against the headway regime.

Possessions

There were no Possessions planned or taken during Period 1.

Speed Restrictions

There was 1 unplanned speed restriction put in place during Period 1.

Maintenance Costs

The Maintenance Efficiency Index is set to 100 for Quarter 1 and will act as the benchmark for future quarters.

Planned Preventative Maintenance

87.17% of planned preventative maintenance activities were completed during Period 1.

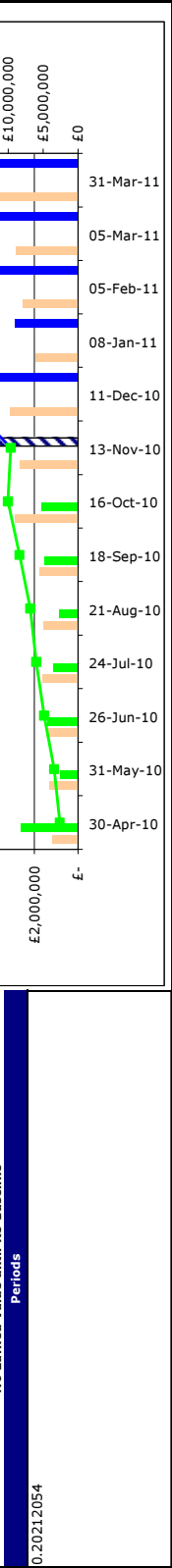
Asset Stewardship

The Asset Stewardship Index is set to 100 for Quarter 1 and will act as the benchmark for future quarters.

Project Manager #N/A		NEXUS ARP		Period Ending 13-Nov-10	
Sponsor Nexus PSs	Asset	TOTAL		TOTAL	
Stage 0	Project Start	0		00-Jan-00	
Estimate Level 0	Project Finish	0		00-Jan-00	

PERIOD PERFORMANCE			
Period Budget	This Period's VOWD	Period Forecast - VOWD Variance	Last Forecast - This Period
2,657,842	-413,087	3,070,929	4,580,934
PM Actions			

Earned Value			
Planned Value to Date (BCWS)	Percent Complete	Earned Value	Schedule Performance Indicator
14,519,815	6.0%	7,834,680	0.82
No Earned Value until Re-Baseline			
Periods			
0.20212054			



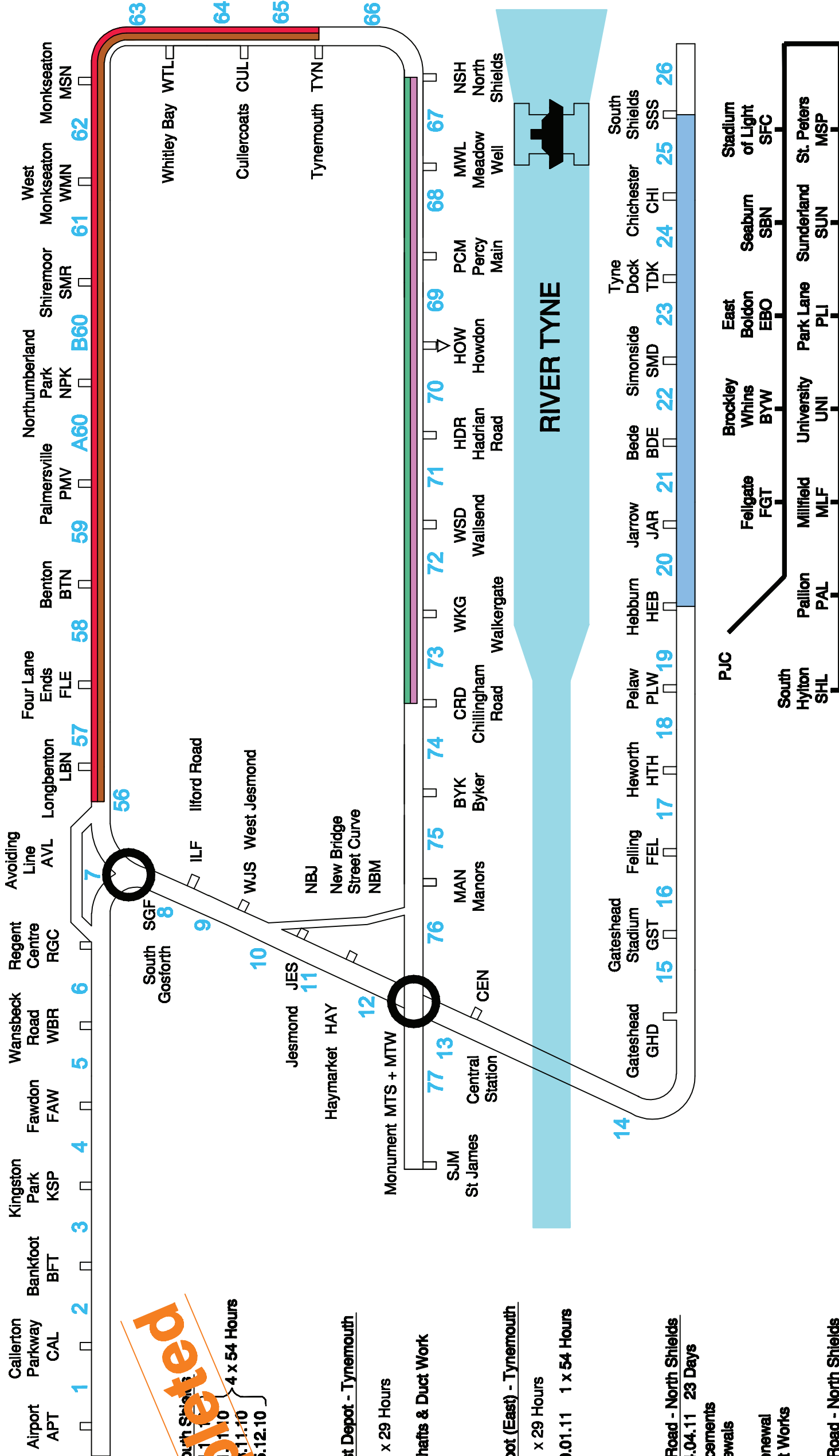
Current Annual Costs		Last Period's Data	
A1	B1	C1	A1-D1=E1
Budget This Year	VOWD This Year	Estimate to Complete This Year	EAC This Year - Budget This Year
45,010,541	9,611,358	37,941,246	47,552,604
Last Period's Data			
Budget This Year	VOWD This Year	Estimate to Complete This Year	Movement in Out-turn
			4,354,738

Cost Report											
Budget			VOWD			Forecast			Variances		
A	B	A+B=C	J	K	L	M	K+L=N	N-C=O	P		
Last Period's Current Budget	Changes in Period	Current Budget	VOGR	VOWD To Date	Estimate to Complete	Future Years	Estimate At Completion Total	EAC - Budget	Movement in EAC this Period	Last Period's EAC	
129,852,524	1,184,696	131,037,221	8,372,312	9,611,358	124,182,996	86,241,750	133,794,354	2,757,133	4,944,204	128,850,150	

Comments on Re-estimate

ID + Description	Last Period's Current Budget	Approved Changes in Period	Current Budget	VO WD to Date	Estimate to Complete	Estimate At Completion Total	EAC - Budget	Budget This Year	VO WD This Year	Estimate to Complete This Year	Estimate At Completion This Year	EAC This Year - Budget This Year
TOTAL	£129,852,524	£1,184,696	£131,037,221	£9,611,358	£124,182,996	£133,794,354	£2,757,133	£45,010,541	£9,611,358	£37,941,246	£47,552,604	£2,542,063
01-Civils	£24,443,388	£853,861	£25,297,248	£2,655,378	£26,605,816	£29,461,194	£4,163,946	£12,381,049	£2,655,378	£12,559,586	£15,214,964	£2,833,915
02-Permanent Way	£31,250,506	£0	£31,250,506	£1,269,758	£30,576,799	£31,846,557	£596,051	£10,353,623	£1,269,758	£11,079,876	£12,349,634	£1,996,011
03-OLE	£32,059	£0	£32,059	£7,223	£24,837	£32,060	£1	£32,059	£7,223	£20,773	£27,996	£-4,063
04-Stations Framework	£19,048,356	£0	£19,048,356	£294,226	£21,619,344	£21,913,570	£2,865,214	£3,953,805	£294,226	£2,041,652	£2,335,878	£-1,617,927
05-Communications	£5,801,597	£233,301	£6,034,898	£353,216	£5,737,479	£6,090,695	£55,797	£1,058,951	£353,216	£485,954	£849,170	£-209,781
06-Signalling	£14,042,010	£13,894	£14,055,904	£671,603	£13,088,367	£13,759,970	£-295,934	£5,157,680	£671,603	£4,341,621	£5,013,224	£-144,456
07-Level Crossing	£2,023,228	£83,640	£2,106,869	£11,799	£2,083,547	£2,095,346	£-11,523	£163,146	£11,799	£168,509	£180,308	£17,162
08-Depot Equipment	£3,790,677	£0	£3,790,677	£51,818	£2,105,491	£2,157,309	£-1,633,368	£1,273,118	£51,818	£685,470	£737,288	£-535,830
09-Plant	£2,687,457	£0	£2,687,457	£45	£2,546,921	£2,546,966	£-140,491	£400,463	£45	£186,178	£186,223	£-214,260
10-M&E	£8,631,144	£-0	£8,631,144	£857,412	£6,132,053	£6,989,465	£-1,641,679	£2,037,402	£857,412	£1,610,576	£2,467,988	£430,586
11-Power	£1,815,574	£0	£1,815,574	£95,225	£1,739,566	£1,834,791	£19,217	£943,697	£95,225	£744,270	£839,495	£-104,202
12-Misc.	£1,195,528	£0	£1,195,528	£228,079	£980,876	£1,208,955	£13,427	£995,528	£228,079	£780,883	£1,008,962	£13,434
13-Other Non-Project Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
14-Capital Maintenance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
15-Capital Spillage	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
16-PW Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
17-Metro Cars	£15,091,000	£0	£15,091,000	£3,115,576	£10,741,900	£13,857,476	£-1,233,524	£6,260,000	£3,115,576	£3,225,898	£6,341,474	£81,474

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Completed

- Hebburn - South Shields
13.11.10 - 14.11.10 } 4 x 54 Hours
20.11.10 - 21.11.10 }
27.11.10 - 28.11.10 }
01.12.10 - 05.12.10 }
Duct Work
- Gosforth East Depot - Tynemouth
08.01.11 } 1 x 29 Hours
- Benton Lift Shafts & Duct Work
- Gosforth Depot (East) - Tynemouth
15.01.11 } 1 x 29 Hours
22.01.11 }
29.01.11 - 30.01.11 } 1 x 54 Hours
Lift Shafts
MSN Bridge
Duct Work
- Chillingham Road - North Shields
11.03.11 - 04.04.11 } 23 Days
Cable Replacements
Ducting Renewals
Earthworks
Plain Line Renewal
Embankment Works
- Chillingham Road - North Shields
04.02.11 } 4 x 54 Hours
11.02.11 }
18.02.11 }
25.02.11 }
05.03.11 }
06.03.11 }
Bridge Works
S&T Hylton St

PRELIMINARY COPY

Rev	Date	Description
B	25.01.11	DRAWING UPDATED
A	09.12.10	DRAWING UPDATED

SH	
DT	
Drawn	

Title: Metro Reinivogation Major Works
 Programmes & Possession Plan 2010/11
 Tynes & Wear Passenger Transport Executive. Tel 0191-203 3333
 Nexus Rail Headquarters, Gosforth Industrial Estate, Newcastle upon Tyne, NE3 1XW

Drawn by	Heisdons
Checked	
Approved	
Contractions Dwg No	PROJCM\STATION\OVS\MISC\001
Date	25/01/2011
Scale	
Revision	

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Tyne and Wear Integrated Transport Authority Metro Sub-Committee

DATE: 17 February 2010

TITLE: PUBLIC COMMUNICATIONS (ARP)

REPORT OF: THE DIRECTOR OF RAIL AND INFRASTRUCTURE, NEXUS

Not confidential

District Implications: All Tyne & Wear

1. **Summary / Purpose of Report**

- 1.1 To advise members of the engagement and communications Nexus has undertaken with partners ahead of comprehensive modernisation work taking place on Metro between Byker and Tynemouth, between January and April 2011 as part of the Metro Asset Renewal Programme.

2. **Recommendations**

- 2.1 The committee is asked to note the contents of this report.

3. **Introduction / Background**

- 3.1 A series of significant renewal projects are taking place between Byker and Tynemouth stations during spring 2011. These include a 23-day major line closure of this stretch of Metro from 12 March to 3 April. There are also five 54-hour Saturday-Sunday line closures to prepare for this, the start of a nine-month project to rebuild North Shields station, and modernisation of Chillingham Road, Howdon and Meadowell stations.
- 3.2 Nexus recognised from the outset the impact these works would have on Metro passengers, on neighbours to the Metro line, and on public service providers, businesses and employers whose clients, customers and staff would be affected.

3.3 As a result, it is delivering a major engagement and communications plan to ensure that all stakeholders are aware of the scope, impact and importance of work taking place, and can input into the planning process for works.

3.4 The plan has been divided into three phases, which are:

3.4.1 Engagement with key service providers (September – December 2010)

During this phase Nexus has held briefings and undertaken meetings at a number of levels with North Tyneside Council, Newcastle City Council, Highways Agency, NHS North of Tyne, utility companies, and all schools within one mile of Metro lines in the affected corridor. These meetings have allowed Nexus to ensure that where other public services rely on Metro contingencies are in place. For example, secondary schools have been able to count pupil numbers using Metro so Nexus can provide sufficient bus replacement services at the right time; highways works and road gritting routes have been planned as far as possible to account for increased traffic and the need for bus replacement services to run smoothly, and bespoke information has been prepared for public services whose clients use Metro in significant numbers.

3.4.2 Communications ahead of the Major Line Closure (January – February 2011)

During this phase Nexus and DB Regio, which operates stations and trains on its behalf, are communicating key messages about the dates of line and station closures through the widest possible number of channels, including media, social media, the internet, leaflet distribution and other direct communications. This has been supported by Newcastle City Council and North Tyneside Council, and other partners which have promoted the information through their own websites and internal communications.

Nexus has directly engaged with lineside neighbours, informing them in advance of works by letter to 3,000 homes, and organising community events where residents can speak to staff about their concerns in areas where the pattern of works will be more intense. These have so far taken place at North Shields town centre, Hylton Street, North Shields, and at Burnside Community College, Wallsend. Suggestions from residents and Metro customers, for example, on the best times to make road deliveries, have been included in the plans of Nexus and its contractors. Further meetings are planned in the Howdon and Meadow Well areas ahead of the Major Line Closure.

In addition, Nexus and North Tyneside Council hold a fortnightly liaison meeting drawing together all parts of the Metro Reinvigoration programme, and identifying any community issues so these can be addressed quickly.

Nexus's Youth Liaison Officer has created a new teaching resource focussed on the dangers of the Metro line during closures for modernisation,

and this will be taken into local schools in February and March to deter trespass.

3.4.3 Communications during the Major Line Closure (March – April 2011)

Communications will intensify immediately before and during the line closure to ensure that passengers, neighbours and stakeholders have the information they need.

A series of leaflets, posters and online information will advise passengers of travel options during the Major Line Closure. During the first days of the closure itself both Nexus and DB Regio staff will be deployed to all stations in the area and Replacement Bus Service stops to assist passengers, and key stations will be staffed throughout. A distinct signage solution for the Replacement Bus Service is being developed to provide Metro passengers with a higher level of confidence and security in using this service. This plan will be reviewed daily to ensure it is meeting customer needs.

Neighbours will receive advance warning of works taking place including contact telephone numbers so they can raise concerns and have problems dealt with swiftly.

Nexus will monitor partner public service providers throughout the Major Line Closure to identify and address any issues.

- 3.5 A communications and marketing campaign to promote the successful completion of work is being devised to ensure the rapid transition of passengers who may have used other modes during the Major Line Closure back to Metro.
- 3.6 After the Major Line Closure works will continue in the area, with station and some weekend line closures over the following three months. Nexus has responded. Engagement with local stakeholders has identified key weekends where line closures will be avoided where possible.
- 3.7 Nexus has established a rigorous engagement and communications plan to be used for all smaller projects as part of the ARP programme. This includes notification at the start of a project to ward councillors, council officers, local residents and the media as relevant. This has been used successfully at bridge replacement projects in North Tyneside since October, for Benton station footbridge replacement, and for cable and ducting renewal between Hebburn and South Shields. This has been successful in reducing resident complaints to a minimum and managing those that occur satisfactorily.
- 3.8 Projects over the next three months that engagement and communications plans will support, away from Byker to Tynemouth, include: the completion of Benton footbridge; bridge renewal and local road closure at Knotts Flats, North Shields; and continued lane closures on Monkseaton Front Street bridge, where we are working closely with North Tyneside Council to ensure local residents

NOTE: Under the Local Government (Access to Information) Act 1985 members of the public have a right to inspect any non-confidential background papers used in the production of a non-confidential report to the Authority. Requests for information should be made to the Department originating the report.

understand the significance of works and are updated on its progress.

4 Contact Officer (s)

4.1 Huw Lewis, Head of Communications, Nexus (Tel: 0191 203 3112)

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Tyne and Wear Integrated Transport Authority Metro Sub Committee

TITLE: Date: 17th February 2011

METRO CAPITAL PROGRAMME 2011/12

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

Reasons for confidentiality (if confidential)

District Implications

1. Summary / Purpose of Report

1.1 The purpose of this report is to seek approval of the Metro Capital Programme for 2011/12.

2. Recommendations

2.1 The ITA Metro Sub Committee is recommended to:-

- Approve the Metro capital programme for 2011/12 as detailed in Appendix A, totalling £44.7m (note that this includes £1.8m of Ticketing and Gating enabling works MRG funded expenditure)
- Note that this programme will be forwarded to DfT by the end of February 2011, under the terms of the grant offer letter dated February 2010
- Agree to receive a further report following the outcome of the 2010/11 programme, ensuring the revised 2011/12 programme is brought within the recommended over-programming levels of 10%, as detailed in the strategy below
- Note that DfT will require the rolling 3 year programme, updated by 30

September 2011, and that this will be subject of a further report to the Sub Committee later in the year

3. Introduction / Background

- 3.1 Since April 2010 Nexus has been delivering the first year of the 3 year Asset Renewal Plan for 2010/11 to 2012/13 as agreed with DfT
- 3.2 Current forecasts of expenditure during the 2010/11 financial year is £43.7m with a substantial proportion of this occurring in the final quarter and mainly linked to the planned major line closure in March 2011. This includes an element of over programming and it is envisaged that the final reported expenditure will be no more than £41.6m, thereby keeping to prescribed limits
- 3.3 The total funding available for 2010/11 and 2011/12 combined is £76.7m. There is also an option to exercise a 10% virement of funding between financial years, as outlined in the DfT grant offer of February 2010. Ultimately, this could increase available funding by up to a further £3.9m over these two years, although the intention is to stick to a planning target that remains within prescribed limits, i.e. at £76.7m over the first two years.
- 3.4 Given that the current forecast for 2010/11 indicates that it will be necessary to vire funding from the 2011/12 allocation, in order to achieve a programme that keeps within prescribed limits and also sets an over programming level of some 10% in 2011/12, a reduction of £6m will have to be found from within the list of schemes attached at Appendix A. This does however, depend on a number of assumptions:
- That actual expenditure in 2010/11 does not exceed the funding available of £41.6m; and
 - That an over programming level of 10% is set as an appropriate planning target

4. Information

- 4.1 The current prediction of £43.7m capital expenditure in 2010/11, as at Period 10, is based upon the master programme which is managed by the Nexus Programme Management Office. Approximately £2m of this carries a high risk of non – delivery within the current financial year. A further £2m carries a medium to low risk of non-delivery. Because of the uncertainty

surrounding the final outturn position, Nexus is likely to exercise its discretion to vire 10% of funding between financial years.

- 4.2 At the beginning of the 3 year capital programme the predicted expenditure was £47m during year 2010/11, this included a substantial amount of over programming (circa 24%) to compensate for the risk of non-delivery of some projects.
- 4.3 The profile of spend during year 2010/11 shows a sharp rise towards the end of the financial year as large portions of work are carried out now that the procurement strategy has been largely implemented and crucially, as a result of a major line closure lasting for 3 weeks in March 2011.
- 4.4 The general approach towards Year 2 of the Metro 2010/11 – 2012/13 capital programme is as follows:-
- Consolidate the processes and procedures that have been successfully introduced during Year 1
 - Maintain delivery of the Asset Investment Plan within funding limits
 - Bring projects that have commenced in 2010 to a successful conclusion
 - Identify any “must do now” projects resulting from increased asset knowledge and prioritise accordingly
 - Set out to manage within a lower level of over programming.
 - Flatten the spend profile throughout the year.
 - Move the second major line closure into early 2012/13
 - Give consideration to long lead items e.g. new radio system.
- 4.5 Given the likely need to vire funding from 2011/12 back into 2010/11 and because of increased knowledge of the condition of the Metro asset, together with the experience of delivering the ARP gained during 2010/11, a realistic planning target for 2011/12 is £38.7m (including over programming of 10%) as detailed in the table at paragraph 4.7 below.
- 4.6 The difference between the value of the list of schemes attached at Appendix A, and the revised planning target of £38.7m, £6.0m. Therefore, to keep within prescribed funding levels, a re-assessment of the scope of works and value engineering will be required.

- 4.7 The DfT approved Metro Rail Grant funding of £104m in February 2010. The funding available, including the local contribution is set out below:-

	2010/11 Funding	2011/12 Funding	2012/13 Funding	Total Funding
	£000	£000	£000	£000
Metro Rail Grant	34,000	35,000	35,000	104,000
Local contribution	3,788	3,889	3,889	11,566
Total Approved Funding	37,788	38,889	38,889	115,566
Virement between years	3,767	(3,767)		
Total Available funding	41,555	35,122	38,889	115,566
Over-programming	2,150	3,578	2,300	8,028
Over-programming level	5.1%	10.2%	5.9%	6.9%
Total	43,705	38,700	41,189	123,594

- 4.8 If the total budget requirement of £44.7m is approved, the over-programming level for 2011/12, would be 27% and this is not seen as acceptable for planning purposes, hence the need to identify savings.
- 4.9 Nexus Rail has substantially re-organised during the last 9 months. New project procedures have been introduced. A more rigorous engineering change process is in place and internal departments have been re-organised in order to effectively deliver the Asset renewal Plan, most notably the creation of an Engineering Department that is responsible for setting engineering standards and a Programme Management Office function which assists project managers in delivery of individual schemes.
- 4.10 These changes are enabling more scrutiny of projects and better financial management, leading to greater certainty of delivery and less reliance on over programming which is a drain on resources..
- 4.11 The use of line closures to deliver works more efficiently has already commenced and this will continue throughout 2011/12. Weekend closures have yet to be planned but it is proposed that a closure be implemented at Christmas 2011, for up to 1 week, to replace the South Gosforth Junction.
- 4.12 To alleviate the problem of significant spend at the end of the financial year it is proposed to programme the second blockade on the TYN-CRD section of the network early in 2012/13. This has two advantages. Firstly it allows reduced spend in 2011/12 thus meeting the target of total spend over two years within

the DfT limits. Secondly it gives sufficient time throughout the remainder of the financial year 2012/13 to recover any problems encountered with delivery during the closure.

5. **Next Steps**

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 **Background Papers**

8 **Contact Officer (s)**

- 8.1 Brian Wilson, Head of Engineering 0191 203 3114
Diane Scott, Nexus Capital Accountant on 0191 203 3410
Keith Nisbet, Nexus Head of Finance 0191 203 3264

APPENDIX A

Capital code	Capital Scheme	2011/12 Budget Requirement £000
<u>Civils</u>		
BB001	Central Area Tunnel Refurbishment	1,017
BC201	Earthworks - North Shields to Howdon	229
BC202	Earthworks - Howdon to Wallsend	36
BC204	Earthworks - South Gosforth to Jesmond	3
BC205	Bridges - Tynemouth to North Shields (1154 1170)	54
BC206	Bridges - Percy Main to Wallsend (1185 1186 1179)	385
BC207	Bridges - Howdon to Percy Main (1181 1183 1196 1202)	232
BC208	Bridges - Meadow Well to Walkergate (1175 1176 1195)	27
BC209	Bridges - Tynemouth to Meadow Well (1157 1156 1168 1171)	400
BC210	Bridges - Percy Main to Hadrian Road (1187 1191 1193)	19
BC211	Bridges - Hadrian Road to Walkergate (1197 1198 1200)	33
BC212	Bridges - Wallsend to Walkergate (1201 1203 1204 1206)	34
BC213	Retaining Walls	5
BC214	Bridges - Monkseaton, Cullercoats (1124 1137 1144)	42
BC215	Bridges - Benton (1114 1115B)	1
BC216	Bridges - Gateshead (1059 1062)	1
BC217	Bridges - Bede, Shiremoor (1024 1024A)	0
BC218	Drainage - Tynemouth (Knotts Flats)	60
BC222	Duct Route - Wallsend to Manors	31
BC223	Duct Route - Howdon to Wallsend	97
BC224	Duct Route - North Shields to Howdon	54
BC225	Duct Route - Tynemouth to North Shields	33
BC226	Duct Route - South Gosforth to Jesmond	2
BC227	Duct Route - South Gosforth to Airport	1,304
BC228	Duct Route - Jesmond to Gateshead Stadium and Manors to St	27

Capital code	Capital Scheme	2011/12 Budget Requirement
		£000
BC229	Duct Route - Gateshead Stadium to South Shields	1,260
BC230	Duct Route - South Gosforth to Tynemouth	134
BC241	Culverts	5
BC289	Ground Investigation - South Gosforth to Jesmond	85
BC290	Ground Investigation - Rest of System	14
BC545	Depot Refurbishment	50
BC799	Monkseaton Station Ramp	237
BC811	Benton Station Footbridge	206
BC851	Management of Incursions of Motor Vehicles	28
BC891	Control Room	175
BC952	Depot Fire Alarm Systems	85
	Total Civils	6,405
Communications		
BC250	Cable Pulling - Tynemouth to Manors	787
BC251	Cable Pulling - South Gosforth to Jesmond	165
BC252	Cable Pulling - South Gosforth to Airport	59
BC253	Cable Pulling - Jesmond to Gateshead Stadium and Manors to St	18
BC254	Cable Pulling - Gateshead Stadium to South Shields	915
BC255	Cable Pulling - South Gosforth Junction to Tynemouth	490
BC256	Radio	109
BC257	Telephony	46
BC259	Station Network Connections	1,001
	Total Communications	3,591
Depot Equipment		
BC278	Train Wash	518
BC279	Wheel Lathe	1,150
	Total Depot Equipment	1,668

Level Crossings

Capital code	Capital Scheme	2011/12 Budget Requirement £000
BC276	Barriers - Fawdon	113
BC277	Level Crossings - Highway works - Howdon, Fawdon, Kingston	54
BC539	Level Crossing Refurbishment	1
BC955	Level Crossing Deck Replacement	2
	Total Level Crossings	171
Mechanical and Electrical		
BC281	Escalator - Central	723
BC282	Escalator - Monument	941
BC284	Lift - Four Lane Ends	277
BC285	Lift - Heworth	374
BC286	Fire Alarm	663
BC532	Stations Refurb - Esc Imps/Major Items	120
BC617	Lifts Refurbishment/Major Items	80
BC805	Otn-Ups Support Power Supply	316
BC938	Sub Surface Vent System	5
	Total Mechanical and Electrical	3,499
Metro Cars		
BC288	3/4 Life Refurbishment	2,957
BC874	On-Train PA	42
BC954	Capital Maintenance Concession	632
	Total Metro Cars	3,631
Miscellaneous		
BB003	Maint Management System	5
BC587	Vehicle Replacement Programme	100
	Total Miscellaneous	105
Overhead Line		
BC240	OLE - System Development	6
Permanent Way		

Capital code	Capital Scheme	2011/12 Budget Requirement £000
BC231	Plain Line - Tynemouth to Chillingham Road	2,965
BC232	Plain Line - South Gosforth to Jesmond	8
BC233	Plain Line - Jesmond to Gateshead Stadium	2
BC235	Switches & Crossings - North Shields	109
BC236	Switches & Crossings - South Gosforth	906
BC237	Switches & Crossings - Benton	136
BC238	Switches & Crossings - St James	108
BC239	Switches & Crossings - Prudhoe Street	25
BC550	Rail Grinding	300
BC558	Security Fencing	135
BC703	Plain Line Renewal	996
	Total Permanent Way	5,690
Plant		0
BC280	Tamper	7
BC517	Road/Rail Vehicles	194
BC922	Diesel Shunters Battery Locos	498
		699
Power		
BC287	Power - Depot Stray Currents	795
BC929	OHLE Network	105
	Total Power	900
Signalling		
BC260	Signalling - Bankfoot Interlocking Area	406
BC261	Signalling - South Gosforth Interlocking Area	601
BC264	Signalling - North Shields Interlocking Area	359
BC265	Signalling - Wallsend Interlocking Area	67
BC266	Signalling - Jesmond Interlocking Area	24
BC268	Signalling - Heworth Interlocking Area	630

Capital code	Capital Scheme	2011/12 Budget Requirement
		£000
BC269	Signalling - Pelaw Interlocking Area	634
BC270	Signalling - Jarrow Interlocking Area	0
BC271	Signalling - South Shields Interlocking Area	0
BC272	Signalling - Depot Interlocking Area	169
BC273	Signalling - PTI	672
BC274	Future Signalling System	114
	Total Signalling	3,676
Stations		
BC242	Station - North Shields	3,468
BC243	Station - Meadow Well, Percy Main and Howdon	2,163
BC244	Station - Hadrian Road and Wallsend	1,754
BC245	Station - Walkergate and Chillingham Road	2,305
BC246	Station - South Gosforth	943
BC247	Station - Ilford Road	10
BC248	Station - West Jesmond	1,061
BC249	Station - Central Station	1,086
	Total Stations	12,791
Major Projects		
BB006	Ticketing and Gating Enabling Works	1,837
		<hr/>
		44,668 <hr/>

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