



## Tyne and Wear Integrated Transport Authority

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Meeting to be held on Thursday 27 March 2014 at 10.00 am in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

(Labour Group pre-meeting at 9:00am) (Opposition Group pre-meeting at 9:30am)

Membership: Curran, Errington, M Green, S Green, Hobson, Hodson, Lambert, Lott, Maughan, McCarty, McElroy, Miller, Smith, Stone, D Wood (Chair) and P Wood

Contact Officer: Victoria Miller (0191) 211 5118 [victoria.miller@twita.gov.uk](mailto:victoria.miller@twita.gov.uk)

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### AGENDA

Page

1. Apologies for absence

2. Declarations of Interest of Members or Officers in any matter to be discussed at the meeting

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this. If a member is unsure about the correct course of action in relation to their interest, they should contact the Democratic Services Officer prior to the meeting.

3. Minutes of the Previous Meeting 1 - 10

4. Minutes of the Delegated Committee held on 20 February 2014 (for information) 11 - 12

5. An update on the proposed Combined Authority

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

6. Revenue Budget Monitoring Report to March 2014 and Combined Authority Budget update 13 - 20

<b>7.</b>	<b>LSTF 2015/16 Revenue Bid for Tyne and Wear</b>	<b>21 - 26</b>
<b>8.</b>	<b>Metro Strategy</b>	<b>27 - 50</b>
<b>9.</b>	<b>Metro Smart Ticketing - update</b>	<b>51 - 58</b>
<b>10.</b>	<b>Free Travel for Service Personnel</b>	<b>59 - 60</b>
<b>11.</b>	<b>QCS supplemental consultation</b>	<b>61 - 66</b>
<b>12.</b>	<b>Tyne Pedestrian and Cyclist Tunnels (TPCT) - Phase 3 Improvement Works - and New Tyne Crossing Update</b>	<b>67 - 72</b>
<b>13.</b>	<b>Tyne and Wear Passenger Transport Information Systems - final report and recommendations of the Scrutiny Advisory Group</b>	<b>73 - 90</b>
<b>14.</b>	<b>'Transport works for growth and jobs'</b>	<b>91 - 94</b>
<b>15.</b>	<b>Chairman's Statement</b>	
<b>16.</b>	<b>Exclusion of Press and Public</b>	
	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.	
<b>17.</b>	<b>Confidential Minutes of the Previous Meeting</b>	<b>95 - 98</b>



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## Tyne and Wear Integrated Transport Authority

23 January 2014  
(10.00 am - 12.00 pm)

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### **Present:**

Councillor: D Wood (Chair)

Councillors: M Green, S Green, Hobson, Hodson, Lott, Maughan, McCarty, McElroy, Miller, Stone and P Wood

### **In attendance:**

#### **Newcastle City Council:**

P Ritchie - Clerk (ITA) (part of meeting)  
P Woods - Treasurer (ITA)  
J Softly - Legal Adviser (ITA)  
E Goodman - Senior Accountant (ITA)  
S Jobe - Regional Transport  
P Fenwick - New Tyne Crossing Project Director (ITA)  
A Gibson - Monitoring Officer, New Tyne Crossing  
V Miller - Democratic Services

#### **Nexus:**

B Garner - Director General  
T Hughes - Deputy Director General and Director of Customer Services  
J Fenwick - Director of Finance and Resources  
R Johnstone - Director of Rail and Infrastructure  
H Lewis - Head of Communications  
L Robinson - Public Affairs Manager

#### **Ove Arup and Partners:**

M Shaw

### **51. APOLOGIES FOR ABSENCE**

Councillors Curran, Errington, Lambert and Smith.

### **52. DECLARATIONS OF INTEREST**

Councillor Hodson declared a personal interest in agenda item 5 "ITA Budget and Levy 2014/15" due to holding the Metro Gold Card.

### 53. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 28 November 2013 were approved as a correct record and signed by the Chair.

#### **Matters Arising**

##### **(a) Discretionary CT Schemes: Update**

(Minutes 30 (d) and 13 refer)

In relation to the proposed discussion about the TaxiCard scheme, B Garner explained that although a discussion on this matter had already been held at the last Policy Seminar, if any member felt that more information was needed, they were welcome to contact Mr Garner who would then schedule another discussion on this matter for a future Policy Seminar.

##### **(b) DCLG Consultation paper on Revenue Grant Settlement for 2014/15 and 2015/16**

(Minute 30 (c) refers)

P Woods undertook to circulate information on the grant settlement and the regional response to members in due course.

##### **(c) Metro Major Line Closure – Modernisation Works Update**

(Minute 30 (e) refers)

A member commented that the performance of Metro remained an issue. A member also asked about the reliability of the Metro cars, including a comparison between the reliability of the refurbished cars and those that had not been taken off the Metro system for refurbishment. In response, T Hughes explained that, although discussions continued on a contractual level in order to address outstanding issues, the reliability of Metro and the Metro cars had been good in the recent weeks. The reliability of the refurbished and unrefurbished Metro cars was broadly the same.

##### **(d) Metro Strategy Update Report**

(Minutes 30 (f) and 22 refer)

B Garner reported that a workshop on the long term strategy for Metro was scheduled for the 5 February Policy Seminar.

##### **(e) Revision to Metro and Ferry Fares 2014**

(Minute 35 refers)

T Hughes reported that a note on the elasticity of demand had been provided to the member who had requested that information at the last meeting. The note could also be provided to any other member on request.

B Garner reported that the revised date for the withdrawal of the University of Sunderland Metro Card was 15 July 2014.

In relation to a member's previous suggestion that consideration should be given to reviewing the fares of short journeys, T Hughes explained that this was being examined and an update would be provided to members in due course.

**(f) Nexus Annual Expenditure and Activity Analysis Report 2012/13**

(Minute 42 refers)

As an update, B Garner reported that Nexus' Annual Expenditure and Activity Analysis Report had been sent out to the constituent councils of the Authority for comment. On advice from B Garner, members agreed that, once the comments had been received by the date given, the report would be discussed at a Policy Seminar.

**54. MINUTES OF THE SPECIAL MEETING HELD ON 19 DECEMBER 2013**

The minutes of the special meeting held on 19 December 2013 were approved as a correct record and signed by the Chair.

**Matters Arising**

**(a) Proposal to establish a combined authority for the area of Durham, Northumberland and Tyne and Wear**

(Minute 3 refers)

Members were informed that an update on the proposal to establish a combined authority for the area of Durham, Northumberland and Tyne and Wear would be provided later at the meeting. At this point of the meeting, however, it was noted that an official communication on the current position of the proposal was imminent.

The Chair referred to the fourth resolution and explained that, as agreed, he had raised with the leaders of the seven councils the suggestion that the arrangements for the combined authority should incorporate a requirement for political balance.

It was also noted that on 10 February 2014 the Chair would attend a meeting with the seven leaders. The Chair would circulate information on the outcomes of the meeting to all members or report it at the March meeting.

## 55. ITA BUDGET AND LEVY 2014/15

Submitted: A joint report of the Treasurer of the ITA and the Director of Finance and Resources of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which set out the budget and levy requirements for the Authority in 2014/15 and invited them to consider the draft budget for 2014/15, set its levy for 2014/15 and agree a Revenue Grant to Nexus for 2014/15. The report was introduced by P Woods.

### **RESOLVED** – That:

- (i) The ITA and Nexus Revenue Budgets for 2014/15, as set out in the report, be approved;
- (ii) A levy of £68,207,132 for 2014/15 be approved:
  - a. the levy be apportioned between the five District councils in accordance with the Transport Levying Bodies Regulations 1992 made under the Local Government Act 1988, which used the 2012 mid-year population estimates as the basis of the levy allocation, as set out in paragraph 3.2; and
  - b. the Districts would pay in twelve equal instalments, each instalment would be received by the Treasurer to the ITA on or before the last working day of each month;
- (iii) The amount of Revenue Grant to Nexus of £64,920,000 for 2014/15 be approved;
- (iv) The Authority noted the intention for a cash freeze in the levy in 2015/16 and future years should an acceptable Voluntary Partnership Agreement be reached or a Quality Contracts Scheme be agreed;
- (v) The Authority noted that should there be any delay in the implementation of the ITA's Bus Strategy, providing that there was a levy freeze in 2015/16, this financial strategy could be extended until at least March 2016;
- (vi) The Authority would write to DCLG ministers to notify them that the reduction in the ITA Levy was intended to help District Councils meet the Governments grant funding cuts and that it was still the view of the ITA view that the 2014/15 levy change should not be taken into account in the calculation of the council tax referendum limit for the District Councils;
- (vii) A reduction in the price of the Metro concessionary Gold Card (from £25 to £12 for Tyne and Wear residents and from £35 to £25 for non-Tyne and Wear residents – paragraph 5.3 refers) be approved in principle only and the Director General of Nexus be instructed to report to the next available meeting on detailed implementation of the scheme and how it contributed to the delivery of the ITA policies;

- (viii) The statement on minimum revenue provision repayments for borrowed capital expenditure for 2014/15, as set out in Appendix C, be approved;
- (ix) The Authority noted that should the proposed Combined Authority be implemented from 1 April 2014, the levy and financial assets and liabilities of the ITA would be transferred to that Authority from its date of operation; and
- (x) The Authority noted that should the proposed Combined Authority be implemented from 1 April 2014, an estimated £9.6m of the ITA's usable reserves would continue to be earmarked by the Combined Authority for investment in the Metro Asset Renewal Plan, as referred to in paragraphs 5.5 and 6.4.

**56. 2014/15 ITA CAPITAL PROGRAMME**

Submitted: A joint report of the Treasurer of the ITA and the Director of Finance and Resources of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which sought their approval of the ITA Capital Programme for 2014/15, including both Metro and non-Metro elements. The report was introduced by P Woods, J Fenwick and R Johnstone.

**RESOLVED** – That:

- (i) the Non-Metro Capital Programme for 2014/15 as set out in Appendix A and the Metro Capital Programme set out in Appendix B be approved;
- (ii) the distribution of the LTP Integrated Transport Block grant to the Tyne and Wear Districts and Nexus on the basis set out in paragraph 5.2 be agreed;
- (iii) the Authority agreed to receive a further report (or it should be submitted to its successor body) following the delivery of the 2013/14 programme, ensuring that any variations during the remainder of the current financial year were accommodated; and
- (iv) members be provided with information on the schemes that were proposed or progressed within their districts.

**57. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2014/15**

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

Members considered the report which invited them to approve the Treasury Management Strategy and Indicators for 2014/15. The report was introduced by P Woods.

**RESOLVED** – That:

- (i) the Treasury Management Policy Statement for 2014/15 be adopted;

- (ii) the Treasury Management Strategy for 2014/15 be approved;
- (iii) the Treasury Management Indicators for 2014/15, including the Operational Boundary and Authorised Limit for borrowing, be approved; and
- (iv) the Prudential Indicators for 2014/15 included at Appendix 1 be approved.

**58. 2013/14 CAPITAL PROGRAMME - THIRD QUARTERLY REVIEW**

Submitted: A joint report of the Treasurer of the ITA and the Director of Finance and Resources of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which set out information on the overall performance of the 2013/14 Capital Programme, including delivery to the end of third quarter of the current financial year. The report was introduced by J Fenwick.

**RESOLVED** – That the position with regard to the 2013/14 Capital Programme at the end of the third quarter, as outlined in Section 2, be noted.

**59. CONSULTATION ON LOCAL AUTHORITY PARKING**

Submitted: A report of the Chair of the Joint Transport Steering Group (previously circulated and copy attached to Official Minutes).

Members considered the report which invited them to endorse a proposal that the Joint Transport Steering Group should submit a response to the Department for Transport consultation on local authorities' parking strategies and methods of enforcement. The report was introduced by P Woods.

Members spoke in support of the proposed response. In response to a member's suggestion, it was confirmed that the response would also refer to the localism agenda and include a suggestion for acknowledgment of differences in local issues between different areas.

**RESOLVED** – That the recommendation that the Joint Transport Steering Group should submit a response to the Department for Transport consultation on local authority parking consultation on behalf of Tyne and Wear ITA be approved.

**60. CODE OF PRACTICE FOR THE EMPLOYMENT OF STAFF WHO ARE ENGAGED WHOLLY OR MAINLY ON THE PROVISION OF SERVICES TO NEXUS BY THIRD PARTIES**

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

Members considered the report which sought their approval to commence the development of a code of practice for the employment of staff who were engaged wholly or mainly in the provision of services to Nexus by third parties. The report was introduced by B Garner.



Amongst the points raised during the ensuing discussion were the following:

- B Garner confirmed that it was proposed that the adoption of the recommended code of conduct would be a condition of the contract for the provision of bus services, including secured services, should the Authority decide to go ahead with the Quality Contract Scheme. A member commented on the potential implications of this proposal for bus companies. In response, it was explained that proposals would be discussed with key stakeholders and be subject to further work on the legal framework.
- A member welcomed the proposal and suggested that this work should be shared with partner organisations in the area. A member also suggested that a code of conduct should include entitlement to training for staff.

**RESOLVED** – That:

- (i) Nexus be mandated to commence the development of a code of practice for the employment of staff who were engaged wholly or mainly in the provision of services to Nexus by third parties;
- (ii) the Authority noted that this code of practice would be developed in consultation with the relevant key stakeholders, including Trade Unions and key first and second tier sub-contractors;
- (iii) the Authority noted that the code of practice would address issues such as:
  - The public Sector Equality Duty;
  - Employer Responsibilities in the event of a staff transfer (“TUPE transfer”);
  - The development of strong Employee Relations; and
  - The potential implementation of the Living Wage.

## 61. **BUS STRATEGY DELIVERY PROJECT UPDATE**

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

Members considered the report which provided an update on the progress made on the Bus Strategy Delivery Project (BSDP). The report was introduced by B Garner.

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

- Members expressed concern about the slipping timetable for the opportunity to make a decision on the options for delivery of BSDP. Members expressed their disappointment with this delay and commented on the amount of work that they had undertaken on BSDP.

- Members commented that they had not seen the full version of the up-to-date submission by NEBOA.
- The Chair asked whether a further meeting should be arranged with NEBOA. The Chair also suggested that, if necessary, the Authority should hold a special meeting to make a decision on BSDP.

In response to members' comments, P Woods explained that the work on BSDP continued. A request had been made for clarification of some figures within NEBOA's latest proposal. The up-to-date document would be circulated to members as soon as possible. A workshop would be organised for members to discuss options and they would be provided with briefings in advance of any formal meeting on BSDP. Members asked to be informed of the date of the workshop as soon as possible and suggested that the shadow Chair of the proposed Combined Authority should also be kept informed about the current position and any further developments.

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

**62. REPORT 'BUSES IN CRISIS': CAMPAIGN FOR BETTER TRANSPORT**

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

Members considered the report which drew their attention to the "Buses in Crisis" report of the Campaign for Better Transport and the correct position in relation to funding for bus services in Tyne and Wear resulting from the ITA/Nexus Medium Term Financial Strategy. The report was introduced by T Hughes.

Members were pleased to note that Tyne and Wear had succeeded in maintaining the provision of secured bus services. In welcoming the current position, a member commented that the Authority needed to continue to work on how this position could be sustained.

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

**63. SERVICE 9 PETITION FROM RESIDENTS OF EAST HOWDON**

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

Members considered the report which provided them with information on Nexus' response to the petition from residents of East Howdon, who had requested the reinstatement of bus service No. 9 through East Howdon.

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

**64. PETITION IN RELATION TO THE SCHOOL BUS SERVICE NO. 112 TO WEST JESMOND PRIMARY SCHOOL, NEWCASTLE UPON TYNE**

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

Members considered the report which provided them with information on Nexus' response to the petition in relation to the school bus service No. 112 to and from West Jesmond Primary School in Newcastle upon Tyne.

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

**65. UPDATE ON DIRECT AWARD FRANCHISE FOR NORTHERN AND TRANSPENNINE EXPRESS**

Members received a brief verbal update from B Garner who reported that the Department for Transport (DfT) were in the process of contractual negotiations on the Direct Award Franchise for Northern and TransPennine Express. He advised members that as soon as negotiations were completed, the Nexus Board would consider whether to exercise the joint signatory option offered by DfT. The Authority would be consulted as part of the Nexus Board's considerations.

**RESOLVED** – That, if required, the Delegated Committee would meet to consider and sign off relevant documents.

**66. HIGHWAYS AGENCY CONSULTATION: SILVERLINK INTERCHANGE**

Submitted: A report of the Chair of the Joint Transport Steering Group (previously circulated and copy attached to Official Minutes).

Members considered the report which advised them that a public consultation had recently taken place on the major highways scheme proposed for the A19/A1058 Coast Road interchange and asked them to ratify the submitted response.

**RESOLVED** – That the submitted response be approved.

**67. CONSULTATION ON TRANSFORMING THE HIGHWAYS AGENCY INTO A GOVERNMENT-OWNED COMPANY**

Submitted: A report of the Chair of the Joint Transport Steering Group (previously circulated and copy attached to Official Minutes).

Members considered the report which informed them of the North East Local Transport Body's response to the consultation on transforming the Highways Agency into a government-owned company.

**RESOLVED** – That the submission of a response to the consultation be noted.

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

Thursday, 27 March 2014 at 10am.

69. **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** – That by virtue of section 100A and paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the meeting during the consideration of the following agenda items: “Confidential Minutes of the Previous Meeting” and “Tyne Pedestrian and Cyclist Tunnels – Phase 3 Improvement Works” because exempt information was likely to be disclosed and public interest against the disclosure had been satisfied.



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## Tyne and Wear Integrated Transport Authority - Delegated Committee

20 February 2014  
(10.00 - 10.10 am)

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### **Present:**

Councillor: D Wood (Chair)

Councillors: Curran and P Wood

### **In attendance:**

B Garner – Director General, Nexus  
R Johnstone – Director of Rail and Infrastructure, Nexus  
J Farnell-Smith – Head of Heavy Rail, Nexus  
V Miller – Democratic Services, Newcastle City Council

### **37. APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

### **38. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **39. NORTHERN FRANCHISE DIRECT AWARD**

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

Members considered the report which provided an update on the Direct Award relating to the Northern Franchise and sought their endorsement of Nexus's decision to enter into the interim Franchise Agreement as co-signatory.

The report was introduced by B Garner, who explained the reason behind the urgency of this matter - a response from Nexus to the Government on the potential co-signatory status was required by 14 March.

**RESOLVED** – That Nexus' decision to enter into the interim Franchise Agreement as co-signatory be endorsed.

**40. IMPLEMENTING THE GOLD CARD PRICE CHANGE**

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

Members considered the report which provided additional information on the plans to reduce the price of the Gold Card. It was noted that this additional information had been requested by members at the January 2014 meeting of the ITA where a decision had been made in principle as to the reduction in price.

The report was introduced by B Garner, who explained the reason behind the urgency of this matter – a decision was required on whether the reduction in the price of the Gold Card could be progressed so that a marketing campaign could be developed in advance of 1 April when the majority of the renewals were expected.

**RESOLVED – That:**

- (i) Nexus be required to reduce the price of the Gold Card, effective from 1 April 2014, from £25 to £12 (and from £35 to £25 for non-Tyne and Wear residents);
- (ii) Nexus be required to undertake a comprehensive communication and marketing campaign between 21 February and 31 March to facilitate the Gold Card renewals; and
- (iii) More detailed information on the marketing campaign be brought to a future meeting of the Authority.



**DATE:** 27 March 2014

**SUBJECT:** Revenue Budget Monitoring Report to March 2014 and Combined Authority Budget update

**REPORT OF:** ITA Treasurer

## **PURPOSE OF REPORT**

The purpose of this report is to update members on the revenue budget monitoring position for the period 1 April 2013 to 28 February 2014 and provide an estimated outturn for the year. The monitor includes financial information relating to the budget for ITA administration and financing and the Tyne Tunnels, along with Treasury Management information on borrowing and lending.

The report also sets out initial proposals for the Combined Authority budget for 2014/15, and proposals for the treatment of existing ITA reserves.

It provides an update on Section 151 responsibilities of the ITA Treasurer and accounting arrangements in the event that the date for the commencement of the Combined Authority is after 1 April and the ITA continues to operate into 2014/15.

## **RECOMMENDATIONS**

The ITA is recommended to:

1. Note the position in relation to the revenue budget to the end of February 2014;
2. To agree the proposals for the redistribution of unearmarked ITA reserves to the five Tyne & Wear Districts on a population basis as set out in section 7;
3. To note the retirement of the current ITA Treasurer on 31 March 2014 and to agree that his replacement, Tony Kirkham, is appointed as Treasurer of the ITA to take responsibility from 1 April 2014, in the event of any delay in the commencement of the Combined Authority and the continuing function of the ITA in 2014/15;
4. Note the accounting issues that would need further consideration in the event of a delay in the establishment of the Combined Authority.

## **BACKGROUND DOCUMENTS**

Held by the contact officer



**CONTACT OFFICERS**

*Eleanor Goodman*                      [eleanor.goodman@twita.gov.uk](mailto:eleanor.goodman@twita.gov.uk)                      0191 277 7518

**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**

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- 1.1 This is the final revenue budget monitor to be presented to the ITA for the 2013/14 financial year. It outlines actual expenditure to date against the revised budget, and projects the anticipated outturn to the year end.
- 1.2 Expenditure for the ITA and Tyne Tunnels is once again expected to be in line with budget at the year end. Explanations of any variances are included within the summary tables at Appendix 1 and 2.
- 1.3 It is expected that the functions of the ITA will be taken over by the North East Leadership Board from 1 April 2014 when this body has been legally established as a Combined Authority. The report sets out proposals for the treatment of existing ITA reserves and the 2014/15 levy funded budget agreed in January 2014.
- 1.4 Should the implementation of the Combined Authority be delayed beyond 1 April, this may have an impact on the level of accounting and audit work required, which we are seeking to minimise. An interim ITA Treasurer will also be required, as the current ITA Treasurer will leave the Lead Authority on 31 March 2014.

**2 Background information**

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- 2.1 This report is produced in accordance with Section 28 of the Local Government Act 2003, which requires authorities to monitor income and expenditure against their budget and be prepared to take appropriate action if overspends occur.





- 2.2 The budget monitor has been prepared by comparing the actual income and expenditure during the 2013/14 year to date against the budget for the period. Appendices 1 and 2 detail the recorded spending position as at 28 February 2014 and the projected outturn for the year against the budget agreed by the ITA in January 2014.

### **3 ITA and Tyne Tunnels Revenue Budget**

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- 3.1 For the ITA, gross expenditure at £68.9m is 92% of the revised budget for the year. This is in line with anticipated expenditure profiles. The outturn position is forecast to be in line with the budget – as detailed in previous reports to the Authority, some additional support costs in respect of the Bus strategy will be met from the 2012/13 underspend.
- 3.2 A report was brought to the ITA at its November meeting setting out the proposal to use ITA and Tyne Tunnels reserves to repay the Authority's historic pension deficit. A payment of £9m was made to the Tyne and Wear Pension fund on 2 January, which has meant that the annual contributions for the next three years are now nil. The levy-funded budget will make an annual contribution to the Tyne Tunnels trading account to repay the reserves it has temporarily borrowed, including interest. The interest rate used for this calculation is 3.5%, which is equivalent to the PWLB borrowing rate for 14 year borrowing at the time the payment was made (14 years being the deficit recovery period set by the Pension Fund at the triennial valuation). A small deficit balance of around £1m will still exist in the Pension Fund on the basis of current assumptions, which will be reassessed at the next triennial valuation (March 2016) and will hopefully have reduced at that point. This approach has enabled a significant annual saving to be made on both the levy budget and the Tyne Tunnels trading account, which is well in excess of the loss of income on revenue reserves as a result of no longer holding these cash balances.
- 3.3 2013/14 is the sixth full year of the contract with TT2 for the operation of the Tyne Tunnels. Payment to TT2 is based on a proportion of tolls income. For the period 1 April 2013 to 28 February 2014, the position is summarised in Appendix 2. The overall position on the Tyne Tunnels trading account is forecast to be within the revised budget agreed in January 2014.



- 3.4 All tolls income is collected by TT2 and paid to the ITA within 4 working days of being received. On 1 January 2014, a toll increase was implemented in line with the project plan, which resulted in an increase for HGVs to £3.20 (from the previous level of £2.50). There was no increase in the toll for cars, which remains £1.60.
- 3.5 Spend against the TT2 contract payments budget line appears low on Appendix 2. This is due to the timing of when the invoices are due under the project agreement – 30 working days following the month end. Therefore the expenditure to date figure disclosed in Appendix 2 only includes the April to December usage payments, with payments for January and February falling into March and April respectively. Overall, contract payments to TT2 are projected to be in line with the revised budget at the year end.

#### **4 Treasury Management Update**

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- 4.1 The Authorised Borrowing Limit approved by the ITA for 2013/14 is £240m. The current level of external borrowing as at 28 February 2014 is £202m. This is well within the limits agreed by the ITA, and has been throughout the year to date. This includes the money that the ITA has borrowed to fund capital works on the New Tyne Crossing, which are fully funded through tolls and have no impact on the levy. The average interested rate payable on the ITA's loans this year is estimated at 4.25%.
- 4.2 The ITA currently holds £28m of investments on behalf of Nexus, which are placed with external institutions. At 28 February 2014, the ITA's own balances were invested with Newcastle City Council.

#### **5 Combined Authority Budget 2014/15**

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- 5.1 The ITA set a transport levy for the Tyne and Wear Districts, and grant to Nexus, at its meeting on 23 January 2014. This budget will be brought together along with Transport budgets from Durham and Northumberland County Councils, the North East LEP and co-ordination and policy support to the LA7 Leaders Board, to form the budget of the Combined Authority for the first year of its operation.
- 5.2 To meet the objective of minimising any extra costs of establishing the Combined Authority, central costs must be kept to a minimum and funded from realignment within the existing transport budgets and its overheads; from additional external income (grants) and from in-kind free provision of support from the constituent



authorities, e.g. provision of meeting spaces. Additional costs in 2014/15 would need to be fully justified and agreed by all.

- 5.3 The Tyne and Wear ITA budget 2014/15 has within it an allocation of £0.386m for the Corporate costs of running a Transport Authority, including a part-time Chief Executive/Clerk, part-time Section 151 Officer, financial, legal, HR and other professional advice, IT services, Democratic Services, Transport Policy support, member and Scrutiny support. This includes costs of Internal and External audit, meeting and accommodation costs.
- 5.4 A significant part of the Corporate Costs of the Combined Authority could be allocated between transport costs and between the three transport budgets on an equitable basis and funded from within the transport levies. The Corporate Costs of the Combined Authority that are not transport related would be divided equally between the seven authorities.
- 5.5 A revenue contingency of £132k and a decision on the use of this contingency and any saving in costs will be considered later in the year by the Combined Authority in setting its revised budget for 2014/15 and its new budget for 2015/16 onwards.

## **6 ITA Reserves Proposal**

- 6.1 The Combined Authority will need to hold an adequate level of unearmarked reserve, which its Section 151 Officer would need to sign off as adequate, based on the risks that the Combined Authority would face during the financial year. The Treasurers / Directors of Resources group has discussed a proposition of a minimum base unearmarked reserve of £350,000 for the Combined Authority. This would involve a one-off contribution of £50,000 from each Authority.
- 6.2 The ITA's earmarked reserves (Tyne Tunnels and Metro Reinvigoration reserves) will be transferred to the Combined Authority, and ringfenced to Tyne and Wear for the purposes for which they are earmarked.
- 6.3 For the Tyne and Wear Councils, it is proposed that the majority of the existing ITA unearmarked reserve (£440,000) would be refunded to the Tyne and Wear Districts on 31 March 2014 on the basis of population (mirroring the levy contributions from which it was built up). This would enable each Tyne and Wear Council to fund their one-off £50,000 contribution to create a Combined Authority unearmarked reserve, as shown below, as well as having funds to meet the increased contribution to the corporate (non-transport) costs of the Combined Authority, potentially around £8,700 each.



	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland	Total
<b>Refund</b>	79,468	112,140	79,981	58,931	109,480	<b>440,000</b>

6.4 The proposed transfer means that for Tyne and Wear authorities they will face no additional costs in 2014/15 as a result of a move to a Combined Authority and most will receive a small net saving.

## 7 Next Steps

7.1 The revenue budget will be monitored closely for the remainder of the financial year, and the outturn position reported to the Authority (or its successor body) following the year end.

7.2 An update will be provided at the meeting regarding the likely commencement date of the Combined Authority.

7.3 Discussion have taken place with DCLG and our external auditors about the impact of the year end and a proposals to prepare the 2014/15 accounts of both organisations together next year could minimise any additional costs.

## 8 Potential impact on objectives

8.1 There is no impact on the ITA's objectives as a result of this report.

	2013/14 Revised Budget	Spend to 28/02/14	Projection for the year	Spend as a % of Revised Budget	Traffic Light	Notes on significant variances
<b>Revenue Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>		
Members' Allowances	84	43	84	52%	G	
Travel and Conferences	4	2	3	50%	G	
Supplies & Services	22	11	20	50%	G	
Support Services	285	206	280	72%	G	Some SLAs to be charged at year end
Additional support	-	19	19	100%	G	
ITA Website Charges	20	-	20	0%	G	To be invoiced at year end
Pension Costs	479	439	479	92%	G	
One-off Pension Deficit payment	4,410	4,410	4,410	100%	G	Paid in full December 2013
LGA Subscription	29	29	29	100%	G	Paid in full April 2013
External Audit Fee	20	-	20	0%		Will be invoiced following completion of 2013/14 audit
Financing Charges	2,448	2,244	2,448	92%	G	
Grant to Nexus	64,922	59,512	64,922	92%	G	
Contribution to Districts	2,000	2,000	2,000	100%	G	Paid as lump sum June 2013
<b>Total</b>	<b>74,723</b>	<b>68,896</b>	<b>74,734</b>	<b>92%</b>		
<b>Revenue Income</b>						
Levy Income	(70,207)	(64,356)	(70,207)	92%	G	
Interest on Balances	(15)	-	(15)	0%	G	Allocated at year end
<b>Total</b>	<b>(70,222)</b>	<b>(64,356)</b>	<b>(70,222)</b>			
<b>Contribution from ITA Reserves</b>	<b>1,891</b>		<b>1,902</b>		G	Use of ITA unearmarked reserves to meet ITA proportion of £9.1m pension deficit reduction payment as approved November ITA. Remainder temporarily borrowed from Tyne Tunnels reserves.
<b>Temporary use of Tyne Tunnels Reserve</b>	<b>2,610</b>		<b>2,610</b>			

Tyne Tunnels	2013/14 Revised Budget	Spend to 28/02/14	Projection for the year	Spend as a % of Original Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
<b>TT2 Contract</b>						
Toll Income	(23,200)	(21,181)	(23,200)	91%	G	Contract payments to December 2013 included
Contract Payments to TT2	16,900	12,625	16,900	75%	G	
<b>Total</b>	<b>(6,300)</b>	<b>(8,556)</b>	<b>(6,300)</b>			
<b>Other</b>						
Employee Costs	35	31	35	89%	G	Allocated at year end
Other Expenses	50	28	50	56%	G	
Community Fund	10	10	10	100%	G	
Pension Costs	553	507	553	92%	G	
One-off Pension Deficit Payment	4,590	4,590	4,590	100%		
New Tyne Crossing	130	110	130	85%	G	
Support Services						
Financing Charges	6,723	6,163	6,723	92%	G	
Interest on Balances and Other income	(275)	-	(275)	0%	G	
<b>Total</b>	<b>11,816</b>	<b>11,439</b>	<b>11,816</b>			
<b>Net (Surplus) / Deficit</b>	<b>5,516</b>	<b>2,883</b>	<b>5,516</b>		G	



**DATE:** 27 March 2013  
**SUBJECT:** LSTF 2015/16 Revenue Bid for Tyne and Wear  
**REPORT OF:** Joint Transport Steering Group

## PURPOSE OF REPORT

To make members aware of the Department for Transport's (DfT) Local Sustainable Transport Fund (LSTF) 2015/16 Revenue Competition; the current LSTF programme within Tyne and Wear; and the programme proposed to be put forward for Tyne and Wear for 2015/16. ITA approval is sought for the final document to be submitted for the LSTF 2015/16 Revenue Bid.

## RECOMMENDATIONS

Members are recommended to:

- Endorse the principles of the proposed bid and approve the bid for submission subject to final amendments and sign off by the reporting officer group, the Joint Transport Steering Group, in liaison with the ITA Treasurer.

## BACKGROUND DOCUMENTS

Copies of all documents referenced in this paper are available from the contact officers.

## CONTACT OFFICERS

<i>Nick Clennett</i>	<a href="mailto:nickclennett@gateshead.gov.uk"><u>nickclennett@gateshead.gov.uk</u></a>	0191 433 2526
<i>Melanie Carls</i>	<a href="mailto:melanie.carls@newcastle.gov.uk"><u>melanie.carls@newcastle.gov.uk</u></a>	0191 211 6023

## IMPACT ON OBJECTIVES

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



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## 1 Executive Summary

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- 1.1 This paper outlines what is being delivered through the existing LSTF programmes in Tyne and Wear – Go Smarter to Work and Schools Go Smarter. The paper then provides details on the LSTF 2015/16 Revenue Competition and advises on proposals for extending the current work in Tyne and Wear.

## 2 Background information

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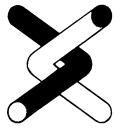
### Schools Go Smarter

- 2.1 Schools Go Smarter (SGS) began in July 2011, following the successful bid to the DfT. £4.904m of funding was awarded to the ITA and a further £5.956m was added from local contributions. This gives a total of £10.860m to invest in local sustainable transport projects up to the end of March 2015.
- 2.2 School run traffic has a significant impact on congestion. During school holidays, peak journey times reduce by over 25% on our main corridors. This shows the impact it has on the traffic on our roads which affects business growth and the environment. By encouraging more children and their parents / carers to use alternative transport, including walking and cycling, SGS aims to reduce congestion as well as reduce CO2 emissions, improve health and benefit the local economy.
- 2.3 Through Schools Go Smarter we are delivering an integrated programme of initiatives to encourage children and parents to try alternatives to car travel. These include projects involving walking, cycling, road safety and public transport initiatives. The projects have been grouped under five key themes: Active Travel; Road Safety; Infrastructure; Promotion and Marketing; and Programme Management. In the past two years (2011/12 – 2013/14), car use for the school run has dropped by 4% in Tyne and Wear (31% to 27%), based on the results for the 2011/12 and 2013/14 Hands Up Survey.

### Go Smarter to Work

- 2.4 Go Smarter to Work (GSW) began in September 2012, following the successful bid to the DfT. £4.995m of funding was awarded to the ITA to help relieve the congestion on the A1 Western Bypass. A further £2.7m was added from local contributions. This gives a total of £7.695m to invest in measures that promote sustainable transport across Tyne and Wear, and in particular key employment areas served by





the A1 Gateshead Western Bypass, up to the end of March 2015.

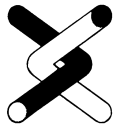
- 2.5 Go Smarter to Work is currently delivered through four scheme packages:
- Improved infrastructure – bus priority, cycle and pedestrian routes, and cycle parking at interchanges;
  - Improved travel information – real time passenger information and marketing;
  - Behaviour change measures through business engagement and smarter choices initiatives; and
  - Travel support for jobseekers.

The behaviour change measures, through business engagement, are concentrated in four key employment areas – Metrocentre, NewcastleGateshead Urban Core, Team Valley and Washington. This is targeted at reducing congestion on the A1 Western Bypass, in particular the number of short-distance, work related trips which are the primary cause of congestion and delay.

- 2.6 The GSW programme is in the early stages of its delivery though it is proving popular with businesses. Examples of feedback include:
- 'Although we are in our infancy in promoting such activities we have moved from zero to eight employees now cycling to work and we believe the programme brings great benefit to Tyne and Wear';*
  - 'We welcome the programme, which aims to promote sustainable travel to employment sites served by the A1 Western Bypass. By offering drivers attractive alternatives for their journeys, the congestion on this route which forms a barrier to business growth will be reduced, giving a major boost to the local economy'.*
- It is too early in the delivery of the programme to be able to evidence hard data at this point in time, though qualitative feedback such as this is positive.

#### **LSTF 2015/16 Revenue Bid**

- 2.7 All current LSTF programmes in England are due to finish at the end of March 2015. The Department for Transport has recently made an additional £78.5m in revenue funding available for LSTF programmes in England during 2015/16. The grant is available for the period from 1 April 2015 to 31 March 2016.
- 2.8 If a joint submission of authorities is made, a maximum amount of £5 million can be bid for. It was felt amongst partners that a joint-bid would be the most effective way forward for Tyne and Wear in order to extend elements of our Schools Go Smarter and Go Smarter to Work programmes into 2015/16. However, it is recognised that



not all areas who submit bids will receive maximum funding, hence there is a need for a sensible, realistic bid which is also deliverable in the one year timeframe.

- 2.9 The bid would also need to complement any infrastructure investment being established through an LSTF Capital 2015/16 Bid for Tyne and Wear, Durham and Northumberland. This bid would form part of the Strategic Economic Plan being produced by the North East Local Enterprise Partnership, which would need to be aligned with the Tyne and Wear LSTF 2015/16 Revenue proposals.

### **3 Proposals**

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- 3.1 Due to timescales, the proposals for the LSTF 2015/16 Revenue bid at the time of writing are still being finalised. If any substantial amendments are made to this proposal, approval will be sought via the Chair of the ITA. However, any changes are expected to be solely in refining the bid and therefore the recommendation to members is that they action their reporting officers – through the Joint Transport Steering Group, in liaison with the Treasurer of the ITA – to sign off the bid. Proposals suggested at this stage are:

#### **3.2 Go Smarter to Work:**

- Continuation of the existing behaviour change and business engagement work being carried out through Go Smarter to Work, at four key employment sites: Metrocentre; Newcastle Gateshead Urban Core; Team Valley; and Washington, which are all served by the A1 Western Bypass;
- Replicating this behaviour change and business engagement work on the A19 Corridor by targeting six employment areas
  - Cobalt Business Park, Tyne Tunnel Trading Estate in North Tyneside;
  - Boldon Business Park, Port of Tyne and Bede Industrial Estate in South Tyneside;
  - Sunderland Enterprise Park, Doxford Park in Sunderland.
- Continuation of the Scooters to Work and Jobseekers Ticketing initiatives; and
- Supporting revenue costs for some of the LSTF Capital 2015/16 proposals such as Real Time Passenger Information (RTPI), Urban Traffic Management and Control (UTMC), and Gateways.

#### **3.3 Schools Go Smarter:**

- Continuation of the revenue elements of the Schools Go Smarter Programme,



by delivering walking, cycling, public transport and road safety based projects which are presently being delivered at schools in Tyne and Wear. This will be aimed specifically at those schools on the corridors feeding the A1 and A19.

- 3.4 The bid will help to address congestion on the A1 Western Bypass and the A19 Corridor, by targeting peak time travel to employment areas and to schools. It will also assist with reducing CO<sub>2</sub> emissions, improving health and benefitting the economy of Tyne and Wear. Significant road works are expected on and around the A1 Western Bypass and A19 Corridor in the near future impacting on travel flows. Therefore it will be particularly important to encourage a shift to sustainable modes of transport to ensure the economic prosperity of the area is not detrimentally impacted.
- 3.5 Partners acknowledge that there is a need for a sensible, realistic bid which is not only deliverable in the one year timeframe but recognises the need for preparation in its start up. Therefore, estimated costs for the proposals are £2.675m for the Go Smarter to Work elements; £1.125m for the Schools Go Smarter elements. This gives a total of £3.8m.

#### **4 Next steps**

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- 4.1 Approval of principles of the bid at ITA on 27 March 2014.
- 4.2 Sign off by Joint Transport Steering Group in liaison with the ITA Treasurer in preparedness for submission of the bid to the DfT by 31 March 2014.
- 4.3 Assessment of applications by DfT, with provisional recommendations to Ministers during May 2014.
- 4.4 Announcement of successful schemes will be aligned to the decisions on the Local Growth Fund in July 2014.
- 4.5 Implementation of successful applications will commence from April 2015. The award can only be claimed for expenditure between 1 April 2015 and 31 March 2016.



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**5 Potential impact on objectives**

5.1 Successful delivery of the Tyne and Wear Local Sustainable Transport Fund programme is intended to:

- Support economic development and regeneration and safe and sustainable communities by tackling the problems of congestion thereby improving the reliability and predictability of journey times.
- Address climate change by increasing the use of sustainable and active modes of travel and thus reducing harmful emissions generated by single occupancy private car use.
- Support safe and sustainable communities by enhancing road safety and expanding travel opportunities.



DATE: **27th March 2014**

SUBJECT: **Metro Strategy**

REPORT OF: **Director General, Nexus**

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## PURPOSE OF REPORT

The report describes the process which has taken place to produce a draft long-term Metro Strategy, and the public consultation process that is intended to follow should the ITA approve the document for consultation.

## RECOMMENDATIONS

The ITA is asked to approve the contents of the Metro Strategy, and to agree the proposed public consultation exercise.

## BACKGROUND DOCUMENTS

Appendix 1: Draft Metro Strategy, Nexus, March 2014.

## CONTACT OFFICERS

<i>Full name</i>	<i><u>Email address</u></i>	<i>Telephone number</i>
Gordon Harrison	<a href="mailto:gordon.harrison@nexus.org.uk">gordon.harrison@nexus.org.uk</a>	0191 2033662

## IMPACT ON OBJECTIVES

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



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## **1 Executive Summary**

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- 1.1 Nexus has developed a long-term strategy for the Metro network which explains how Metro will continue to play a vital role in providing sustainable transport across the Tyne and Wear area and potentially beyond into adjacent areas of County Durham and Northumberland. The key objective of the strategy is to secure a new fleet of trains to replace the existing rolling stock. The strategy is informed by a comprehensive assessment of forecast demand and an analysis of customer requirements. It also identifies a number of new route corridors that have been identified as potentially suitable for Metro operation, using the most appropriate technology to meet the needs of each location.

## **2 Background information**

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- 2.1 There are several drivers of the strategy, including need to ensure that the benefits of the ongoing £389 million Asset Renewals Programme (ARP) are maximised. Upon completion of the ARP in 2021, the vast majority of Metro's assets will have been renewed or refurbished to a condition that will ensure their effective operation well into the future. The major exception to this is the train fleet, which is currently undergoing three-quarter life refurbishment that will extend its operating life for perhaps another ten years, following which a new fleet will be required to ensure that future customer requirements are met.
- 2.2 A new fleet of trains will deliver several important benefits including improved accessibility and performance, and the provision of a wide range of on-board improvements for customers. The strategy also explains how new trains will result in better environmental performance and reduced energy consumption. Depending on technical specifications, the opportunity also exists for the next Metro fleet to be used in a range of new environments beyond its existing sphere of operation. The strategy outlines future possibilities to extend the current Metro network into new areas of Tyne and Wear and beyond, reflecting more closely the commuting patterns of the Combined Authority area.
- 2.3 Seven potential network extensions have been assessed in terms of technical feasibility and projected levels of demand. Further development of these broad corridors will be required in order to develop strong business cases. Prospects for



network extensions will be closely linked to changes in future patterns of land-use along these corridors, and the scale and scope of any new development. Also, additional stations could be provided at locations on the existing network adjacent to new housing or employment development where justified by forecast demand and subject to operational feasibility.

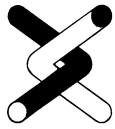
2.4 The strategy is based upon the following principles:

- The strategy should be driven by forecast demand for Metro.
- Replacement of the current fleet with new trains is a top priority and helps unlock future, more ambitious, options for system development.
- Network extensions are important, but the maintenance and improvement of the existing network must take priority.
- The strategy needs to fully understand and respond to customers' changing expectations and requirements for Metro.
- The strategy should be open-minded in respect of future operating and funding models, so long as they meet key objectives.
- Environmental performance and energy efficiency will become increasingly important factors affecting the costs and revenues relating to Metro operation, and in terms of customer and political perceptions.

### 3 Proposals

3.1 The proposed long-term strategy for Metro is attached as an appendix to this report, and follows the following format:

- 3.2 **Aims and Objectives** – key themes that guide the direction of the overall strategy.
- Policy Context** –demonstrating alignment with government policy from EU to local.
- Future Demand** – an important element in determining all aspects of the strategy. The findings of an externally-commissioned demand study form the basis of this section.
- Fleet Renewal** – this section explains the need for a new train fleet, how it can be achieved and the benefits and flexibilities that will result.
- Technical Options** – covering non-fleet areas including future requirements for signalling and control, and depot and stabling facilities.
- Meeting Customer Requirements** – identifying future user needs for Metro and ensuring that these are included within the strategy's proposals.
- Network Extensions** – seven potential route corridors are discussed in detail



alongside other less developed options.

**Network Operation** – future options for service delivery.

**Financing** – a summary of future funding options for Metro.

**Recommendations** – complementing the aims and objectives outlined at the outset.

- 3.3 The document attached is the consultation version of the Metro Strategy; copies will also be available at the meeting. A more detailed version providing the technical and policy background for the strategy has also been prepared and will be available upon request. It is proposed that the Metro Strategy is adopted and updated by the Combined Authority as one of its initial strategic development opportunities that will make a positive difference to the impact of public transport across the region.

#### **4 Next steps**

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- 4.1 A 12-week public consultation exercise is proposed, subject to ITA approval of the strategy. This will canvass the views of the public and key stakeholders, and seek broad support for the strategy's key objectives.
- 4.2 Work streams have been established to undertake more detailed analysis of the optimum technical specification for engineering elements such as rolling stock specification and signalling and control, and also into those operational and financing frameworks that will best guarantee the long-term future of Metro.
- 4.3 The future growth and development of Metro will represent a major opportunity for the Combined Authority. Sustainable access to the heart of our major urban centres will become increasingly important for future economic development, and there is exciting potential for Metro to serve new areas of the Combined Authority region through the flexible use of new technology.

#### **5 Potential impact on objectives**

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- 5.1 Achievement of strategy objectives will have a positive impact on ITA objectives.



# Metro Strategy 2030

Draft Summary

Consultation Document

March 2014





1	<b>Introduction</b>	5
2	<b>Aims and Objectives</b>	6
3	<b>Policy Context</b>	8
4	<b>Future Demand for Metro</b>	9
5	<b>Fleet Renewal</b>	10
6	<b>Technical Options</b>	11
7	<b>Meeting Customer Requirements</b>	12
8	<b>Network Extensions</b>	14
9	<b>Network Operation</b>	17
10	<b>Financing</b>	17
11	<b>Recommendations</b>	18
12	<b>Feedback</b>	19

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# 1 Introduction

This Strategy sets out the ambitions of Nexus, the ITA and its successor body the Combined Authority for the development of the Metro system through to 2030 and beyond. The long-term future for Metro presents a unique opportunity for the Combined Authority. Fleet renewal will require major capital investment, and depending on passenger demand and the availability of funding, there may be scope to extend the reach of Metro beyond its current sphere of operation and the boundaries of Tyne and Wear to more fully reflect travel patterns across the wider region, including adjacent parts of County Durham and Northumberland.

Metro is an essential part of everyday life in the region. For more than 30 years Metro has been a cornerstone of sustainable transport provision across the area it serves. Clean, green, modern and efficient, Metro led the way for other UK cities to follow in terms of light rail provision that is effective, affordable and relevant to people's everyday lives.

As energy and environmental considerations take centre stage, Metro will become even more central to future decisions on land-use planning and transport infrastructure investment. Light rail is not cheap to provide, but the benefits it provides are substantial and durable. Metro is an instantly recognisable brand. It is popular and easily understood by the people who use it, and past and present investment in the network will keep delivering benefits to users and non-users alike in terms of reducing congestion and providing sustainable accessibility.

This Strategy is a blueprint for Metro for decades to come. Its first priority is to secure the introduction of a new fleet of trains as the most important element of improving the existing network to meet customer requirements, so that Metro stays at the forefront of accessible transport across the region's towns and cities and becomes the travel mode of choice for an increasing number of people. To this end, the introduction of a new fleet of trains will be critical. New trains will deliver higher standards of accessibility, reliability and cost-effectiveness, and ensure that Metro keeps pace with users' requirements. The Strategy also examines how Metro could reach new communities and workplaces through a targeted programme of network extensions based on projected demand and affordability, and using the latest advances in industry technology.

Metro is here to stay in the region, but must continue to meet ever-increasing expectations of current and future users to justify future investment. This Strategy examines all aspects of future provision from the point of view of customer requirements, on the basis that they are the reason for its continued operation. Metro has always employed world-leading technology and through the efficient use of existing assets and the intelligent application of new products constantly under development, this will continue to be the case into the future.

Between 2011 and 2022, Metro is undergoing a £389 million major overhaul of its infrastructure; repairing and renewing tracks, stations, bridges and tunnels with the benefit of government investment, so that these assets are fit for purpose for the long term. This renewal work is progressing on budget and to schedule. The purpose of this Strategy is to build on this substantial investment to ensure that benefits flow from it for decades to come.

Metro faces a considerable number of future challenges and opportunities. These include the need to react to varied and unpredictable circumstances surrounding levels of demand, energy costs and security, and changes to land-use planning. But Metro can also exploit opportunities by helping to shape the region's travel choices, and by enabling society to plan long-term for homes, jobs and services on the basis that light rail will be a permanent yet flexible asset to the area.

This Strategy is an outline document based on the conclusions of in-depth research and summarises all of the key points under consideration. As with all long-term strategies, technological, economic, financial, or political/regulatory developments will require changes to the Strategy in years to come, and hence it will be kept under continual review.



# 2 Aims and Objectives

The vision for the Metro Strategy is as follows:

***“Delivering a world-class Metro system for the region that is modern, green, inclusive and influential”***

**Modern** - a Metro that meets users’ expectations, and can accommodate and stimulate future demand.

**Green** - a network that is environmentally positive; in its own right in terms of resource consumption, as an effective enabler of mode shift towards public transport, and with the flexibility to operate using a range of renewable resources.

**Inclusive** – a Metro for everyone that is accessible, affordable and creates a stronger society.

**Influential** - a product that will help shape where people live and businesses locate, to make the region an excellent place to live and work.

Aims have been developed to help deliver the main elements of the Strategy:

- (i) Infrastructure resilience – to capitalise on investment in engineering and a new train fleet, alongside the application of best practice in network maintenance, to deliver a robust and reliable Metro network.
- (ii) Increase the proportion of trips made by Metro relative to those undertaken by car along transport corridors where mode choice exists.
- (iii) Develop the network to accommodate forecast base-case increases in the level of demand as follows:
  - 2020: 49 million trips per year
  - 2025: 53 million trips per year
  - 2030: 60 million trips per year
- (iv) Continue to reduce energy consumption and improve environmental performance as far as practicable, consistent with legislation, technology and operating protocols, progressively maximising the benefits brought about through the use of new equipment.
- (v) An annual average increase in operating efficiency resulting in a reduced requirement for operating subsidy over time.
- (vi) Ongoing reductions in the level of fraudulent travel through the use of network gating, smart technology and effective evidence-based enforcement.
- (vii) Punctuality and reliability – ensure that network performance meets users’ expectations and is in line with comparable networks elsewhere.
- (viii) Customer satisfaction –to aim for long-term improvements in recorded customer satisfaction across a range of metrics.
- (ix) Increase the proportion of Tyne and Wear households within easy access of a Metro station through a targeted programme of network extensions where funding permits, and where they can be clearly justified by forecast levels of demand. Also, to investigate the construction of additional stations on the existing network, subject to the same criteria.

- (x) Increase the volume of interchange between Metro and other travel modes by means of additional stations, network extensions and further Park and Ride sites as required by levels of customer demand.
- (xi) Maximise the potential of commercial and development opportunities, particularly in terms of securing maximum planning gain from new developments that can be re-invested in network improvements.

Objectives that will help to achieve these aims are:

1. Position Metro at the heart of the region's integrated transport network with the ability to influence and respond to future economic, environmental and social trends.
2. Produce robust forecasts of future demand on the existing network and potential network extensions.
3. Develop a high-level specification for a new fleet that will meet customer needs into the future.
4. Appraise future options for Metro operations, including rolling stock, electrical, mechanical, environmental, and safety elements.
5. Ensure that the requirements of future Metro customers are anticipated and provided-for across all aspects of the Strategy.
6. Identify the optimum future operational framework for Metro, taking account of customer, financial, fleet replacement and network considerations.
7. Provide recommendations for future consideration regarding potential on-street and off-street network extension corridors
8. Identify potential funding, investment, development and asset opportunities that will facilitate successful delivery of the strategy.
9. Enabling many of the above and at the heart of this strategy is the essential replacement of the current fleet of trains.



# 3 Policy Context

EU, national, regional and local land-use and transport policies all support the future development of Metro. Light rail exhibits excellent sustainability credentials, and a successful Metro network will be central to the future economic prospects for the Combined Authority area.

Key policy drivers influencing strategy development include the following:

**Green Light for Light Rail:** the 2011 DfT policy paper highlighting the role that light rail, trams and other rapid transit systems can play in improving the attractiveness and quality of public transport in major conurbations.

**North East Local Enterprise Partnership Strategic Economic Plan:** the framework for economic growth across the area which identifies a key role for Metro in delivering sustainable travel opportunities.

**Tyne and Wear Local Transport Plan 2011-21:** supporting continued improvements to Metro services and facilities.

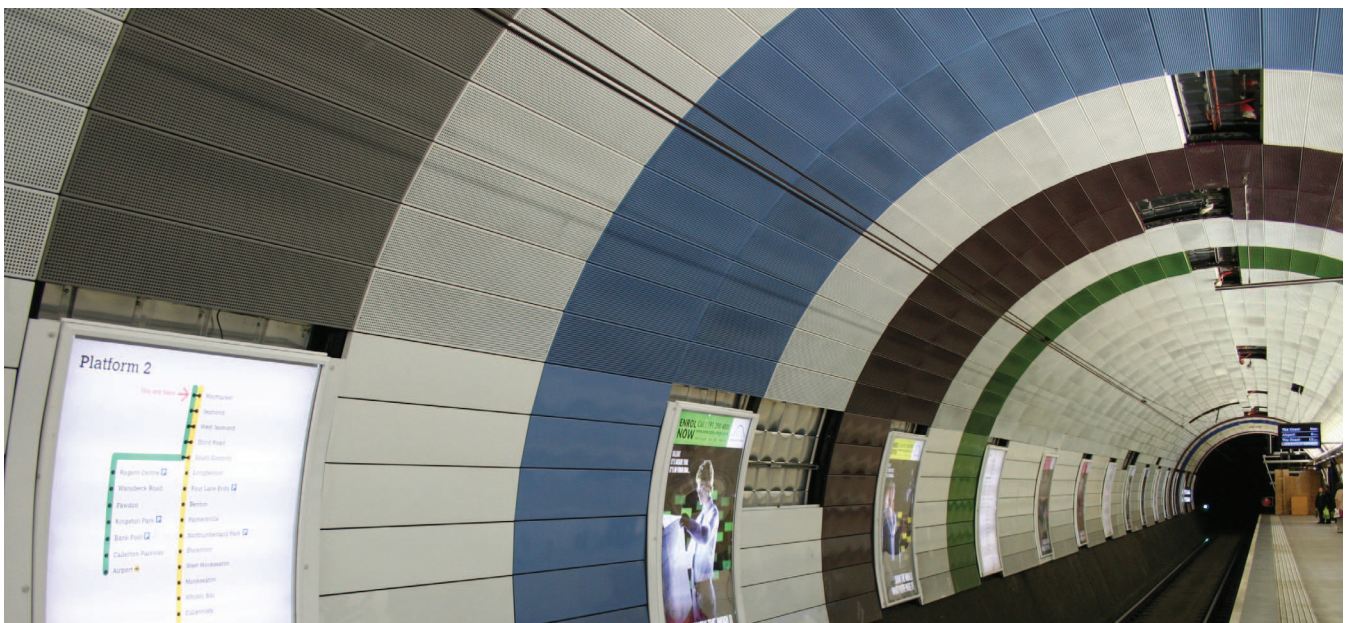
**National rail policy developments** suggesting future structural and operational changes, specifically Tram Train developments and the devolution of the specification of local rail services.

Metro takes part in the NOVA programme of international railway **benchmarking**, which enables validation and comparison with a diverse selection of metro networks worldwide. This allows for the sharing of best practice and the optimum use of developing technologies. A recent survey of key performance metrics confirms that Metro performs well across a range of subject areas.

Light rail networks are increasing in numbers and scale across the UK, particularly in respect of on-street operations. Metro is working closely with other operators such as Manchester’s Metrolink to understand more fully the challenges and opportunities that accompany this mode of operation, and the means by which new rolling stock and network extensions have been funded and procured.

The Strategy aims to ensure that Metro is well positioned to respond to existing and emerging policy frameworks that are overwhelmingly supportive of future light rail network improvements and expansion.

Through implementation of the Metro Strategy there will be continual engagement with regional and national stakeholders to develop and deliver an agile and flexible rolling programme of enhancements that can be tailored and refined to meet changing circumstances.





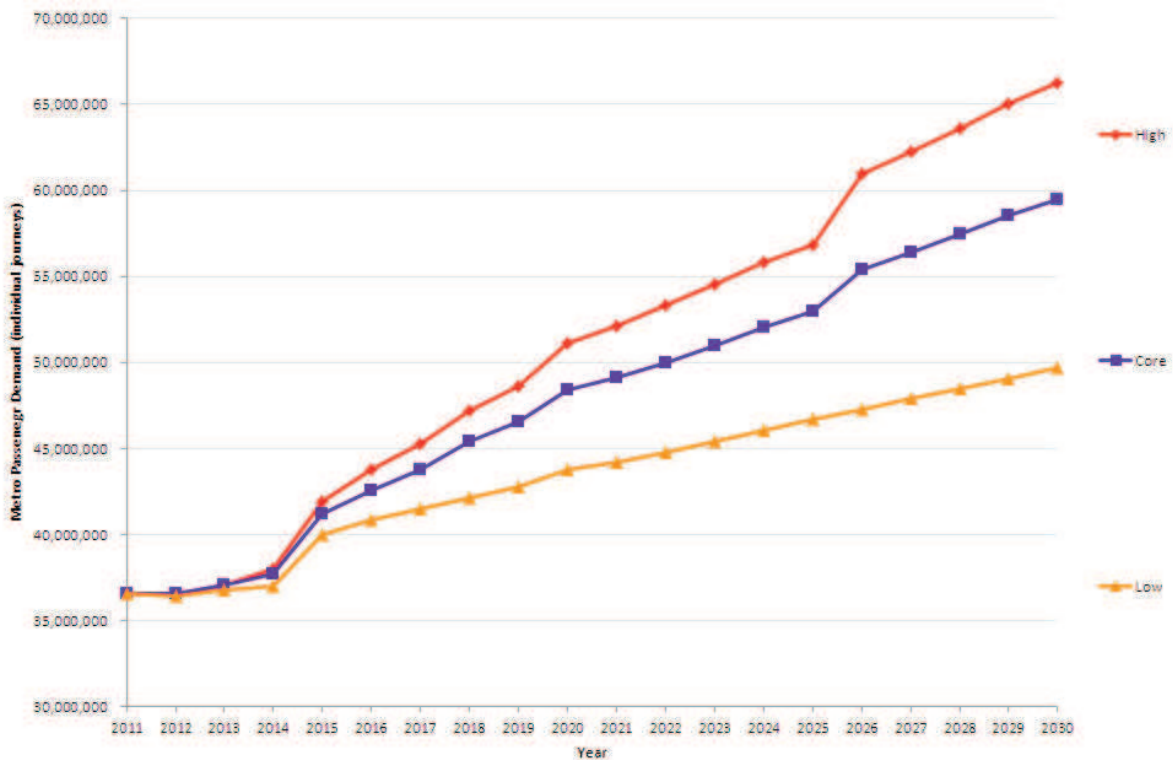
# 4 Future Demand for Metro

Accurate estimates of future demand are central to the production of a successful business case. Whilst no forecast can be 100% accurate due to changes within and beyond the scheme sponsor's control, adherence to robust forecasting methodologies together with the experiences of networks elsewhere should provide demand forecast estimates within a range of tolerances that are accurate enough to inform preparations towards a full business case.

Nexus has commissioned a demand study from external sources which employed a direct-demand, elasticity-based model which employs observed (historical) relationships between demand and explanatory variables from historic data on the existing network, combined with additional evidence as required from comparable UK networks to estimate future-year demand. The outputs of this process were then compared against the conclusions of an independent regional economic forecast, indicating predicted growth in Gross Value Added (GVA), which was specifically commissioned for the Strategy.

The development plans of the five Tyne and Wear local authorities were also used to give an indication of those locations where large-scale housing and industrial development is planned, so that expected travel demand to and from these locations can be factored into the demand for adjacent Metro services.

The chart below shows the range of forecasts produced by the demand study. These have been used to inform all aspects of the Strategy's conclusions. The primary conclusions of the demand study over all three planning scenarios (low, core and high growth) were that the number of passenger trips will rise steadily over the period to 2030 due to rising GVA and population, the impacts of land-use planning developments and the effects of behavioural change. Greater demand for Metro also increases the need for trains to accommodate customers; this is one of the key principles underlying the fleet replacement proposals.



# 5 Fleet Renewal

The main output requirement of the Strategy is the procurement of a new fleet of trains that will meet identified customer requirements and future levels of demand, and provide a reliable and cost-effective Metro service for decades to come, protected as far as possible from the impact of future energy shocks by using electricity from a range of potential sources.

The current Metro fleet began operations in 1980, and has served its purpose well. During its 35-year lifespan it has undergone two significant refurbishments to renew technical equipment and improve the passenger experience. The second refurbishment (to be completed by 2015) is expected to extend fleet life up to around 2025.

Whilst further refurbishment of the existing fleet would need to be considered as part of any business case linked to the procurement of a new fleet, it is likely that major components will by then be obsolete and hence difficult or expensive to renew. The vehicles would also by then represent 50-year old technology, with limited capabilities in terms of energy efficiency and the provision of modern passenger amenities. Additional challenges would include compliance with accessibility legislation, and the inability to provide additional services to meet increased demand because of a lack of spare trains.

Meanwhile there are also potential opportunities for both track-based and on-street network extensions, which will have implications for the type of vehicles used in the future. The current trains could potentially operate on routes that are physically linked to the existing network, but this would have to be at the expense of frequencies on other routes because the current fleet of trains cannot be added to. Any future on-street Metro operations would require new trains.

Technology has moved on apace since Metro began operating, and it is vital that the vehicle fleet remains at the forefront of best practice in terms of meeting customer requirements and achieving maximum energy efficiency.

New vehicles will comprise the latest standards of engineering and environmental performance and passenger amenities. Improved interior layouts would include increased space for luggage and/or bicycles, improved information displays, Wi-Fi access, and the potential for a single passenger compartment, rather than the two separate carriages as at present. Energy efficiency would also be considerably greater.

The detailed specification for the next fleet will be developed as part of full business case preparation; essential attributes at this stage can therefore be summarised as:

- Meeting customer expectations
- Optimum whole-life costs
- Operational flexibility
- Highest levels of environmental performance and energy efficiency

Options remain open as to the configuration of a new fleet; this will be refined as demand levels, customer requirements, service frequencies and operational and safety requirements crystallise over the next few years. One core principle will be the retention of a strong Metro brand, so that any future on-street operations will be instantly recognisable as part of a common family, even if the detail of service provision differs.

The detailed fleet specification will be future-proofed to take account of developments on the national rail network and in signalling and control technology.

# 6 Technical Options

The Strategy covers all aspects of the future technical requirements to deliver a world-class Metro network. The new rolling stock specification is the most conspicuous aspect of this process, however all subject areas are important to the safe and efficient operation of the network. The other main areas that the Strategy covers can be summarised as follows:

## **Civil and mechanical engineering**

Phase 2 of the Metro re-invigoration programme comprises a £389 million investment in the future of Metro which, upon completion, will ensure that network assets remain in good condition for an extended period. Proactive maintenance will ensure that asset conditions are stabilised across the network and any modifications required to accommodate new rolling stock are implemented in a timely and cost-effective manner. Any network extensions will be constructed to prevailing safety and engineering standards using industry best practice at the time.

## **Signalling and Control**

Metro is currently fully signalled using conventional block signalling and automatic route selection protocols. Most new networks use Communications-Based Train Control systems without fixed signals; some operate in driverless mode for all or part of journeys e.g. Docklands Light Railway. Existing Metro signalling and control equipment remains fit for purpose at present but is due for replacement at the same time as the anticipated replacement of the train fleet. The guiding principles of future signalling and control will be safety, functionality and demand; for instance the number of network extension services feeding into the central corridor will help to determine the future peak signalling capacity required. Any discrete on-street network extensions would be operated differently; most operations of this nature elsewhere operate on a 'line-of-sight' principle other than at road or rail junctions.

## **Energy Efficiency**

An area where Metro can make a major positive impact in the future is that of improved environmental performance arising from increased energy efficiency. Metro has the advantage of being able to be powered from a wide range of indirect energy sources converted into electricity, potentially on a renewable basis. The strategy covers all aspects of energy efficiency, with a particular focus upon traction energy consumption where a new fleet of trains could also create substantial savings. The potential exists for Metro to become an exemplar system in this regard through a combination of energy use best practice and increased passenger loadings.

## **Depot facilities**

New trains and potential new routes could alter the operational requirements for fleet maintenance and overhauls. At present all 90 trains are accommodated at a single depot at South Gosforth. The Strategy evaluates the potential benefits of introducing a new main depot, one or more satellite depots and/or additional stabling facilities.

# 7 Meeting Customer Requirements

Meeting and exceeding the expectations of customers is fundamental to the future of Metro. Unless customer requirements can be effectively anticipated and satisfied, the risks to patronage growth and mode shift towards Metro will increase and it will be more difficult to justify the ambitious programme of renewal and expansion described in this Strategy.

It follows therefore that customer requirements are at the heart of all aspects of the Strategy. These requirements, along with the technology which helps to deliver them, will evolve constantly, meaning that effective and insightful contact with customers and non-Metro users alike will be essential to keep abreast of changing trends and to predict how and where Metro needs to position its offer to retain and increase market share.

Key customer requirements identified which underpin elements of this Strategy include:

- Safety
- Quality
- Simplicity of use
- Accessibility
- Value for money
- Reliability

Delivery of these high-level attributes is covered in greater detail across various elements of the Strategy, including in the following subject areas:

## **Fleet Requirements**

From a customer standpoint seating and door configurations, on-train information systems, wifi, air conditioning, luggage and storage facilities and vehicle performance are seen as of importance. These are 'known wants' from the present day and will evolve alongside the pace of technological change. Service frequencies are also an influential determinant of travel choice. Future vehicle specifications and fleet size will take account of these requirements.

## **Service Frequencies**

Customers expect a minimum level of service frequency for them to use Metro as their preferred mode of travel. Assessment of future fleet requirements and predicted levels of demand will take account of these expectations.

## **Fares and Ticketing**

Extensive market research has shown that customers' core requirements in this area are simplicity, affordability and transparency. What is changing and will continue to do so are the mechanics of how, when and where customers pay to travel, and the product offers which Metro is able to provide in return. Smart ticketing is transforming this arena, and the Strategy will ensure that its capabilities are fully exploited to maximise value for money and flexibility for customers, and minimise transaction costs to Metro.

## **Information**

At all stages of the trip-making process, customers emphasise the need for clear and accessible information on journey options, train running and alternative options. Metro will continue to develop effective ways to advise and inform service users through a range of rapidly evolving technologies. Based on the key elements of journey planning (reassurance and general information), the emphasis will be on personalised trip information and the provision of data in ways that users find easy and convenient to access. This methodology has the benefit of developing customer relationships that deliver benefits to both parties.

## **Stations**

Metro users have emphasised the importance of feeling safe and secure whilst waiting for trains with supporting service running and onward travel information to hand. Metro has a varied portfolio of stations resulting from its heritage which all have a common standard of basic facilities, with key stations offering enhancements. The Strategy recommends continued investment in station facilities to meet contemporary expectations, with a safe and welcoming environment of paramount importance. A wider range of retail facilities may be appropriate at some locations with accompanying commercial benefits.

## **Integration**

Customers are attracted by the prospect of integrated transport journeys that feature fares, information and connections that are simple to understand and which work intuitively and effectively. As well as ensuring that Metro's own products and processes meet these requirements, the Strategy proposes maximum integration with other travel modes to ensure that the overall public transport offer across the area served by Metro is greater than the sum of its parts.

## **Park and Ride**

The Strategy recognises that attracting car users to Metro for all or some of their journeys will be a component of increased future demand. One way of achieving this will be by the targeted expansion of Park and Ride sites where demand exists or is likely to do so in the future. Park and Ride is not only for car users; Nexus already has a comprehensive network of cycle parking facilities at most stations which will be continually upgraded and secured to meet and anticipate demand. Charging points for electric vehicles will also be provided where feasible. Park and Ride facilities at strategic locations will have an important part to play in widening the reach of Metro across the region. Any new network extension proposals will also seek to incorporate Park and Ride sites at the planning stage to fulfil a similar role.

# 8 Network Extensions

Ever since Metro opened in 1980, there have been requests to extend the scope of the network to deliver its benefits across a wider area. Subsequent network extensions have met this need to some extent; however there are still areas of the conurbation where a combination of predicted demand and on-the-ground conditions suggest that a renewed programme of network extensions could deliver a range of benefits.

The original Metro network comprised 44 stations and used existing or dismantled suburban 'heavy rail' lines. The network was extended to Newcastle Airport in 1992, and four additional stations were also opened on the existing network. In 2002, Nexus became the first UK light rail operator to initiate joint-running with 'heavy rail' trains on the Network Rail line to Sunderland, extended as Metro-only to South Hylton. The full Metro network now comprises 60 stations, on a total network length of some 80km.

The current Strategy has reviewed the opportunities to extend Metro; either as physically connected extensions of the current network, or as stand-alone street-running operations. A number of potential extension routes have been examined as part of the Strategy, and those which are detailed below appear at this stage to offer the best combination of forecast demand and technical feasibility. Potential new station sites on the existing network will also be considered on similar terms. The Strategy identifies potential new station sites; further sites may also be identified working with local authority partners going forward.

Funding for these corridors would need to be identified as part of the business case specification process. At this stage of the Strategy, all should therefore be viewed as potential options rather than firm proposals. The impact of these on the existing network, in isolation and in combination, has been assessed at a high level and will be used to determine future fleet size and station and signalling capacity requirements.

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## Potential Network Extension Corridors

### A - Extensions to the Current Network

#### **Sunderland to Seaham**

This would take the form of an extension of the 'joint running' arrangements currently used between Pelaw and Sunderland. Up to three additional on-track stations could be provided. The proposal would be dependent upon predicted customer demand, future line capacity and any decisions by Network Rail about future electrification.

#### **Sunderland (South Hylton) - Washington - Pelaw**

With a population of around 55,000 Washington is one of the largest areas in Tyne and Wear without access to Metro and there have been regular requests received for the situation to be reviewed. A potential solution involves use of sections of the disused Leamside rail corridor south of Pelaw and the former Sunderland to Durham rail line west of South Hylton with a connecting spur, and a diversion westwards into the Galleries town centre area. This corridor could enable the introduction of a circular route connecting Pelaw, Washington, South Hylton, Sunderland and East Boldon and Pelaw in both directions.

## **Cobalt Link**

This route could connect both arms of the North Tyneside Metro loop running from Howdon/Percy Main to Northumberland Park and serving the Tyne Tunnel Trading Estate, Silverlink and Cobalt Business Park destinations en route. The route would link this corridor of employment, retail, leisure and housing activity to Metro destinations across Tyne and Wear potentially through the operation of an 'inner circle' service linking the Wallsend, Cobalt and Benton areas in either direction.

The corridor's proximity to the southern end of the Blyth and Tyne route offers possible links with planned rail services to and from the Ashington, Bedlington and Blyth areas.

## **B - Street-running Operations**

### **Metrocentre and Team Valley**

Potential on-street Metro operations connecting Gateshead town centre with the Metrocentre/Metrogreen and Team Valley areas have been identified. These would share roads with other vehicles as currently occurs in the Manchester, Sheffield and Nottingham areas. Metro services to and from these major employment and shopping destinations would extend the reach of Metro to areas hitherto unserved and help to relieve congestion on the surrounding road network. On-street stops could be introduced along these routes, similar to those used on the Manchester Metrolink network and elsewhere. There is the potential for cross-river on-street Metro links to west Newcastle or Newcastle city centre via a new bridge near the Metrocentre, or shared use of one of the existing bridges in the NewcastleGateshead area. More detailed work is under way in early-2014 to scope out in greater detail what options may be technically feasible.

### **West Newcastle**

West Newcastle is one of the most densely populated areas of Tyne and Wear, but has not yet benefited from the advantages of Metro in the same way as other areas of the city. A corridor with potentially high levels of demand runs from the city centre westwards to the A69 area, via the A186 West Road or alternative road corridors. This would run on-street and would ideally form part of a complementary NewcastleGateshead Metro street tram operation linking to and from the Metrocentre and Team Valley areas, depending upon the feasibility of cross-Tyne operations.

### **South Shields to Doxford Park via Sunderland city centre**

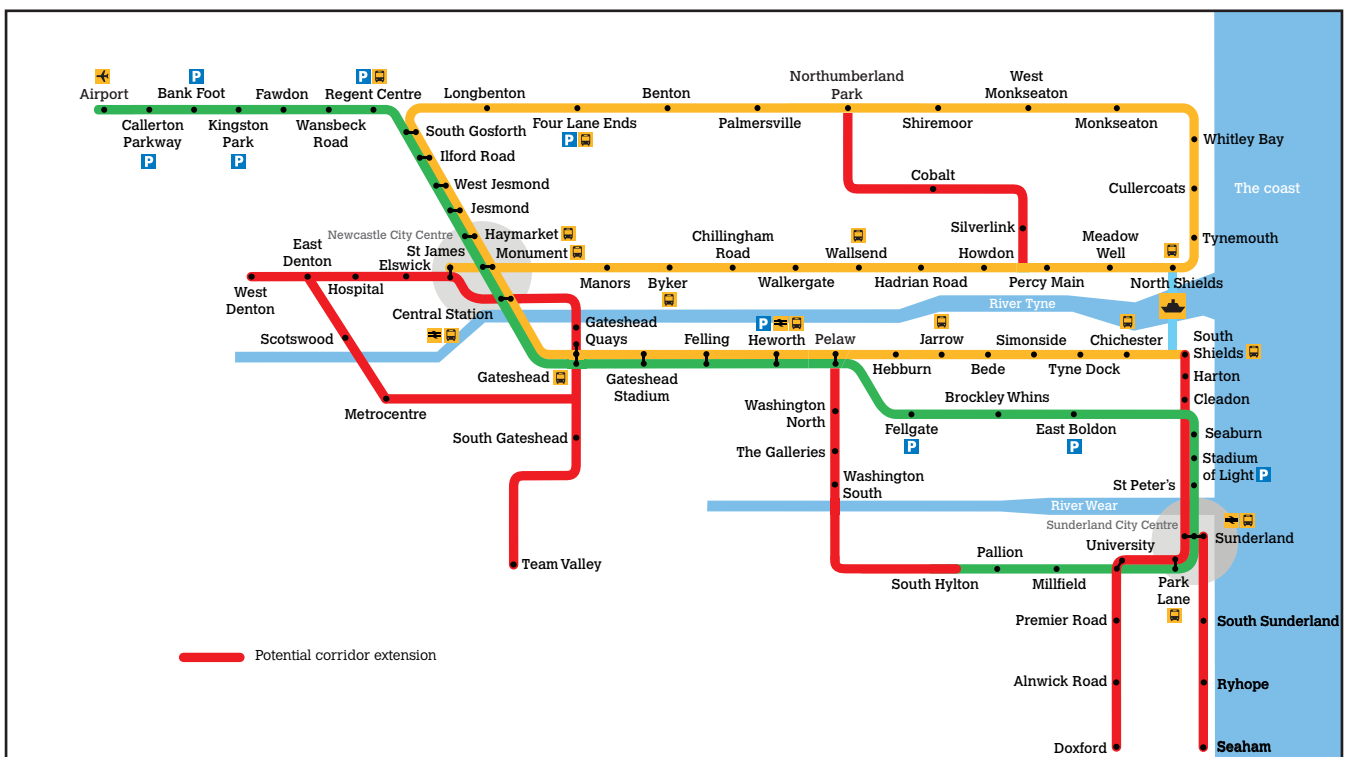
The potential of street-running Metro operations could also be employed across areas of South Tyneside and Sunderland that are not served by existing Metro services. A corridor extending north from Sunderland city centre to South Shields via Monkwearmouth and Cleadon, and westwards to Doxford Park and Doxford International would provide light rail links to the major employment centre next to the A19 as well as providing direct Metro services between Sunderland and South Shields.

Further investigation and assessment of the options above will be undertaken as appropriate, taking Strategy consultees' views into account, to determine which (if any) should be taken forward to the stage of full business case preparation once their justification in demand and feasibility terms has been established in greater detail.

Demand forecasts have been prepared for each of the potential extension corridors. These figures relate to the predicted demand in year 2030 from new stations on these corridors.

Potential Metro Extension Corridor	Million passenger trips per annum
Sunderland to Seaham	5.011
Pelaw to South Hylton via Washington	3.954
Cobalt Link	1.214
Metrocentre	11.276
Team Valley	4.220
West Newcastle	13.600
South Shields to Sunderland to Doxford Park	5.444

## Network Extensions Map



Other routes may also be considered if a case exists for potential conversion to Metro-style operation. This includes consideration of links into Durham and Northumberland for example via the Ashington, Blyth and Tyne link or the Leamside Line or to areas of population such as Ponteland. In this context, the outcomes of the ongoing South Yorkshire tram train pilot, and the process leading towards greater devolution of local rail services may be influential. A future Combined Authority may wish to take a view in due course as to how Metro can help meet the future sustainable mobility needs of the wider region in this regard.



# 9 Network Operation

Since 2010 Metro has been operated on a day-to-day basis by means of an operating concession awarded by Nexus to DB Regio (Tyne and Wear) Ltd, whose staff drive and maintain trains, clean and maintain stations, provide assistance to passengers, and manage operations. Nexus retains control over network infrastructure and fares income. The operating concession applies until 2017, with the option to extend for a further two years.

The Strategy covers potential delivery methods for Metro services beyond the period covered by the current concession. Due to long lead times and the complexities of contractual definition and specification, detailed work needs to start in 2014 in order to ensure that a new arrangement ready to apply within the required timescale. Fleet replacement considerations will also form part of this process, as will the potential for the process to bring about the delivery of network extensions, should these be applicable.

# 10 Financing

The Strategy examines how all aspects of how Metro can be funded in the future in terms of ongoing operations, procurement of a new train fleet and the implementation of any network extensions. These considerations are directly linked to forecasts of future levels of demand.

There has been substantial government investment in the network in recent years with the funding and delivery of the first two phases of the Metro reinvigoration programme. This programme ensures that asset conditions are fit for purpose and provides the foundation for the fleet replacement and possible network extension plans which are the focus of this Strategy. Nexus intends to build on this investment and to ensure that the benefits of it are felt across the Tyne and Wear area and beyond for many years to come.

Future options for financing include several key options:

- Securing continuing direct grant support from Government.
- Raising loans, either locally, nationally or from international bodies such as the European Investment Bank.
- Investigating the potential for local taxes or planning gain, including those from development which could benefit from new Metro network extensions or stations, and from new residential development in locations prioritised by local planning authorities within walking distance of Metro.
- Financing through fares paid by passengers.
- Financing through the terms of a new operating concession or other arrangements.

It is anticipated at this stage that government funding will be the main component of the procurement of a new train fleet and other investment in the existing Metro network. The financing of any potential network extension proposals is more likely to be via different means; with a greater proportion of non-government funding anticipated e.g. other grants and loans, private sector contributions, planning gain.

# 11 Recommendations

The Strategy makes the following key recommendations which will guide further work towards the development of full business cases and the identification of appropriate future funding sources:

1. Customer requirements will dictate how Metro evolves in the future. These range from future demand levels, to what passengers want to see at stations and on trains. All areas where there is a meaningful business case for network extensions and new stations will be considered.
2. Integration with land-use patterns and other transport modes is critical. Metro must be at the heart of a planning and transport programme that maximises the strengths of light rail in moving large numbers of people quickly, safely and reliably.
3. Metro must continue to demonstrate good value for money and a commitment to deliver sustainable transport in a way that meets stakeholders' needs across the region.
4. Further investment in Metro is vital to ensure that the network can maintain and expand its role.
5. The next generation of trains will meet customer requirements and demonstrate best practice in terms of facilities, flexibility, economy and energy efficiency.
6. The future Metro network as a whole will become an exemplar in terms of energy efficiency and environmental awareness across all aspects of its operations, as a central element of the region's low-carbon future.
7. Future operational frameworks for Metro will offer the best combination of customer service, innovation and value for money for passengers and taxpayers.
8. Technology offers further potential to improve the offer to customers. Metro will embrace innovation across all areas of the business where it improves accessibility, increases choice and information and reduces costs.
9. Replacement of the existing train fleet is essential to ensure the delivery of many of the above recommendations.

# 12 Your feedback

Nexus welcomes your views on the Metro Strategy

In particular:

Do you believe that it covers all of the required topics and themes to be successful?

Do you have any views on the specific proposals?

What is your future vision for Metro?

What do you see as the role of Metro within the area covering Tyne and Wear, County Durham and Northumberland?

The full strategy document is available on request.

Please send comments, by 30 June 2014, by the following means:

**By email** [metrostrategy@nexus.org.uk](mailto:metrostrategy@nexus.org.uk)

**By telephone** 0191 203 3662

**By post** Strategic Planning Manager  
Nexus House  
St James' Boulevard  
Newcastle  
NE1 4AX





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## REPORT FOR INFORMATION

**DATE:** 27<sup>th</sup> March 2014

**SUBJECT:** Metro Smart Ticketing - update

**REPORT OF:** Deputy Director General of Nexus

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### PURPOSE OF REPORT

To update Members on the introduction of smart ticketing on the Tyne and Wear Metro system by means of the Pop Card.

### RECOMMENDATIONS

The ITA is recommended to note the progress made and remaining delivery programme set out in this paper.

### 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>
<i>David Bartlett</i>	<i>david.bartlett@nexus.org.uk</i>	<i>0191 203 3217</i>

### IMPACT ON OBJECTIVES

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

**1**

**Executive Summary**

1.1

The installation and commissioning of new Ticket Machines, platform validators and Gatelines on Metro stations is now complete. The process is nearing completion in the conversion of Metro customers to Smartcards, with 88% of Gold Card holders and nearly all MetroSaver customers now converted – some 60,000 cardholders now being able to use the gates and validators. Conversion of NTL period passholders to gate enabled tickets has also commenced.

The phase of full operational testing which started in November, when customers were asked to start to “Touch In” and “Touch Out” has now reached a conclusion. Problems were experienced with ensuring reliability of gateline performance which extended this phase for longer than was anticipated, but these issues have now been resolved and the gates have now been “handed over”.

Customers have adapted well to “touching-in and touching out” with well over 10,000 journeys per day now being recorded by the system. There has been a significant impact on ticketless travel observed during gateline trials.

DBTW are in the process of developing a plan that will see a transition from the current, ad hoc, operation of gates (currently typically 2-3 gatelines are in operation at any given point in time) to a steady state where gates will be in continuous use throughout the day.

Attention has now turned to rolling out some of the key customer benefits of the smart technology; a pilot phase for PAYG will now commence and the Pop website is expected to go live before the end of April.

1.2

The timeline for the remaining programme is as follows:

April 2014	Transition to routine operation of gatelines Launch of new sales channels: <ul style="list-style-type: none"><li>• Pop website. Metrosaver customers will be able to renew their period pass Via the internet, with the electronic ticket being loaded onto their POP card when they next visit a Metro Station; and</li><li>• MetroSaver customers will be able to buy their tickets at PayZone Agents (newsagents etc)</li></ul> Commencement of Pilot phase for POP Pay As
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REPORT FOR INFORMATION

	You Go on Metro
May 2014	Gatelines installation commences at two further stations – Byker and Chichester  Commencement of Pilot phase for regional Bus use of POP Pay As You Go (part of the NESTI Stored Travel Rights programme)
September 2014 (provisional, subject to successful Pilot)	Full launch of “Pay As You Go” travel on Metro, with a maximum daily price cap and the “Get You Home Guarantee”
Autumn 2014	Enhancement of the “Pay As You Go” product, with the introduction of a “Best Price Guarantee”
March 2015 (provisional subject to development)	Further enhancements to product range and availability. Customers will be able to set up automatic renewal of their smartcards on line and carry the Pay As You Go product and a period pass on the same card.
<b>2</b>	<b>Introduction and Background</b>
2.1	Through the Ticketing and Gating Scheme, Nexus has introduced new ticket machines to all Metro stations, improving customer convenience by allowing payment by banknote and credit/debit cards, and a wider product range available for purchase at stations. The scheme now sees Automatic Ticket Gates coming into operation at a number of stations over coming months which, when activated will bring additional benefits of security and ticket fraud reduction.
2.2	As a result of the creation of the North East Smart Ticketing Initiative (NESTI), Nexus determined to upgrade the capability of the new ticketing system to introduce smart ticketing on the Tyne and Wear Metro. Funding from NESTI, combined with specific grant funding from DfT and other additional resources has made this possible.
2.3	This paper describes the progress to date and outlines the delivery programme through the remaining transition period to the full implementation of smart



	ticketing on Metro.
<b>3</b>	<b>Delivery Programme</b>
3.1	<p><b>Progress to date</b></p> <p>The physical works required on stations is now complete, with 225 Ticket Machines installed across 60 stations and gatelines installed at 11 locations.</p> <p>Software for the gatelines and validators, together with updated software for the Ticket Machines has been tested and rolled out.</p> <p>From November 2013, customers were asked to start to “Touch In” and “Touch Out”, which enabled full operational testing. Problems were experienced with the reliability of the gates, but these have now been resolved. With the gates able to operate at speeds far greater than equivalent gates on the Heavy Rail system combining with customers getting used to the gates, the queues at gates are now comfortably within the parameters for safe operation and within the target of no longer than 10 seconds at peak times.</p> <p>DBTW are now preparing a plan to transition the gates into “steady state” operation, which (based on lessons learned during the operational testing phase) will now commence at the busiest stations and progress to quieter stations.</p> <p>Development work and testing for the new sales channels – the website and through PayZone outlets – is approaching completion</p>
3.2	<p><b>April 2014 – Launch of new sales channels and commencement of Pilot use of POP Pay As You Go</b></p> <p>With all infrastructure now in place and testing reaching a conclusion, preparations are underway to launch new functionality that will improve the customer experience on Metro:</p> <p>From 1<sup>st</sup> April, MetroSaver and Gold Card customers will be able to buy their tickets at PayZone Agents (newsagents etc), with this retail network thus being ready in time for the launch of the POP Pay As You Go product.</p> <p>Later in April, the POP website will be launched. Through the website, customers will be able to:</p> <ul style="list-style-type: none"><li>• Register their card and details, so that lost or stolen cards can be blocked</li></ul>





and replaced

- Renew their period pass, being able to collect the electronic product when they next visit a Metro station.
- View the usage history of their smartcard

A Pilot phase for POP Pay As You Go will commence, with up to 150 users using the product to provide customer feedback ahead of full launch.

Customers will be able to obtain a dedicated smartcard onto which credits can be pre-loaded. This will allow people to pay as they travel without have to purchase a single, day ticket or season ticket in advance of boarding the train. Instead they will 'touch in' and 'touch out' at the station, and the system will automatically calculate the correct fare to be charged. If the customer makes multiple trips on the same day, the system will apply a 'daily price cap' to ensure that no more than a three zones day ticket price is charged. The card will also have an "overdraft facility" which will ensure that customers can complete their journey even if they have insufficient credit on their card. Cards will be able to be topped up on line, at Ticket Machines or through the PayZone Network.

It has been agreed with the Bus Operators in the region that this same Pay As You Go card will also be able to be used to purchase single tickets and day products on Buses across the North East region. Good progress has been made in the technical development of this facility and it is anticipated that the pilot phase will be extended to Bus shortly after the commencement on Metro, although this depends upon the Bus Operators completing some changes to their Back Office processes.

The timing of the full launch will depend largely upon the feedback received from the pilot, but is expected to be no later than September 2014.

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### 3.3 **September 2014** – Product Enhancements

Work is underway on a series of further enhancements to ways in which customers can use their POP cards to travel on Metro. Those which are scheduled for September delivery include:

- The introduction of a zonal price cap for PAYG, to provide a "best price guarantee" facility for users
- The ability for regular period pass customers to set up an automatic renewal facility
- A number of minor changes, based on customer feedback, including changes to make the production of receipts for Credit Card transactions optional.



3.4	<p><b>March 2015 – Programme Completion</b></p> <p>It is expected that the remaining programme deliverables will be completed by the end of the next Financial Year. The final set of enhancements are expected to include:</p> <ul style="list-style-type: none"><li>• The ability to hold the PAYG product and a period pass on the same card, allowing customers with a 1 or 2 zone period pass to use the PAYG product seamlessly when travelling outside of their normal patterns of travel</li><li>• The introduction of a Monthly (as opposed to four weekly) MetroSaver</li><li>• Differential pricing for PAYG for certain groups of customers (e.g. Students)</li></ul> <p>Nexus is also exploring other opportunities to exploit the development work undertaken to date. For example, a solution to allow customers to purchase and load the electronic ticket onto their smartcard using an NFC enabled mobile phones would be exploiting the same technology and development work that has already been undertaken and has been used for the conversion of paper period pass holders to smartcard at the moment. As yet, though, this and other concepts remain subject to an evaluation of customer demand and value for money analysis.</p>
3.7	<p><b>Network One tickets</b></p> <p>Nexus acts as an agent for the sale of Network One tickets which can be used on bus, Metro, Ferry and Northern Rail services throughout Tyne and Wear. Network One is an independent company that is responsible for determining its own smart ticketing strategy. The Network One Board has resolved to ensure that its own product range will go Smart and discussions have commenced as to the commercial implications and the preferred technical solution. In the meantime, however, a conversion process is taking place to allow NTL customers to use the gates using gate enabled paper tickets is continuing.</p>
4	<p><b>Next Steps</b></p> <p>Over the coming months the ITA will continue to receive regular updates regarding the progress against the delivery plan.</p>
5	<p><b>Progress Compared to other Urban areas</b></p> <p>With the forthcoming launch of the website and the pilot phase commencing for Pay As You Go, progress in Tyne &amp; Wear has been very good when compared to comparable programmes in other urban areas in England &amp; Wales. Department for</p>



REPORT FOR INFORMATION

Transport officials have described Tyne & Wear as being “in the leading pack, and at the forefront of developing a progressive smart offer for the passenger” of the introduction of Smart Ticketing outside London.

Achievements include being:

- The first to introduce a second use for an ENCTS card (through the Gold Card)
- The first multimodal (paper and smartcard) Ticket Gates to be operated with speeds that can handle urban rush hour peaks (outside of London)
- The highest level of reliability of data transfer from operator to Transport Concession Authority in the country
- The first to complete the design and development of a multimodal / multioperator Pay As You Go Smart Product (such that the design developed here is now being advocated as a national standard)

**6 Potential impact on objectives**

To support economic development and regeneration – The introduction of smart ticketing is intended to increase the attractiveness of public transport as a means of travel. This can contribute to the reduction of congestion, while giving people greater choice in, and access to, employment and training.

To address climate change – the introduction of smart ticketing will increase the attractiveness of public transport as a mode of travel reducing the number of individual car users and therefore fuel consumption. Also the introduction of smart ticketing reduces the requirement for paper based tickets.

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**DATE:** 27 March 2014  
**SUBJECT:** Free Travel for Service Personnel  
**REPORT OF:** Director General, Nexus

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## PURPOSE OF REPORT

This report seeks to inform the ITA of the decision of the NTL Board regarding the request to provide free travel for service personnel.

## RECOMMENDATIONS

To note the decision taken by the NTL Board at its meeting in February 2014 not to implement the request.

## BACKGROUND DOCUMENTS

Request for free travel for Service Personnel – report to ITA September 2013

## CONTACT OFFICERS

*John Fenwick*

[John.fenwick@nexus.org.uk](mailto:John.fenwick@nexus.org.uk)

0191 203 3248

## IMPACT ON OBJECTIVES

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



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**1 Introduction**

- 1.1 The ITA received a report in September 2013 regarding a request for free travel for military personnel in Newcastle and the options associated with this proposal if the ITA endorsed its progression.

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**2 Next steps**

- 2.1 The request was considered and given Nexus' position in the current financial climate, the request was not considered affordable.
- 2.2 The Director General of Nexus was instructed to request that the NTL Board give consideration to developing a commercial discount product that would cover all operators.
- 2.3 The NTL Board considered this request at its Board meeting on 11 February 2014 but also decided not to implement the request.

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**3 Potential impact on objectives**

- 3.1 Not implementing this request is seen as having a neutral impact on objectives given that the status quo remains.



**DATE:** 27 March 2014

**SUBJECT:** QCS supplemental consultation

**REPORT OF:** The Clerk to the Authority and the Director General of Nexus

## PURPOSE OF REPORT

To seek the ITA's endorsement for supplemental consultation regarding the proposed Quality Contracts Scheme

## RECOMMENDATIONS

The ITA is recommended to:

- A. Endorse Nexus' intention to carry out supplemental consultation between 9<sup>th</sup> April and 4<sup>th</sup> June 2014;
- B. Forward a recommendation to the Combined Authority, as the ITA's successor body, that the work started by the ITA on the Bus Strategy Delivery Project be progressed and completed.

## BACKGROUND DOCUMENTS

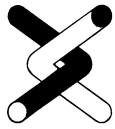
Reports presented to the ITA on 26th July 2013 and 23<sup>rd</sup> January 2014

## CONTACT OFFICERS

<i>Full name</i>	<i><u>Email address</u></i>	<i>Telephone number</i>
Tobyn Hughes	<a href="mailto:tobyn.hughes@nexus.org.uk">tobyn.hughes@nexus.org.uk</a>	0191 203 3246

## IMPACT ON OBJECTIVES

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



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**1 Executive Summary**

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- 1.1 The process of reviewing and analysing all the consultation responses on the QCS continues and Nexus has been engaging with key consultees to clarify and understand better their consultation responses. Although at this point in the process Nexus continues to hold the view that the QCS Proposal is substantially robust, further work is needed to determine what recommendations it will make to the Combined Authority regarding the QCS following consultation.
- 1.2 Nexus and NEBOA have been working closely together, both to clarify the practical and detailed implications of the VPA Proposal of 13<sup>th</sup> December, and (on Nexus' part) to seek to improve upon certain aspects of it, particularly financial matters and change management processes.
- 1.3 Nexus has purposefully refrained from entering into media debates regarding the QCS Proposals. In contrast some operators have widely publicised certain negative aspects of their consultation feedback. Nexus is concerned that this may give an incorrect impression of the status of the QCS Proposal, because Nexus currently holds the view that the QCS Proposal remains substantially robust.
- 1.4 Nexus has, however, concluded at this point that certain limited changes to the QCS Proposal might potentially help address certain of the concerns raised by some of the consultees whilst not materially impacting the benefits to be derived from the proposal. Nexus considers that these potential changes are largely self-contained and that it can properly consult on them whilst completing its overall review of the consultation responses on the QCS Proposal.
- 1.5 Nexus intends therefore to ask statutory consultees for their views on provisional alternative options to some aspects of the QCS Proposal, over 8 weeks starting on 9<sup>th</sup> April 2014. Nexus seeks the ITA's endorsement for this, which is in line with the 'Direction and Guidance' set out in the ITA's resolution of 26<sup>th</sup> July 2013. It is expected that the results of this supplemental consultation will enable Nexus to finalise the QCS Proposal, so that it can be provided to members of the Combined Authority in the summer.
- 1.6 As the Combined Authority will shortly be established, the ITA may wish to recommend that, as its successor body, the Combined Authority takes forward the results of the consultation process and considers a final QCS Proposal alongside NEBOA's Voluntary Partnership Agreement (VPA) Proposal.





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## **2 Consultation feedback**

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- 2.1 Members will be aware that this is the first QCS Proposal to be developed in the UK and therefore no template or precedent exists. If taken forward it would represent a significant change to the current deregulated bus market, would be likely to deliver very considerable benefits to the public in Tyne and Wear but is strongly opposed by the current local bus operators. At least one operator has stated clearly that it intends to mount a legal challenge to any QCS. Because of this it is right that the ITA and Nexus have been proceeding with extreme caution, considering matters in great detail and seeking legal and external expert advice at every stage.
- 2.2 Nexus is aware that some operators have pursued a campaign through the media to challenge the basis on which the QCS Proposal has been developed to date and to promote their view that a VPA is the best way forward. Nexus is carefully and objectively considering all consultation feedback as instructed by the ITA and has no intention of pre-empting or otherwise pre-judging the outcome of that review. A lack of an immediate public response to operator campaigns by Nexus and the ITA should therefore not be interpreted as either an acceptance or a rejection of feedback.
- 2.3 The level and depth of the consultation responses received is to be welcomed and suggests that the first stage of the consultation process has been successful in terms of eliciting an effective response from most statutory consultees. Nexus and the ITA can now make a far better informed judgment as to the nature and substance of potential objections to the QCS Proposal, and can use those to assess the viability of proceeding further with the QCS Proposal and, if so, what revisions may possibly need to be made.
- 2.4 Certain groups such as the smaller bus operators have not provided direct feedback but Nexus has been active in engaging with them and other interest groups whose input may assist, and will continue to do so.
- 2.5 Nexus has completed an initial review of feedback responses. The volume and breadth of consultation responses, particularly from current local bus operators, was so detailed and exhaustive that extra time was needed compared to Nexus' original expectations. Full analysis of the consultation responses, along with Nexus' proposed response, will be provided to the Combined Authority along with the final proposal.

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## **3 Potential alternative options**

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- 3.1 Whilst Nexus is currently of the view that its Proposal will remain substantially



the same, some changes may be required in light of the consultation feedback received to date. Of the aspects of the QCS Proposal that statutory consultees have highlighted as unsatisfactory to them, Nexus believes that some may potentially be addressed in whole or in part by alternative options which could be incorporated into the existing QCS Proposal with relative ease. These are listed below, and Nexus wishes to seek the views of statutory consultees before incorporating them into any final QCS Proposal.

- 3.2 Contract Size: All three main current local operators considered that the design of Quality Contracts was sub-optimal for them, and would increase both the likelihood and scale of adverse effects on them to a potentially disproportionate extent. Any QCS must be made in such a way that the potential detriment caused to third parties is minimised whilst still delivering the benefits that the QCS seeks to achieve. As a result, Nexus would like to seek views on an alternative approach to procurement that would see the first round of tendering move from three large contracts, to a larger number of smaller depot-level contracts. As well as reducing the possible likelihood and scale of adverse effects on current local operators, Nexus believes that an additional benefit of this revised approach may be to provide further certainty to employees regarding their future location of employment.
- 3.3 Employees: In their feedback the Trade Unions considered that greater certainty was needed for employees regarding the terms of their potential transfer to a new employer, as well as seeking improvements in pay and working conditions. In response to this Nexus has been in regular discussion with Trade Unions, and has developed a proposition for employees, offering certain guarantees and improvements that remain within the bounds of affordability of the QCS Proposal.
- 3.4 Fares: One council in particular was concerned that the 'winners and losers' ratio in its council area was disproportionate, for fares that would increase by more than 20% under the Proposal. In response Nexus now proposes potentially to adjust a zone boundary which would improve this situation significantly.
- 3.5 Passenger representation: Whilst the concept of 'Local Bus Boards' was widely welcomed, passenger representative groups identified a need for greater direct dialogue between regular travellers and the body responsible for commissioning services, including the ability to influence future decisions. In response Nexus now proposes to establish a 'Tyne and Wear User Consultative Forum' in addition to Local Bus Boards.
- 3.6 Vehicle specification: During the first two years of the main QCS contracts certain aspects of the vehicle specification may be relaxed in order to allow bidders the ability to source the necessary vehicles without adding significant extra cost to their contract bid price. Other aspects of the vehicle specification



may also be adjusted.

- 3.7 When the fully revised QCS Proposal is presented to the Combined Authority, Nexus will provide a complete analysis of all consultation feedback and the response to it. In addition, the final Proposal will be updated to reflect the latest known position in terms of costs, inflationary projections, fares, revenue, and network.

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#### **4. VPA update**

- 4.1 As reported to the ITA's meeting in January 2014, NEBOA provided a new VPA Proposal on 13<sup>th</sup> December 2013, a copy of which is available for download from the Nexus website at <http://www.nexus.org.uk/partnership-proposal>.
- 4.2 Nexus has been mindful throughout the consultation process of the ITA's desire to engage actively with the bus operators around the development of a VPA as a viable alternative to a QCS. Nexus and ITA Officers have since held a number of follow-up discussions with NEBOA to further clarify many aspects of the VPA Proposal. This process is almost complete, after which Nexus considers that it will have sufficient information to provide the Combined Authority with an assessment of the comparative benefits of the VPA Proposal alongside the final QCS Proposal.
- 4.3 NEBOA may, of course, choose to present another VPA Proposal at a later stage. If it does so then Nexus will assess it in place of the 13<sup>th</sup> December document, provided that it is presented in sufficient time for the analysis to take place. If a new VPA Proposal is made after any revised QCS Proposal has potentially been approved by the Combined Authority then it can still be assessed at that stage either in the context of any proceedings before the QCS Board or in parallel with those proceedings.

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#### **5. Next steps**

- 5.1 Subject to the ITA's endorsement, the supplemental consultation will take place from 9<sup>th</sup> April to 4<sup>th</sup> June 2014.
- 5.2 Nexus proposes to contact all statutory consultees in writing on 9<sup>th</sup> April, formally requesting views on the potential alternative options that have been developed to be received by 4<sup>th</sup> June. Statutory consultees will be provided with an opportunity to meet Nexus to discuss the options and any other matter that they consider relevant.



- 5.3 Whilst Nexus does not propose to run a wide-scale public information exercise regarding the alternative options, all information and analysis will be published on the Nexus website.
- 5.4 All responses received will be considered in line with the ITA's Direction and Guidance issued on 26<sup>th</sup> July 2013. Nexus then considers that it is likely to have sufficient information with which to finalise drafting of the QCS Proposal.
- 5.5 It is expected that the Combined Authority will be established, and will have become the successor body to the ITA, by the time the process of consultation and re-drafting is complete. Subject to the ITA's endorsement of the process, the outcome of both workstreams will be presented to the Combined Authority as soon as practicable. Therefore, the ITA may wish to recommend that, as its successor body, the Combined Authority takes forward the results of the consultation process and considers a final QCS Proposal alongside NEBOA's VPA Proposal.

## **6 Potential impact on objectives**

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- 6.1 Successful delivery of the Bus Strategy is intended to:
- support economic development and regeneration and safe and sustainable communities by maintaining or growing access to key facilities, services and employment sites by public transport;
  - address climate change by increasing the use of public transport and thus reducing harmful emissions generated by use of the private car, and by promoting the use of fuel-efficient vehicles.



**DATE:** 27 March 2014

**SUBJECT:** Tyne Pedestrian and Cyclist Tunnels (TPCT) – Phase 3 Improvement Works - and New Tyne Crossing Update

**REPORT OF:** Project Director to the New Tyne Crossing

## PURPOSE OF REPORT

This report informs members of progress with the Phase 3 Improvement Works and the associated arrangement to maintain this cross Tyne link for users. It also provides a brief overview of the vehicle tunnels operation since the commissioning of the New Tyne Crossing (NTC) on 21 November 2011.

## RECOMMENDATIONS

The Authority is recommended to note the progress made to date.

## BACKGROUND DOCUMENTS

Report dated 22 July 2010 TPCT – Investment Proposals

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

## CONTACT OFFICERS

*Paul Fenwick*

*[paul.fenwick@twita.gov.uk](mailto:paul.fenwick@twita.gov.uk)*

*0191 211 6058*

## IMPACT ON OBJECTIVES

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



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## **1 Executive Summary**

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- 1.1 This report informs members of progress on the Phase 3 Improvement works to the Tyne Pedestrian & Cyclist Tunnels and gives an overview of the New Tyne Crossing project since its commissioning in November 2011.

## **2 Introduction and background**

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- 2.1 The major maintenance liability for the TPCT was retained by the Authority in the Project Agreement entered into with TT2 Ltd on 23 November 2007 for the delivery of the New Tyne Crossing project. On 2 February 2010 the TWITA gave approval for the award of a contract for the modernisation of the lifts. Works duly started on site in March 2010 and were completed in December 2010. In the meantime, the escalators continued to experience difficulties (and in summer 2011 the last escalator in working order failed and has not operated since).
- 2.2 In July 2010 the Authority considered the future for the TPCT and in reaffirming their role as a sustainable and important piece of transport infrastructure on Tyneside, set a budget of £6m for the Phase 3 Improvement Works. These works primarily entail the removal of 2 of the 4 wood tread escalators and the installation of 2 inclined lifts and the complete overhaul/replacement of the Mechanical & Electrical systems.
- 2.3 The TPCT is a Grade II Listed Building and a Conservation Plan was developed by the New Tyne Crossing (NTC) Project Team in 2009. Any works to the fabric of the TPCT requires Listed Building Consent. The details for the Phase 3 Improvement Works were developed in early 2011 in sufficient detail to accompany an application for Listed Building Consent (LBC). An application was lodged with the Local Planning Authorities (LPAs) in April 2011. The application was given careful consideration and scrutiny by the LPAs and LBC was finally granted in October 2011 but with a number of conditions. The major elements of the conditions related to the inclined lifts – the major change to the TPCT in the Phase 3 Improvement Works.
- 2.4 The OJEU Notice for the procurement of the main contractor was issued on 18 November 2011 and the tender documents issued to the short-listed contractors on 20 July 2012. The tender documents returned on 3 September 2012 and were evaluated by the project team.
- 2.5 Details of the tender evaluations were presented in a confidential report to the



Delegated Committee of the Authority on 20 October 2012. Approval was given to accept the tender submitted by GB Building Solutions (GBBS) and the overall budget was adjusted to £6.5m to reflect the tender returns and price fluctuations since July 2010. GBBS commenced works on the 20 May 2013 when the tunnels were closed to the public. The Authority considered a confidential report on the Phase 3 Improvement works on 23 January 2014 and adjusted the budget to £8.63m.

### **3 Progress on the TPCT – since January 2014**

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3.1 Photographs of work undertaken by GBBS to date will be available at the meeting. The current programme indicates completion of the Phase 3 works to be February 2015 but this is subject to the detailed evaluation of the tenders issued by GBBS for the corrosion protection works to the inclined shafts and the lower halls as reported to the Authority in January 2014.

#### **3.2 Rotundas.**

In consultation with the LPAs and TT2 Ltd, consideration is being given to potential options for the reinstatement of the internal walls. These include leaving them at a reduced height. Any option other than full reinstatement to the underside of the roof will require approval from the Local Planning Authorities (LPAs).

#### **Tunnels**

GBBS have lifted all centre paving slabs in the pedestrian tunnel and will refurbish as many as possible for re-use. The shortfall will be made up by new flags produced to match the original paving slabs. At this time it is considered that approximately 25% will be salvaged. GBBS have also been investigating the best configuration for routing the services which need to be located under the paving slabs. This involves lifting a significant number of side paving slabs but as this is proving to be more difficult than foreseen at tender these services will be concentrated in the cyclist tunnel. Work has started on cleaning of the tiles and re-grouting. A number of spare tiles will be included in the order and will be kept by TT2 for use in future repairs.

#### **Inclined Shafts and Lower Halls**

The complete removal of the waverite revealed that there was some asbestos



present in the cast iron segmental lining to the shafts and lower halls. A detailed report was submitted to the TTWG on 15 January 2014 and to the Authority on 23 January 2014. Since then GBBS have prepared and issued tender documents to 4 specialist contractors for the procurement of the corrosion protection works – including dealing with the asbestos containing materials. The tenders were returned on 7 March 2014 and their evaluation is on-going. Further information on the corrosion protection work will be available at the meeting.

#### Escalator Removal

Work on the extraction of the Howdon and Jarrow west side escalators is complete. Removal of the concrete plinths is now in progress.

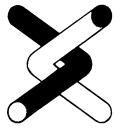
#### Inclined Lift

Maspero Elavatori are engaged in the final detailed surveys of the inclined shafts prior to commencing to manufacture of the inclined lifts.

- 3.3 Arrangements have been made for South Shields Museum to be given a number of the escalator steps.
- 3.4 The communications team are actively engaged in planning the event to mark the reopening of the tunnels on completion of the Phase 3 works. A press release was issued on 21 February 2014 advising of the revised opening date for the TPCT at February 2015.
- 3.5 Shuttle Bus and Night transport service

To maintain the pedestrian/cycle cross Tyne link, a Shuttle Bus Service has been provided. It is operating between the hours of 06:00 and 20:00 every day until the tunnels are opened again for public use. The service is timetabled and free of charge for users and runs from Tyne View Terrace, East Howdon to Tyne Street, Jarrow (effectively rotunda to rotunda). User reaction to the service continues to be favourable. TT2 Ltd is continuing to provide a driver and a suitable vehicle that can carry three people and their bicycles at a time throughout the night. Commuters wishing to use the scheme are required to pre-register and agree to abide by the terms and conditions of use of the scheme: abuse will result in a withdrawal of the service to the individual(s) involved. To date 102 people have pre-registered with the Authority to use this night transport service (up 17 since December) and, on





average, there are still 14 people per night using it. User reaction to the service continues to be very positive.

#### **4 New Tyne Crossing**

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- 4.1 Throughout the construction phase traffic volumes using the vehicle tunnels remained constant at approx. 36,000 vehicles per day during the week. The project delivered the 2 lane increase in capacity on the 21 November 2011 – nearly 2 weeks ahead of the target date. Since then traffic volumes have steadily increased and in the week beginning the 24<sup>th</sup> February 2014 the average weekday volume was 51134. This represents an increase of approx. 42% on the construction phase traffic flows. The transitional toll increases and the concession toll implemented on 1<sup>st</sup> January in 2012, 2013 and 2014 had no significant impact on the traffic volumes.
- 4.2 There are a small number of land issues to complete. These include finalising Agreements and Easements as well as transference of land that was acquired for the construction of the NTC but which is not required for its operation, the hand-back of the Bilton Hall Bridge to the Highways Agency and settling out-standing compensation claims.
- 4.3 There is an outstanding obligation on the Authority to fund the provision of a fish-pass at Hexham Bridge. The obligation stems from the 2003 Agreements with the Environment Agency and the Tyne Riparian Owners and Occupiers Association. The fish pass is to be delivered by the Tyne Rivers Trust (TRT). The TRT has secured planning permission and other consents for the fish-pass and are currently engaged in procuring consultants who will prepare the detailed design and run the works procurement process. Construction of the fish-pass cannot start till the bridge apron on which it will sit is stabilised following a structural failure in January 2014. The bridge owner – Northumberland County Council – is assessing the damage and considering appropriate remedial works.
- 4.4 As part of the Final Completion Conditions Variation approved in January 2013 it was agreed that there would be a 12 month monitoring period during which an independent consulting engineer would be engaged – at no cost to the Authority – who would prepare a report on the new vehicle tunnel. The report considered the tunnel drainage system and the flow of water it was carrying over the year. This report has been issued and some modifications to the system have been made to efficiently and effectively deal with demand.



## **5 Next steps**

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- 5.1 The Phase 3 works will be overseen by the NTC team based in TT2 Ltd's offices and the Project Director will report on progress as required.
- 5.2 The NTC communication team continue to action and maintain the TPCT Communication Plan, including continuing a dialogue with the adjacent communities, their representatives, pedestrian and cyclist groups and organisations and the local authorities.
- 5.3 The NTC team will continue to work to close out the remaining land, compensation and other issues.

## **6 Potential impact on objectives**

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- 6.1 The refurbishment/improvement of the TPCT will secure the future operation of this important transport link across the River Tyne. It provides specifically for pedestrians and cyclists and as such contributes positively to addressing climate change by encouraging non-motorised modes of travel. It also has the benefit of helping to reduce the number of motor vehicles on the roads – particularly on residential roads – to the benefit of local communities. The TPCT is also positive in terms of economic development and regeneration because it aids access to jobs in the A19 corridor for those who do not own a car.



**DATE:** 23 May 2013  
**SUBJECT:** Tyne & Wear Passenger Transport Information Systems  
**REPORT OF:** ITA Scrutiny Advisory Group, Chaired by Cllr O'Shea

## PURPOSE OF REPORT

The attached report summarises recent work by a ITA Scrutiny Advisory Group task and finish group, to review the availability and accessibility of passenger travel information across the range of local transport services (bus, ferry, Metro) in Tyne and Wear.

## RECOMMENDATIONS

The ITA is recommended to receive the report and is invited to respond to the recommendations, in due course.

## BACKGROUND DOCUMENTS

n/a

## CONTACT OFFICERS

<i>Full name</i>	<i><u>Email address</u></i>	<i>Telephone number</i>
Karen Christon	<a href="mailto:karen.christon@newcastle.gov.uk">karen.christon@newcastle.gov.uk</a>	0191 211 5024

## 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**

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- 1.1 The attached report outlines recent work completed by the ITA Scrutiny Advisory Group on the range and accessibility of passenger travel information in Tyne and Wear. This was a review focusing on practical issues associated with finding information, rather than any issues associated with making the journey itself.
- 1.2 The review considered the range of passenger travel information that is available currently and in what format, how accessible it is – particularly for passengers who may have a disability that affects their ability to access certain types of information – and the provision of real time information, particularly during a journey where there may be unexpected disruption to services.
- 1.3 Overall the group were impressed by good practice in parts of Tyne and Wear and further afield in Manchester and London. But, at the same time, inconsistencies in were found across the Tyne and Wear network, which the group hope can be addressed.

## **2 Background information**

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- 2.1 The task and finish group was established in July 2013 by the ITA Scrutiny Advisory Group, in acknowledgement of the challenge to meet increasing public expectation from passengers who expect to be able to access instant and up to date travel information, as and when they need it.

## **3 Proposals**

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- 3.1 Details of the findings and recommendations are provided in the attached report.

## **4 Next steps**

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- 4.1 The ITA (or its successor body) is invited to consider and respond to the recommendations, in due course.

# Final report and recommendations

## Tyne & Wear ITA Scrutiny Advisory Group



## Task group membership:

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Cllr John O'Shea, North Tyneside Council (Chair)

Cllr Tommy Graham, Gateshead Council

Cllr Ann Schofield, Newcastle City Council

Cllr Bob Watters, South Tyneside Council

Cllr John Wiper, Sunderland City Council

Mervin Dixon, Elders Council

Bill Ions, Elders Council

## Scrutiny Support:

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Karen Christon, Policy and Information Officer

For further information relating to the review, please contact:

Scrutiny Office  
Newcastle City Council  
Civic Centre  
Newcastle upon Tyne  
NE1 8QH

Tel: 0191 211 5024

Email: [karen.christon@newcastle.gov.uk](mailto:karen.christon@newcastle.gov.uk)

[www.newcastle.gov.uk](http://www.newcastle.gov.uk)

## Appropriate Scrutiny Committee:

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Tyne & Wear ITA Scrutiny Advisory Group

<http://www.twita.gov.uk/committee-meetings/scrutiny-committee>

# Foreword

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Every year millions of journeys are made across our transport network as we go to work, go shopping, attend health appointments or take advantage of the varied cultural activities the area has to offer. For many people each journey requires forethought and planning to ensure that their trip goes as smoothly as possible.

With ongoing advances in technology, we now face the challenge of meeting increasing public expectation from a significant and growing number of our passengers who expect to be able to access instant and up to date travel information, as and when they need it. We also need to continue to take account of the needs of those who rely on traditional forms of information including information display boards, timetables and through face to face contact.

This review looked at the range of passenger travel information that is available now and compared that with best practice elsewhere and feedback on what a well-designed system might look like.

The review has been an interesting and valuable piece of scrutiny. We have been impressed by good practice in parts of Tyne and Wear and further afield in Manchester and London. But, at the same time, it has highlighted that there are inconsistencies across the Tyne and Wear network that we hope can be resolved.

It gives me great pleasure to present this report to the Tyne & Wear Integrated Transport Authority (ITA). The report contains a number of recommendations for action and improvement that I hope the ITA, or its successor body, will fully consider for implementation; and scrutiny members look forward to an update in due course.

Finally, I would like to thank fellow task and finish group members and all the officers and staff involved for their contribution and help in producing this report. We are also very grateful to representatives from other organisations who participated in this work by providing helpful information at our meetings and by joining us on local visits.

**CLlr John O'Shea**  
Chair



# Contents

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	Page
Executive summary	5
Introduction	8
• Terms of Reference	8
• Review process	8
Findings and Recommendations	9
Acknowledgements	16



# Executive summary

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The availability of good quality, accessible travel information is an essential element of any public transport system. With it, passengers are better informed both before and during their journey, allowing them to make better transport decisions and enjoy a smoother journey to their destination.

There are many who use our public transport system out of choice. For others – it may be their only means of transport. They could be residents, students and workers who need public transport to access job opportunities, education or health care; or visitors who use it for recreational purposes. For senior citizens, people with disabilities and those with children, public transport is often their only means of mobility.

In 2012/13, the Tyne and Wear local transport network (bus, ferry, rail and Metro) supported travel for approximately 178 million journeys<sup>1</sup>. All of these passengers are unique. They each have a different start and end point for their journey, different time constraints and varying needs and preferences for how they want to travel and how they want to access information to help plan their journey.

These varying needs, combined with rapidly changing service delivery – either through timetable changes or disruptions and delays – means that getting the correct information to passengers in a format that they can use, can be a real challenge.

With this in mind, in July 2013, the Tyne & Wear ITA Scrutiny Advisory Group, agreed to set up a task and finish group to review the current availability

and accessibility of passenger travel information across the range of local transport services in Tyne and Wear. A review focusing upon practical issues associated with finding information, rather than issues associated with making the journey itself.

The review considered what information is currently available and in what format, how accessible it is – particularly for travellers who may have a disability affecting their ability to access to certain types of information – and the availability of real time information, particularly during a journey where there may be unexpected disruption to services.

Overall, members consider that there is a good range of information available to passengers using the network. However, too much information is not necessarily a good thing and more could be done to simplify it, to integrate information across the travel network and provide easy public access to real time information, particularly during periods of severe network disruption.

In addition, further work should be done to look at how we can best support the travel information needs of people with disabilities. There is a significant and growing group of passengers, who find using public transport to be a real challenge, for a variety of reasons. Repeated poor experience could stop them using the network, with adverse consequences for a disabled person's social life and wellbeing.

**<sup>1</sup>Nexus, Annual Accounts for the year ended 31 March 2013**

## Recommendations

1. At points in the transport network where there is high footfall and options for onward travel using other forms of public transport, timetable/real time information should be integrated into joint information displays.
2. Timetable information should be made available for passengers at central points in city/town centre locations. For example at shopping centres, recreational facilities and health facilities; where there is a high footfall of people who intend to use public transport for their onward journey.
3. Improvements should be made to Nexus Travel Information Offices to ensure that passengers know where they are and understand the range of assistance they can provide.
4. The ITA to consider how website complexity for passengers can be reduced by drawing together the range of existing websites operated by various public bodies, into a simplified overarching website that covers the range of local travel/transport options.
5. All Metro stations should display real time information at the point of entry to the station, rather than only on the platform.
6. The ITA to consider what improvements can be made to current practice to ensure that in the event of extreme travel disruption, staff are well briefed and that they - and their passengers across the network - have access to the accurate information they need in order to make an informed decision about changes to their journey.
7. The ITA should seek to introduce real time information displays at central locations across the bus network and agree to retain the longer term objective of providing real time information at all bus stops across the network, similar to Transport for London.
8. The ITA should establish a standard approach to the design of information, with a focus on keeping information plain and simple at all times, in order to maximise access by travellers with disabilities. When there are significant timetable changes, the ITA may wish to

consult with support groups, including Newcastle Disability Forum, The Elders Council, Age UK and passenger transport user groups, on the proposed format and layout.

9. Should the Quality Contract Scheme proposal be approved, the ITA is recommended to consider how changes to external displays on buses can help address the needs of people with visual impairments. In addition, the ITA should seek to roll out on-board audio and visual stop information throughout the bus fleet as soon as possible.
10. In recognising the changing demographic of passengers, the ITA is recommended to consider what further action could be taken to help support the travel challenges of a growing number of passengers with cognitive impairment, learning disability or mental health problems.

11. The ITA should work with local councils to ensure that appropriate onward signage to toilet facilities is clearly provided. We would also urge the ITA to consider providing these facilities at network stations, particularly as and when new stations are built or existing stations modernised.



# Introduction

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## Terms of Reference

The scrutiny task and finish group remit was to examine:

- a) Existing passenger information systems (bus, Metro, ferry) in Tyne and Wear in terms of its quality, access and availability; and
- b) What potential exists to incorporate best practice from elsewhere, that could lead to improvements for passengers in Tyne and Wear.

## Process of Review:

The group reviewed and considered a range of background information including information on current practice, future proposals that are in the pipeline and examples of simplified website information, particularly that operating in Greater Manchester.

The group heard evidence from representatives of the Elders Council on the experiences of older people using the travel network, and they were subsequently invited to join the group.

The group also heard evidence from the Chair of Newcastle Disability Forum, on issues related to travel for people with disabilities.

As part of a review of current practice, the group visited Sunderland to review travel information that is available in the city centre. This included information at Park Lane Metro and bus stations, the integrated Metro/ rail information at Sunderland Station and information displayed within The Bridges Shopping Centre.

# Findings and Recommendations

The review considered passenger travel information across two main areas:

- Information prior to departure to assist with planning a journey, including information on routes, service times and prices; and
- Information at the time of travel to confirm that services are operating at the advertised time and what alternative services are available should journey changes be necessary.

With ongoing developments in technology there are now more opportunities than ever for passengers to access timetable and real time information, both before and during their journey. Whilst this is welcomed, the review found that providing correct information to a range of passengers in a range of different formats, can present a real challenge.

However if the challenge is met, it can support passengers to make a seamless journey from A to B; contributing to the overall passenger experience and quality of service and, as a result, helping to make public transport a more viable alternative to the car.

## Journey Planning

1. A key theme of the governments publication 'Door to Door – a strategy for improving sustainable transport integration<sup>2</sup>' (March 2013) is the need to provide correct, reliable and understandable journey information to people as and when they need it. It highlights that in doing so, it will make it easier for people to plan and make their door-to-door journey with confidence and ease.

<sup>2</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/142539/door-to-door-strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/142539/door-to-door-strategy.pdf)

In an environment where people want to use public transport for longer more complex trips, it is inevitable that most journeys will include more than one mode of transport with passengers seeking information for their journey both before and during their trip. To support this, there is a real opportunity to link up travel information between closely sited bus, rail and Metro stations.





Members noted the best practice and existing infrastructure that is already in place in Sunderland City Centre, particularly at Park Lane bus and Metro stations and Sunderland rail/Metro station, where integrated displays provide information on neighbouring rail/Metro/bus timetables. There appear to be no other sites across the network where this type of integrated information is available.

**Recommendation: All displays located at key network 'hubs' or stations with significant levels of footfall, should include timetable information for nearby transport networks. For example, Central Station display boards could be integrated with the Central Station Metro; Newcastle Haymarket Bus Station information could be integrated with Haymarket Metro information; and at Four Lane Ends there could be integration between the Metro and bus interchange.**

2. During the task and finish group's visit to Sunderland, members noted best practice at The Bridges Shopping Centre where displays featuring timetable information on nearby bus and Metro departures are available within the shopping

centre itself – information provided at a point where passengers will start their onward journey.

This is in contrast to other areas of the network, where passengers can only get this information at the bus, rail or Metro station itself.

The task and finish group felt that there could be significant benefits for customers if this best practice could be rolled-out across Tyne and Wear and similar information could be provided at other key locations, particularly in areas where footfall is high.

This could include: town/city centres, for example Eldon Square; major leisure and sport facilities; hospitals; and along key passenger routes that carry significant volumes of passengers.

**Recommendation: All timetable information for the rail, bus and Metro network should be provided at key locations across Tyne and Wear venues, where there is high footfall by users of the travel network.**

3. The information provided by Nexus Travel Centres was highlighted as being comprehensive and wide-

ranging and they were considered to be an asset to the network. However, the task and finish group found from their experience that signage to them and external information on the service they offered within was very limited.

This was considered to be particularly important for tourists or visitors, who may have no knowledge of the area or local travel network, the ticket options and the services available.

**Recommendation: ITA to consider how signage to these offices could be improved and how external displays could more clearly show the range of assistance they can provide.**

4. In looking at on-line information, the task and finish group reviewed a number of local websites that are available to Tyne and Wear transport users - information across a range of modes of travel from cycling to air, bus, ferry and Metro.

It is recognised that many individual private companies will want to operate their own public systems that provide website or app access to a range of travel information. In addition to these, there are also a number of sites that operate

independently of each other that have been established over time by the ITA, Nexus or other public bodies.

Whilst these individual websites each provide helpful information, there is a risk that due to the number of them, the general public may find accessing the information complex, time consuming and difficult to understand.

As an example of good practice, the group noted the overarching transport website available for Greater Manchester established by Transport for Greater Manchester<sup>3</sup>

<sup>3</sup><http://www.tfgm.com/Pages/default.aspx> pdf

**Recommendation: The ITA to consider how existing websites - covering bus, rail, Metro, cycling and walking information - can be combined under one banner in order to reduce complexity in the system.**

## **Access to information during travel**

5. During the visit to Sunderland City Centre, members noted that real time information on Metro departures is displayed at the point of entry to Sunderland and Park Lane Metro Stations This was considered to be a significant customer benefit,



that would help to reduce the number of passengers running down escalators in case they might miss an approaching train; and when services are less frequent, it will avoid passengers waiting unnecessarily on the platform for the next service to arrive.

At all other stations on the network, real time information is only available once a ticket has been purchased and the passenger has gone beyond the ticket barrier and down onto the trackside platform.

It was noted that some Metro stations do already have infrastructure in place that could allow for the easy introduction of display screens on the concourse level, which would help reduce the requirement for further levels of investment in rolling-out the Sunderland model out across the network.

**Recommendation: All Metro stations should display real time information at the point of entry to the station.**

6. The ability to provide real time information in the event of a major incident or extreme event that causes severe disruption to the transport network was highlighted by the task & finish group as an area of concern,

particularly taking into account the extreme weather of 2012 and the resulting unavoidable major disruption to services.

These events have a significant impact on all users, but the impact is exacerbated for older people, people with disabilities or people with children who may struggle to access appropriate information to help them make immediate changes to their journey.

Whilst modern technology can make it easier to keep passengers informed, it does not remove the need for traditional forms of delivery – a well briefed and friendly official at a station can do more to allay the concerns of passengers during periods of significant disruption, than an on-screen display or public address announcement can.

Providing real time information in a face-to-face way, can be particularly reassuring for disabled users, but is also greatly valued by anyone anxious about how long they may have to wait or unsure how they will get to their destination.

**Recommendation: the ITA should develop an emergency planning procedure that takes into account the particular**



needs of disabled groups when providing real-time information. This could include staff manned 'help points' for disabled travellers, at key locations throughout the network.

7. For people living in isolated urban and rural areas, where bus services are limited, access to real-time information at bus stops can be particularly important, more so during periods of severe disruption, as referred to above.

Internationally and in London these information systems are already widely used.

The task and finish group recognise that there are significant financial implications to providing the infrastructure for real time information across the whole bus network. However, where digital screens displaying timetable information already exist, then the goal should be to move towards providing real-time information instead.

For outlying areas, there may be other opportunities to provide this information – perhaps through a telephone number for assistance or a help button linked to a manned office.

**Recommendation:** the ITA move toward establishing a system of real time information at central locations, plus support to allow people to access assistance, from outlying areas. Also, that the longer term objective of providing real time information at all bus stops, similar to Transport for London, is retained as an objective.

8. The task and finish group accept that it may be impossible to design travel information in such a way that it will meet the needs of all passenger groups, all of the time. There are however, a number of widely accepted approaches that could be adopted, which would take into account the requirements of the largest group of disabled users as possible.

This includes: printing in standard Arial 14 font wherever possible; printing in bold; printing on a background that is only white or yellow; and siting display boards low enough that wheelchair or visually impaired users can easily use them. There may also be options for information to be displayed pictorially in some circumstances, which would also help passengers with language barriers and people with learning difficulties.



**Recommendation:** the ITA should establish a standard approach to the design of information, with a focus on keeping information plain and simple at all times. When there are significant timetable changes, it may be helpful to consult with local support groups. For example, Newcastle Disability Forum, The Elders Council, Age UK and passenger transport user groups.

9. The task and finish group considered the transport needs of passengers with visual impairment. These are passengers who are unable to: see information displays at stations; easily identify their approaching bus; and tell when their stop is approaching, during their journey.

Members heard evidence that visually impaired bus passengers find it particularly helpful to have buses with clear signage according to their route, as this can help to highlight the bus to them as it approaches, well in advance of the stop.

In addition, the introduction of audio and visual “next stop” announcements on board the bus, will help blind and partially sighted customers to understand where they are on the route, enabling them to travel more confidently and independently.

**Recommendation:** the ITA to consider the external signage of bus services, in the context of any changes as a result of implementation of the Quality Contract Scheme/Voluntary Partnership Agreement. Additionally, to support roll out of audio and visual stop information throughout the bus fleet as soon as possible.

10. Given the ageing demographic of our population, we know that the number of people with a cognitive impairment, learning disability or mental health problem is growing, encompassing a range of conditions from autism to age-related dementia and stroke. For many of these people, using transport and understanding travel information – maps, fares, charging and signage - can be a challenging experience.

In 2013, The Government’s Transport Select Committee heard evidence from the Mental Health Action Group which highlighted that repeated experiences with inadequate information may make discounting travelling by public transport habitual, with adverse consequences for a disabled person’s social life and wellbeing.

There are practical steps that could be taken to support this group of passengers to access travel information and cope in a constantly-changing environment. A key element of this is appropriate training for transport staff so that they can recognise people who may need help and provide an appropriate level of information and assistance. But there may be other areas that the ITA may wish to consider, particularly in relation to the information it publishes for that group of passengers.

**Recommendation: the ITA should review further what practical action can be taken to support this user group. This could include information for passengers on how to travel safely and when/how to notify staff if they have any particular requirements.**

11. For many people their journey often involves forethought and planning as they need to be sure they can, if required, access an open and clean public toilet. Public facilities are a vital service for both local people and visitors. They are especially important for certain groups such as the elderly, those with certain health conditions or passengers travelling with children. The provision of such

facilities can help to support footfall, by giving people more confidence to move around.

With the number of local authority toilets declining in recent years, we welcome initiatives to encourage retail and commercial premises to open their facilities to the public. But we consider that more could be done to support travellers and to let people know what facilities are available and where.

People want easy access to information about where they can find a toilet and what facilities they will find there – such as wheelchair access or baby changing – and also whether they will have to pay to use it.

We urge the ITA to work with councils to ensure there is clear signage of such facilities from key transport hubs across the network.

**Recommendation: The ITA to work with local councils to ensure that appropriate onward signage to toilet facilities is clearly provided. We would also urge the ITA to consider providing these facilities at key locations, particularly as and when new stations are built or existing stations are modernised.**







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## REPORT FOR INFORMATION

**DATE:** March 2014

**SUBJECT:** 'Transport works for growth and jobs'

**REPORT OF:** Director General, Nexus

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### PURPOSE OF REPORT

To inform members about a report from *pteg* which recommends it is time to let transport work harder for jobs and long term economic growth through stepping up investment in urban transport in the city regions. It shows the need for a more joined up approach in recognising the broad benefits of urban transport investment. Without adequate revenue budgets local transport authorities will simply not be able to resource delivery of the capital projects that Government wants, efficiently and effectively, or even at all.

### RECOMMENDATIONS

The ITA is recommended to:

1. note the publication of the report;
2. promote its wider circulation amongst the business community.

### BACKGROUND DOCUMENTS

Report entitled 'Transport works for growth and jobs' published by *pteg*

### CONTACT OFFICERS

*Name: Helen Mathews    Email: helen.mathews@nexus.org.uk    Phone: 0191 203 3455*

### IMPACT ON OBJECTIVES

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

1	<b>Executive Summary</b>
	<p>The report from <b>pteg</b> demonstrates how much harder transport could work for the economy, if there was much more focus on concentrating transport investment on congested city regions. The research finds that urban transport is one of the best investments the Government can make in order to let business do what it wants to do which is to cluster together efficiently for easier access to staff, clients and shared resources. Transport is fundamental to this and nowhere more so than in city centres where so many high value business activities are concentrated and where public transport and active travel come into their own.</p>
	<p>The report finds that:</p> <ul style="list-style-type: none"> <li>• A doubling of economic density leads to an average increase in productivity of 4% for manufacturing firms and 12% for the service sector as a whole</li> <li>• 63% of all jobs in England are within 40km of London or the Core Cities (28% of England’s land mass)</li> <li>• A survey by the British Chambers of Commerce (BCC) found congestion to be a problem for around 90% of businesses, with around 45% viewing it as a significant problem</li> </ul>
2	<b>Introduction and Background</b>
	<p><b>pteg’s</b> new report ‘Transport works for growth and jobs: why urban transport drives successful economies’ summarises some of the latest academic research which confirms the importance of agglomeration economies - the way in which high value sectors of the economy cluster together in cities - in driving wider national economies. Drawing on national and international examples it also shows that these urban clusters cannot develop to their full potential without high quality and efficient transport networks.</p>
	<p>Local transport funding outside London has fallen over a quarter in real terms between 2010 and 2013. Yet <b>pteg</b> present evidence that urban transport is a key driver of economic growth in modern service economies. Better urban transport networks bring firms closer together and provide access to wider local markets, as well as addressing many of the constraints on growth. The report shows a strong empirical relationship between transport spending and national economic growth, greater than for most other sectors of government activity.</p>
	<p>Agglomeration theory states that firms are more productive when they cluster close together as this means they can benefit from easier contact between workers, suppliers, clients and from access to a deeper labour market. However as</p>





REPORT FOR INFORMATION

economies and cities grow, land becomes increasingly scarce, congestion drives up operating costs and firms find it more difficult to reach markets and find the right workers for the job. This eventually puts a cap on productivity growth.

In the English city regions, the key government sources for urban transport funding suffered a severe cut in 2010 and have generally been on a downward spiral since. DfT contributes less than a quarter of local transport spending. The majority comes through a much larger all-purpose grant from DCLG, which is set to decline for the foreseeable future. This is the key funding source which pays for bus network improvements and the resources which are needed to develop and implement schemes.

**pteg** argues that as a result of this continued reduction in funding the country's ability to deliver the transport improvements which underlie urban productivity growth in city regions is declining, when it should be going in the opposite direction. To help ensure that transport boosts, rather than hinders, economic growth funding mechanisms need to better recognise the economic value of urban transport and target this type of spending more effectively: it also needs to be recognised that some types of government spending are much more effectively prioritised and delivered at the local level.

Research reviewed in the report shows that schemes in congested urban areas are a particularly effective form of transport spending, offering an average economic and social return of £4 for every £1 spent. Transport spending can also be shown to provide a highly effective short term boost to jobs and economic output. By moving more people within the limited space available, modern public transport systems can allow cities to grow while preserving agglomeration effects and an acceptable quality of life.

Transport is shown to be key to economic productivity, with 42% of firms citing transport links to other cities and internationally as 'absolutely essential' and 60% citing ease of access to markets, customers and clients. More productive firms also offer wider economic benefits through higher pay and larger jobs markets. Increasing the productivity of the transport networks, moving more people within the space available and a modern public transport system is cited as the obvious solution to allow cities to grow whilst preserving agglomeration effects and an acceptable quality of life.

Examples stated in the report include:



REPORT FOR INFORMATION

	<ul style="list-style-type: none"><li>a. West Yorkshire’s £1bn transport fund which expects to create 20,000 jobs and generate £1.3bn a year in GVA</li><li>b. In West Midlands an extension of the tram network to unlock an employment site is expected to generate £170m in GVA annually.</li><li>c. American study which showed Public transport spend generated 90% more jobs per \$1 than per \$1 spent on roads.</li><li>d. 10% increase in public transport seating capacity was associated with a 0.23-0.26% increase in net wages and a 1-1.9% increase in local output per capita</li><li>e. Investment in Sheffield Station saw an increase in rateable value in the vicinity of the station of 67% over a five year period, three times the city-wide average</li></ul>
	<p>The report concludes that ‘Urban transport is one of those rare forms of government expenditure: highly productive and with substantial economic and social returns. It is time to let transport work harder for jobs and long term economic growth’.</p>
<b>4</b>	<b>Next Steps</b>
	<p>The findings from the report will be included in future work to assist the agenda for growth articulated in the North East LEP’s draft Strategic Economic Plan: in particular the aspiration that the area will ‘be an exemplar of environmental sustainability, resource efficiency and sustainable transport systems which drive economic growth’.</p>
<b>5</b>	<b>Potential impact on objectives</b>
	<p>Sustainable long term economic growth is a key objective for the region.</p>



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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