



Tyne and Wear Integrated Transport Authority



british construction
industry awards 2012
25th anniversary

Meeting to be held on Thursday 28 March 2013 at 10.00 am in a Committee Room, Civic Centre, Newcastle upon Tyne

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

Membership: Blackburn, Curran, Green, Hobson, Hodson, Lawson, Lott, Maughan, McElroy, O'Shea, Smith, Stokel-Walker, Stone, D Wood and P Wood

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AGENDA

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1. **Apologies for absence**
2. **Declarations of Interest of Members or Officers in any matter to be discussed at the meeting**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer).
Please also remember to leave the meeting where any personal interest requires this.
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 - 8

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4. **Rate of Members' Allowances 2013/14** 9 - 14
5. **Appointment of the Clerk**

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.

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9.	ITA Fund Release Proposals	
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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.

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17.	Date and Time of the Next Meeting	
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Thursday, 23 Mary 2013 at 10am (Annual Meeting).

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

19.	Confidential Minutes of the Previous Meeting	81 - 82
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20.	Concessionary Travel Funding Update	
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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.



Tyne and Wear Integrated Transport Authority

24 January 2013
(10.00 - 11.46 am)

Present:

Councillor: D Wood (Chair)

Councillors: Blackburn, Curran, Green, Hodson, Lawson, Lott, Maughan, McElroy, O'Shea, Smith, Stokel-Walker, Stone and P Wood

In attendance:

Newcastle City Council:

P Woods - Acting Clerk and Treasurer (ITA)
D Slater - Acting Deputy Clerk (ITA)
J Softly - Legal Advisor and Monitoring Officer (ITA)
P Fenwick - New Tyne Crossing Project Director
G Grant - Senior Transport Policy Officer (ITA)
E Goodman - Senior Accountant (ITA)
N Whitefield - Press Officer
V Miller - Democratic Services

Nexus:

B Garner - Director General
K Mackay - Director of Rail and Infrastructure
J Fenwick - Director of Finance and Resources
T Hughes - Director of Customer Services
L Robinson - Public Affairs Manager

A DEPUTATION BY THE TRANSPORT UNION RMT

Prior to the start of the formal business, the meeting was addressed by the Transport Union RMT who represented cleaners employed by a company which had been contracted to clean Metro. The cleaners were dissatisfied with the level of pay and the lack of work-related benefits provided by the company. The delegation requested the Authority to assist them in securing a living wage. The Chair thanked the delegation and explained that members would respond to the Union accordingly.

90. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hobson and Murison.

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

Councillors Blackburn, Curran, Green, Lott, McElroy, O'Shea, Smith and D Wood declared a personal interest in all relevant items on the agenda due to holding a concessionary travel pass.

Councillors Lott, McElroy, O'Shea and Smith declared a personal interest in all relevant items on the agenda due to holding the Metro Gold Card.

Councillors Blackburn and O'Shea declared a personal interest in all relevant items on the agenda due to them or their spouse holding a permit for the Tyne Tunnels.

Councillors Curran and Lott declared a personal interest in all relevant items on the agenda due to holding the POP Card.

A member asked that a clarification should be sought from the Legal Advisor and Monitoring Officer on whether members should declare an interest in relation to having the POP Card. It was noted that this position would be checked.

92. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 22 November 2012 subject to the amendment of the wording in the first resolution in Minute 71 to read "Lead Member" instead of "Portfolio Holder" were approved as a correct record and signed by the Chair.

Matters Arising

(a) Minutes of the previous meeting - Matters Arising - (b) The Bus Strategy Delivery Project update

(Minute 70 refers)

It was noted that an update on the progress of the Bus Strategy Delivery Project was reported under agenda item 7.

(b) General policy update

(Minute 76 refers)

The Chair informed the meeting that the guidance which had been received from the Department for Transport (DfT) on the formation of the Local Transport Body (LTB) stated that the Authority had the automatic right to full membership on the LTB. It was noted that the guidance would be circulated to all members for information.

Following a brief discussion, members agreed that the Authority should be a full, voting member of the LTB and be represented by the Chairman or, in his absence, the Statutory Vice-Chairman.

It was noted that the Chairman would write to the Chair of the relevant board with a confirmation of the Authority's position.

(c) Cycling in Tyne and Wear

(Minute 78 refers)

A member asked that the second resolution in Minute 78 should be followed up and the information requested by members be provided to them as soon as possible.

(d) Annual fares' review

(Minute 80 refers)

B Garner reported that the engagement with the Civil Services to make representations in respect of the inequity between financial support for Metro with that of the heavy rail sector and Transport for London had proved to be unsuccessful. It was agreed that B Garner would prepare a briefing note for members on options for the way forward.

(e) Christmas and New Year services 2012/13

(Minute 81 refers)

The Chair on behalf of the Authority paid tribute to all staff who had been working to ensure that transport was operating despite the challenging weather conditions.

93. ITA BUDGET 2013/14 AND MEDIUM TERM FINANCIAL STRATEGY

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

Members considered the report which set out the Authority's budget and levy requirements for 2013/14 and the indicative funding requirements for 2014/15.

Members thanked officers for the efficient management of the budget.

During the consideration of the confidential items later at the meeting, members were provided with a briefing on the deficit in funding for the concessionary travel scheme.

RESOLVED – That:

- (i) the ITA and Nexus Revenue budgets for 2013/14 as set out in the report be approved;
- (ii) a levy of £70,207,132 for 2013/14 be approved;
- (iii) the levy be apportioned between the five Councils in accordance with the Transport Levying Bodies Regulations 1992 made under the Local Government Act 1988, which used the 2011 mid-year population estimates as the basis of the levy allocation, as set out in paragraph 3.2;
- (iv) the five Councils would pay the levy in twelve equal instalments, each instalment to be received by the Treasurer of the ITA on or before the last working day of each month;
- (v) the Revenue Grant to Nexus of £66,921,500 from the levy for 2013/14 be approved;
- (vi) in recognition of the financial pressure on the five Councils, a grant of £2million to them to fund transport and highways related expenditure in both 2013/14 and 2014/15 be approved in principle, and a further report be received in March 2013 on how the grant would be spent;
- (vii) the ITA noted that, in order to facilitate the £2million payments to the Councils for specified transport initiatives in both 2013/14 and 2014/15, it might be appropriate for the ITA to withhold revenue support to Nexus. The decision to do this be jointly determined by the ITA's Acting Clerk and Treasurer and Nexus' Director of Finance and Resources if, for tax planning purposes, this was determined to be the most appropriate way forward, as referred to in paragraph 6.4 of the report;
- (viii) a price freeze in relation to the Metro concessionary Gold Card, to remain at £25.00, be approved;
- (ix) a further report be received in May 2013 in order to determine the price of the Nexus child concessionary tickets, as referred to in paragraph 5.2 of the report;
- (x) the statement on minimum revenue provision repayments for borrowed capital expenditure for 2013/14, as set out in Appendix C, be approved.

94. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2013/14

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

P Woods introduced the report which sought members' approval of the Treasury Management Strategy and relevant indicators for the 2013/14.

RESOLVED – That:

- (i) the revised Treasury Management Policy Statement be adopted;
- (ii) the Treasury Management Strategy for 2013/14 subject to a revision of the investment limits with a view to restrict them further, and their submission to the March 2013 meeting, be approved;
- (iii) the Treasury Management Indicators for 2013/14, including the Operational Boundary and Authorised Limit for borrowing, be approved;
- (iv) the Prudential Indicators for 2013/14, as listed in Appendix 1, be approved.

95. 2013/14 ITA CAPITAL PROGRAMME

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

P Woods and J Fenwick introduced the report which sought members' approval of the ITA Capital Programme for 2013/14 which included both Metro and non-Metro elements. It was noted that the last sentence of the first paragraph and the first sentence of the second paragraph should be merged in one.

Questions/points noted

- In welcoming the relatively stable financial position of the Metro Capital Programme, a member suggested that consideration should be given to maximising opportunities for career development and training.
- Members complimented Nexus on having an apprenticeship scheme.
- It was confirmed that the works on Monkseaton Bridge had been programmed to be completed by the end of March 2013.
- In relation to the planned investment in stations, an explanation was provided on the term "basic refurbishment". It was confirmed that improvements would be scheduled within the funding available although where potential for enhancement existed, other funding opportunities would be explored.
- A member suggested that consideration should be given to exploring the possibility of providing the Metro system with Wi-Fi, possibly as part of the cabling and rewiring programme.
- It was noted that a report on the Tyne Pedestrian and Cyclist Tunnels would be provided to the March 2013 meeting.

RESOLVED – That:

- (i) the non-Metro Capital Programme for 2013/14, as set out in Appendix A, and the Metro Capital Programme, as set out in Appendix B, be approved;
- (ii) the distribution of the LTP Integrated Transport Block grant to the Tyne and Wear Councils and Nexus on the basis set out in paragraph 5.2 of the report, be approved;
- (iii) a further report be received following the delivery of the 2012/13 programme, which would provide assurance that any variations during the remainder of the current financial year had been accommodated.

96. BUS STRATEGY DELIVERY PROJECT UPDATE

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

B Garner introduced the report which provided an update for members on the progress made on the Bus Strategy Delivery Project.

In response to a member's question, it was confirmed that the "informal consultation with key affected parties", as referred to in paragraph 3.1 of the report, related to bus operators, trade unions and adjacent local authorities.

A member referred to paragraph 5.3 of the report and commented on the need for the advisers who would assist Nexus to carry out a comparison of the proposals to be independent.

A member commented on the importance of further engagement between members and bus operators. A member also commented on the importance of further discussions about the Quality Contracts Scheme (QCS). The Chair agreed that further meetings should be held if there was an indication that the current offer from bus operators was likely to change.

RESOLVED – That:

- (i) the position regarding the development of the draft Quality Contracts Scheme (QCS) be noted;
- (ii) the ongoing discussions regarding a potential Voluntary Partnership Agreement (VPA) be noted;
- (iii) a briefing paper be prepared for members on the comparative position in relation to bus and rail patronage in the North East and the other parts of the country.

97. DEPARTMENT FOR TRANSPORT INTEGRATED TRANSPORT BLOCK CONSULTATION

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

J Fenwick introduced the report which informed members of the DfT's consultation on the proposed changes to the Integrated Transport Block formula from 2015, and encouraged members and their respective Councils to respond to the consultation.

In relation to cycling, a member commented that consideration should be given to achieving a balance between the Authority's work to increase cycling and the work to increase safety. A member asked officers to provide members with advice on the relevant policy. It was agreed that the advice would be provided at the Policy Seminar in February 2013.

RESOLVED – That:

- (i) the overview of the consultation on the proposed changes to the Integrated Transport Block formula from 2015 and the potential impact for Tyne and Wear, as outlined in the report, be noted;
- (ii) the development of a detailed response to the consultation questions indicating the ITA's preference for Option 1 be delegated to the Acting Clerk in conjunction with the ITA Local Transport Plan Working Group.

98. **LOCAL PINCH POINT FUND**

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

D Slater introduced the report which provided a briefing for members on the Local Pinch Points Fund and also the co-ordination process for the bids across the North East Local Enterprise Partnership geographical area.

A member commented on the importance of following the DfT's guidance in relation to prioritisation of schemes.

It was noted that the last sentence of the report should read "...in his role as the Chair and also as the *Lead Member* for Economic Development and Regeneration."

RESOLVED – That the report, in particular section 9.2 relating to letters of support for authorities promoting schemes within Tyne and Wear, be noted.

99. **PETITION TO REINSTATE THE SUNDAY SERVICE 13 BUS ROUTE VIA DOXFORD PARK WAY AND STATUS OF BUS TERMINUS AT HALL FARM ROAD IN DOXFORD PARK**

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

The report informed members of the bus operator's response to the petition which had been submitted to the Authority via the Sunderland City Council by the residents of Hall Farm at Doxford Park, Sunderland. The residents had requested the re-instatement of Bus Service 13 along Doxford Park Way on Sunday daytime and a revision of its termination point.

RESOLVED – That the consideration of the petition be deferred until a future meeting to enable Nexus to carry out further work on this matter.

100. **PETITION TO OPPOSE THE WITHDRAWAL OF SERVICE 1 FROM BUDDLE ROAD DURING JULY AND AUGUST**

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

The report informed members of the bus operator's response to the petition which had been received by Nexus via Newcastle City Council from the residents of the Buddle Road area of Newcastle. The residents had opposed the withdrawal of Bus Service 1 from Buddle Road during July and August.

RESOLVED – That the report be noted.

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

Thursday, 28 March 2013 at 10am.

102. **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 the press and public be excluded from the remainder of the meeting because exempt information was likely to be disclosed and the public interest test against the disclosure had been satisfied.



REPORT FOR DECISION

DATE: 28 March 2013
SUBJECT: Rate of Members' Allowances 2013/14
REPORT OF: The Clerk to the Authority

PURPOSE OF REPORT

The attached report sets out the recommendations of the Independent Remuneration Panel regarding the rate of the Authority's Members' Allowances for 2013/14.

RECOMMENDATIONS

The Authority is recommended to consider the Panel's recommendations concerning the rate of Members' Allowances for 2013/14 and, if approved, make a new Scheme accordingly and revoke the existing Scheme.

BACKGROUND DOCUMENTS

The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended)

CONTACT OFFICER

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Linda Scott	linda.scott@newcastle.gov.uk	0191 2115159

IMPACT ON OBJECTIVES

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

1	Executive Summary
1.1	The attached report sets out the recommendations of the Independent Remuneration Panel regarding the rate of the Authority's Members' Allowances for 2013/14.
2	Introduction and Background
2.1	The Local Authorities (Members Allowances) (England) Regulations 2003 require that Joint Authorities make a new Members Allowances Scheme by 1 April each year and in doing so, have regard to the recommendations of their Independent Remuneration Panel.
3	Recommendations of the Independent Remuneration Panel
3.1	The Regulations stipulate that an Authority must have regard to the recommendations of its Independent Remuneration Panel before making or amending its Members' Allowances Scheme. The Panel have discussed this matter and recommend that the Allowances once again remain unchanged. Their report is attached.
4	Next Steps
	In line with the Regulations, the Panel's recommendations have been published in a statutory notice. A further notice setting out the Authority's response will need to be published. A new Members' Allowances Scheme will also be prepared to take effect from 1 April 2013 and the existing Scheme revoked.
5	Potential impact on objectives
	Neutral



DATE: 28 March 2013
SUBJECT: Rate of Members' Allowances 2013/14
REPORT OF: Independent Remuneration Panel

PURPOSE OF REPORT

This report sets out the recommendations of the Independent Remuneration Panel as to the rate of the Authority's Members' Allowances for 2013/14.

RECOMMENDATIONS

The Panel recommends that for the reasons set out in this report, the members allowances for 2013/14 remain unchanged and a new Members' Allowances Scheme be made accordingly.

BACKGROUND DOCUMENTS

Report of Independent Remuneration Panel to the Authority, 22 March 2012 – Rate of Increase of Members Allowances 2012/13.

The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).

CONTACT OFFICER

<i>Name</i>	<i>Email</i>	<i>phone</i>
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IMPACT ON OBJECTIVES

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

1	Executive Summary
	This report sets out the recommendations of the Independent Remuneration Panel as to the rate of the Authority's Members' Allowances for 2013/14.
2	Introduction and Background
2.1	The current Members' Allowances Scheme was approved by the Authority on 22 March 2012 and took effect from 1 April 2012.
2.2	However, under the Local Authorities (Members Allowances) (England) Regulations 2003, the Authority has to make a new Scheme before 1 April each year. The Authority must have regard to the recommendations of its Independent Remuneration Panel before making or amending a Scheme. This is a standing item on the agenda for the Authority's March meeting. Although the Regulations enable an index to be applied for a period of up to 4 years, the Authority previously agreed that the Panel should review the situation annually, the only exception being travelling rates which will be indexed to Inland Revenue rates.
3	Rate of Allowances
3.1	The Panel were advised that the Authority had made no budget provision for an increase in Members Allowances for 2013/14.
3.2	<p>There have been two changes since the Panel's report in March 2012.</p> <p>Firstly, at its Annual Meeting held on 31 May 2012, the Authority agreed to reduce the rate of allowances for its Vice-Chairmen from £2,025 to £1,350 to reflect the increase in the number of Vice-Chairmen from two to three.</p> <p>Secondly, at the same meeting held on 31 May 2012, the Authority agreed that from 1 July 2012 the existing Standards and Audit Committee be reconstituted into two separate committees. This followed changes to the standards regime as a result of the Localism Act 2011. The overall amount of the allowance paid to the Independent Members of these Committees has not changed but was split (75/25 in favour of Audit Committee) in accordance with the table below. The Scheme was amended accordingly.</p>
3.3	The Panel was aware of the current financial constraints facing all of the constituent authorities. In light of this the Panel would be willing to reconvene to consider any aspect of the Scheme.
3.4	However, the Panel recommends that the following allowances still apply for 2013/14.



REPORT FOR DECISION

3.5	Allowance	Current (£)	New (£)
	Basic Allowance	3107	3107
	Special Responsibility Allowance		
	Chairman	12198	12198
	Statutory Vice-Chairman	4055	4055
	Vice-Chairmen (3)	1350	1350
	Leader of the Opposition	2025	2025
	Audit Committee:		
	Independent Chair	1518.75	1518.75
	Independent Members	759.75	759.75
	Standards Committee:		
	Independent Chair	506.25	506.25
	Independent Members	253.25	253.25
3.6	As the existing mileage rate of £0.45 per mile, as set by HM Revenue and Customs, is not expected to rise, the Panel does not recommend any alteration to travel and subsistence allowances at this stage.		
4	Next Steps		
4.1	A new Members' Allowances Scheme will have to be made with effect from 1 April 2013. In line with the Regulations, the Panel's recommendation has been published in a statutory notice. The Authority's response to this recommendation will also need to be published.		
5	Potential impact on objectives		
	Neutral		

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REPORT FOR DECISION

DATE: 28 March 2013
SUBJECT: Investment Criteria and Limits
REPORT OF: Acting Clerk and Treasurer, ITA

PURPOSE OF REPORT

The purpose of this report is for the ITA to agree revised criteria and limits for its investment activity in 2013/14.

RECOMMENDATIONS

1. The ITA is recommended to agree the criteria and limits for external investments set out in section 3 of the report.

BACKGROUND DOCUMENTS

Treasury Management and Investment Strategy 2013/14

CONTACT OFFICERS

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Wendy Rees	wendy.rees@newcastle.gov.uk	0191 211 6959

IMPACT ON OBJECTIVES

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

1	Executive Summary			
1.1	At the January meeting of the ITA, the Authority agreed its Treasury Management Strategy and Prudential Indicators for 2013/14.			
1.2	At this meeting the Acting Clerk and Treasurer indicated that a review was to be carried out of the ITA's investment criteria and limits for investing with external organisations. This review has taken place and the report presents the revised criteria and limits for the approval of the ITA.			
2	Introduction and Background			
2.1	This report recommends criteria and limits for external investments (both cash and time limits) for the ITA's approval.			
2.2	These were presented to the ITA's Audit Committee on 22 February for information.			
3	Tyne and Wear Integrated Transport Authority Investment Criteria and Limits for 2013/14			
3.1	The Authority defines the following as being of "high credit quality" (as per the CLG Guidance), subject to the monetary and time limits shown.			
3.2		Cash limit	Time limit	
	Banks and other organisations whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£25m each	1 year
		AA+		
		AA		
		AA-		
		A+		
		A	£15m each	1 year
	A-			
	The ITA's current account bank (Co-Operative		£25m	1 year



REPORT FOR DECISION

plc)		
UK building societies whose lowest published long-term credit rating is BBB <u>and</u> societies without credit ratings with assets greater than £250m	£5m each	1 year
Money market funds ¹ and similar pooled vehicles whose lowest published credit rating is AAA	£15m each	1 year
UK Central Government	unlimited	unlimited
UK Local Authorities ²	£5m each	1 year

¹ as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

² as defined in the Local Government Act 2003, and similar authorities in Scotland

4 Next Steps

4.1 An mid-year update on Treasury Management activity will be presented to the ITA at a subsequent meeting.

5 Potential impact on objectives

5.1 There is no impact on the ITA's objectives resulting from this report.

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REPORT FOR INFORMATION

DATE: 28 March 2013

SUBJECT: Revenue Budget Monitoring Report to February 2013

REPORT OF: Acting Clerk and Treasurer, ITA

PURPOSE OF REPORT

The purpose of this report is to update members on the revenue budget monitoring position for the period 1 April 2012 to 28 February 2013. 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.

RECOMMENDATIONS

The ITA is recommended to receive this report for information and comment.

BACKGROUND DOCUMENTS

Revenue monitoring papers to February 2013

CONTACT OFFICERS

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Eleanor Goodman	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
1.1	This is the fourth revenue budget monitor relating to the 2012/13 financial year which has been presented to the ITA. 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 expected to be within budget at the year end. Explanations of any variances are included within the summary tables at Appendix 1 and 2.
2	Introduction and Background
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 2012/13 financial year against the budget for the period. Appendices 1 and 2 detail the recorded spending position as at 28 February 2013 and projected outturn for the year against the revised budget agreed by the ITA in January 2013.
3	ITA Budget
3.1	For the ITA, gross expenditure at £64.466m is 92% of the revised budget for the year. This is in line with anticipated expenditure profiles and the outturn position is expected to be on budget.
3.2	Savings have been achieved in 2012/13 on the Service Level Agreement with the lead authority, due to revised ITA Clerk arrangements from August 2012 (with the ITA Treasurer taking on the Acting Clerk role). This saving was ringfenced to fund additional policy support for work around major scheme devolution.
3.3	Further savings have been achieved on the external audit fee through savings passed on to audited bodies as a result of the changing role of the Audit Commission; and on the ITA website SLA with Nexus where much of the regular



updating of the site has been completed by ITA officers during 2012/13.

4 Tyne Tunnels

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| 4.1 | 2012/13 is the fifth 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 2012 to 28 February 2013, 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 2013. |
| 4.2 | All tolls income is collected by TT2 and paid to the ITA within 4 working days of being received. TT2 then invoice the ITA for the monthly usage payment, which is for an agreed proportion of the tolls as set out in the project agreement. The tolls income is shown on Appendix 2 as green. There has been a sustained increase in traffic figures when compared to 2011/12. On 1 January 2013, a toll increase was implemented in line with the project plan, which resulted in an additional charge of 20p for cars (toll at £1.60) and 50p for HGVs (toll at £2.50). |
| 4.3 | Spend against the usage payments appears low on Appendix 2, which is due to the timing of the invoices since this figure only includes payments made to December 2012. Overall, contract payments to TT2 are projected to be in line with the budget at the year end. |
| 4.4 | The 'Other Expenses' heading includes the one-off cost of the ITA's contribution to the official opening ceremony for the new Tyne Tunnel held in July 2012. These costs will be met from additional interest income and savings on financing charges as compared to the original budgeted for 2012/13. |

5 Treasury Management

- | | |
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| 5.1 | The Authorised Borrowing Limit approved by the ITA for 2012/13 is £240m. The current level of external borrowing as at 28 February 2013 is £210m. 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 has no impact on the levy. The average interest rate payable on the ITA's loans this year is estimated at 4.25%. |
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- 5.2 | The ITA currently holds £28m of investments on behalf of Nexus, which are placed with external institutions. At 28 February 2013 the ITA's own balances were all invested with Newcastle City Council, with none placed with external institutions.

6 | Next Steps

- 6.1 | The final outturn position will be reported to the ITA along with the draft financial statements in July 2013.

7 | Potential impact on objectives

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

Appendix 1 – ITA Budget

	2012/13 Revised Budget	Spend to 28/02/13	Projection for the year	Spend as a % of Revised Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
Revenue Expenditure						
Members' Allowances	86	36	84	43	G	Awaiting invoices from some Districts for 2012/13 recharges.
Travel and Conferences	4	2	4	50	G	
Supplies & Services	25	15	21	60	G	
Support Services	280	267	280	95	G	
ITA Website Charges	10	-	12	-	G	Revised amount agreed, payment to be made at the year end.
Pension Costs	455	417	455	92	G	
LGA Subscription	30	30	30	100	G	One-off payment made at beginning of year. Discount for early payment received.
External Audit Fee	20	-	20	-		Will be charged later in the year as work on 2012/13 audit has not yet commenced.
Financing Charges	2,568	2,354	2,568	92	G	Indicative position – full charges calculated at year end.
Grant to Nexus	66,922	61,345	66,922	92	G	
Total	70,400	64,466	70,396	92		
Revenue Income						
Levy Income	(70,207)	(64,356)	(70,207)	92	G	
Interest on Balances	(30)	(27)	(30)	90	G	Indicative position - interest allocated at year end
Total	(70,237)	(64,393)	(70,237)	92		
Contribution from Reserves	163	(73)	159		G	Overall status green - forecast to be within budget at year end.

Appendix 2 – Tyne Tunnels Budget

Tyne Tunnels	2012/13 Revised Budget	Spend to 28/02/13	Projection for the year	Spend as a % of Original Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
TT2 Contract						
Toll Income	(19,700)	(18,167)	(19,700)	92	G	
Contract Payments to TT2	14,130	10,298	14,130	73	G	Includes usage payments to December 2012
Total	(5,570)	(7,869)	(5,570)			
Other						
Employee Costs	33	30	33	91	G	
Other Expenses	100	78	90	78	G	Includes one-off costs of official tunnel opening
Community Fund	10	6	9	60	G	
Pension Costs	525	481	525	92	G	
New Tyne Crossing	130	108	125	83	G	
Support Services						
Financing Charges	6,637	6,084	6,640	92	G	Indicative position - charges calculated at year end
Interest on Balances and Other income	(460)	(430)	(460)	93	G	Indicative position - interest allocated at year end
Total	6,975	6,357	6,962	91		
Net (Surplus) / Deficit	1,405	(1,512)	1,392		G	Overall status green - forecast to be within budget at year end.



REPORT FOR INFORMATION

DATE: 28 March 2013

SUBJECT: 2012/13 CAPITAL PROGRAMME – THIRD QUARTERLY REVIEW

REPORT OF: ACTING CLERK AND TREASURER, ITA AND DIRECTOR OF FINANCE AND RESOURCES, NEXUS

PURPOSE OF REPORT

To advise Members of the overall performance of the 2012/13 Capital Programme, including delivery to the end of the third quarter. The report covers the diverse range of activities for which the ITA is the accountable body.

RECOMMENDATIONS

The ITA is asked to:

- note the position with regard to the 2012/13 Capital Programme at the end of the third quarter, as outlined in Section 2.

BACKGROUND DOCUMENTS

Metro Capital Programme 2012/13
2012/13 Non-Metro Capital Programme

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

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

1 Executive Summary

- 1.1 This report sets out the overall performance of the 2012/13 Capital Programme, including delivery to the end of the third quarter. The report covers the diverse range of activities for which the ITA is the accountable body.

2 Introduction and Background

- 2.1 The projected outturn for the 2012/13 capital programme as at the end of the third quarter is set out below:-

Expenditure	Latest Approved 2012/13	Projected Outturn 2012/13	Quarter 3 Expenditure 2012/13
	£m	£m	£m
Metro Asset Renewal Plan	43.814	39.219	25.092
Metro Ticketing and Gating	7.170	5.108	3.429
NESTI Project (Gross)	4.416	3.297	0.384
<u>Less:</u> NESTI contribution to T&G	(2.545)	(2.100)	0
New Tyne Crossing	0.620	0.600	0.353
Tyne Pedestrian and Cycle Tunnel	1.000	0.750	0.328
LTP Integrated Transport Block Allocation	8.509	8.509	6.382
Nexus/LTP Public Transport Allocation	2.157	2.157	0.695
Better Bus Area Fund	3.338	2.600	1.436
Go Smarter Programme	0.847	0.747	0.110
Total Expenditure	69.326	60.887	38.209

3 Metro Asset Renewal Plan

- 3.1 This reflects the third year of an ambitious eleven year programme to renew the Metro network where investment is directed towards those assets where there is greatest need, recognising that logistical and other planning processes also play a significant role in determining where resources are deployed in fulfilling the objectives of Nexus' three year rolling programme of delivery.

During December 2011, Nexus submitted a programme for 2012/13 (including over-programming) totalling £46.007m to DfT. Since then, the programme has been further revised to £43.814m.

Expenditure as at Quarter 3 of 2012/13 is £25.092m; this is detailed in Appendix A. The forecast for the year is £39.219m which although slightly adrift of the revised budget compares against the minimum expenditure target for grant purposes for



2012/13 of £37.539m.

Although the current projection is below the revised Metro Asset Renewal Plan budget of £43.814m, the forecast remains within funding tolerances as approved by DfT and the reason for this variation is largely down to slippage into the following year. To mitigate against the risk of falling below DfT funding tolerances, options to bring forward projects from future years into the current financial year have been progressed where possible and other possibilities continue to be evaluated.

In terms of ARP financing, members will recall that during 2011/12 it was agreed that the DfT would fund 100% of the ARP through MRG funding meaning that the local contribution was slipped into 2012/13.

- 3.2 A range of outputs are proposed for delivery during the course of the third year of the delivery of the Metro Asset Renewal Plan. To the end of Quarter 3 the following key projects have been delivered:-
- Blockade works during August which carried out Plain Line works between Tynemouth and Chillingham Road;
 - Complete renewal of South Gosforth Double Junction, including the installation of a new drainage system;
 - Further progress with $\frac{3}{4}$ life Metro car project (with 15 cars refurbished by the end of Quarter 3);
 - Progress towards the implementation of the Master Plan of Ducting, Cable and Fibre replacement projects, although the majority of this work will now be undertaken in future years following the decision to internalise delivery which has seen the establishment of 60 new posts together with a commitment to recruit 30 apprentices over the next three years;
 - Progress towards refurbishment works at South Gosforth, West Jesmond, Ilford Road, Walkergate, Hadrian Road, Wallsend and Percy Main stations following the completion of refurbishment works at North Shields, Meadow Well, Howdon and Chillingham Road stations.

4 Metro Ticketing and Gating

- 4.1 The 2012/13 Ticketing and Gating budget is £7.170m however the programme has been re-profiled such that the 'Touch-In day' milestone will now be delivered in 2013/14. The result is that the 2012/13 forecast has reduced to £5.108m, with



£2.062m slipping into 2013/14.

As at the end of the third quarter 185 new Ticket Vending Machines had been deployed at 52 stations across the Metro network. Quarter 3 also saw the first Automated Gate Lines installed, with 7 stations complete and the remainder due in quarter 4. The new Ticket Office Machines were installed later than originally planned but are now operational. Finally, the validator heads are being fitted ready for the Touch-In day milestone.

The project has allocated the remaining £3.008m of Section 31 grant funding, a claim form has been issued and payment is due following the routine audit at year end. The 2012/13 funding reported also includes funding from within NESTI of £2.100m for station validators, although the contribution towards the upgrade of the back office system, necessary to support the NESTI partnership has been slipped into the next financial year. There is no risk of any loss of funding resulting from the revised programme.

5 New Tyne Crossing

5.1 The construction works on the New Tyne Crossing are now complete and the capital programme in relation to this major ITA scheme is therefore significantly smaller than it has been in recent years. The budget requirement for 2012/13 relates to remaining final elements of environmental works and monitoring, professional fees for work towards achieving final completion and costs associated with land transfer work.

5.2 Final completion of the construction programme was signed off by the Independent Certifier on 31 January 2013 following the execution of a Variation Order for which approval was given by the ITA in January 2012 and September 2013.

6 Tyne Pedestrian and Cycle Tunnel

6.1 The Tyne Pedestrian and Cycle Tunnel works involve the replacement of two of the original escalators with inclined lifts and the replacement of the tunnels' ageing mechanical and electrical systems. Slippage on the project has arisen as a result of negotiations involving insurance that has had to be put in place before the contract could be formally awarded, which means the majority of the works are now likely to take place early in the 2013/14 financial year, with the likely outturn position estimated at £0.750m. There is no risk to the delivery of the overall scheme or risk of



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loss of funding, since this is being financed through prudential borrowing.

At the time of preparing this report, the award letter for the contract is close to being issued, which indicates that the full closure will take place from late April or early May. An official announcement will be made as soon as a firm date has been agreed with the contractor, and a communications strategy is in place to ensure regular users and visitors are aware of the closure dates.

The timetabled shuttle bus service (which will operate 7 days a week, 6am to 8pm) has been procured, and pre-registration for the taxi service to assist shift workers who use the tunnels and have no other means of getting to and from work is currently under way.

A full update report on progress is scheduled to be brought to a later meeting of the ITA.

7 Nexus / LTP Public Transport Projects

7.1 Local Transport Plan Integrated Transport block funding of £12.459m is available to the ITA in 2012/13. This funding is allocated as follows:

	2012/13
LTP Integrated Transport Block	£m
Gateshead	1.775
Newcastle	2.133
North Tyneside	1.371
South Tyneside	1.089
Sunderland	2.141
Total	8.509
Nexus/LTP Public Transport Allocation	
Nexus LPT Allocation	3.883
B/F 2011/12 Allocation	0.067
Total	3.950
Grand Total	12.459

The Integrated Transport Block is paid quarterly to the Tyne and Wear Districts on receipt of the grant from DfT. £6.382m has been paid to Districts as at the end of quarter 3.

The Public Transport allocation of the Integrated Transport block funding for 2012/13 is illustrated in the table below:



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	Approved 2012/13	Quarter 3 Spend
	£m	£m
Gateshead	0.156	-
Newcastle	0.187	-
North Tyneside	0.120	-
South Tyneside	0.096	-
Sunderland	0.188	-
Nexus	0.341	0.178
LTP Core Team	0.155	0.116
Metro ARP local contribution	2.640	2.509
	3.883	2.803
B/F 2011/12 Metro ARP local contribution	2.705	2.509
Nexus Additional Contribution	0.848	0.401
B/F 2011/12 Public LTP	0.067	-
Total Expenditure	7.503	5.713

The original budget for the public transport allocation for 2012/13 as agreed by the ITA in January 2012 was £3.883. The revised budget has been increased due to:

- £2.705m of LTP Public Transport Allocation brought forward from 2011/12 in order to meet the increased local contribution for the Metro ARP during 2012/13.
- £0.848m of Nexus direct funding has been allocated to the non-Metro capital programme in 2012/13.
- £0.067m of LTP district funding not claimed in 2011/12 has been carried over into 2012/13.

Quarter 3 expenditure has been reported at £5.713m inclusive of the local contribution for the Metro ARP. Claims to the Districts will be paid as one payment during Quarter 4, so are shown as nil at the end of quarter 3.

8 NESTI

- 8.1 The ITA acts as accountable body for the North East Smart Ticketing Initiative (NESTI) which is a programme of investment in smart ticketing infrastructure across the north east. The programme is governed via a collaboration agreement which was entered into by all 12 local authorities plus Nexus and the ITA with a bi-monthly programme board to steer progress and bi-annual reporting to ANEC. Nexus acts as



programme manager for NESTI.

The NESTI project scope has expanded throughout the year to incorporate a Regional CMS, Web Retail and Part 11 solution. The lengthy specification and procurement of these deliverables has now completed and the implementation has begun, although the process has diverted project team resources away from the original programme this financial year.

Whilst the approved budget for 2012/13 is £4.416m the 2012/13 budget requirement is forecast at £3.297m which is £1.119m lower than the approved budget. This is a result of budget savings totalling £0.469m, slippage into future years of £0.961m and additional expenditure of £0.300m.

The slippage figure includes the contribution to the Ticket and Gating back office upgrade of £0.445m which is required to support the NESTI scheme. This slippage has been caused by the rescheduling of the Touch-In day milestone which is now forecast for delivery in 2013/14.

The partnership board meeting held on the 14th December 2012 identified that funding of £0.300m would be allocated to the Rail devolution in the North East studies. This has subsequently been approved by the ANEC Leaders and Elected Mayors Group.

9 Go Smarter Programme

9.1 Schools Go Smarter

2012/13 is the second year of the Schools Go Smarter programme, which commenced in autumn 2011. The capital budget of £0.440m relates primarily to the purchase of vehicles for parking enforcement at schools, and the school links and school grants workstreams. School grants provides funding for bike sheds, to provide safe places for pupils to store their bicycles, and other works including new paths, pool bikes or tools. School links funds infrastructure work in the Districts making it easier to cycle or walk to school, such as upgrading cycle paths or installing new pedestrian crossings.

Expenditure to the end of quarter 3 is £0.110m, with the majority of the grant expected to be drawn down by the Districts at the end of the financial year. The projected outturn position is in line with the budget.

9.2 Go Smarter to Work

In September 2012, the ITA was informed that it has been successful in its revised bid



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for further Local Sustainable Transport (LSTF) funding to support the 'Go Smarter to Work' programme. The capital budget for the year was set at £0.407m, with likely outturn now forecast to be lower at £0.300m.

Capital works are focused around infrastructure investments, implementing the physical infrastructure work necessary to make cycle, walking and public transport trips a more attractive alternative to car use; and improved information including use of open data sources and Real Time Passenger Information to enable the transport user to access more reliable and up to date details about transport services.

-
- 9.3 A full update on both Schools Go Smarter and Go Smarter to Work, including both the revenue and capital elements of the programme is scheduled to be presented to the ITA at its July meeting.

10 Better Bus Area Fund

- 10.1 In April 2012, the ITA received notice that it had been successful in its application for DfT Better Bus Area funding. The original approved programme showed a 2012/13 capital grant allocation for this project of £3.338m. There has been some slippage against the budget due to delays with the procurement of equipment for the Intelligent Transport Solutions element, which includes CCTV, Automatic Number Plate Recognition and co-ordination of traffic signal installations. Expenditure at the end of quarter 3 is £1.436m and the outturn for the year is forecast at around £2.600m (there is a significant amount of grant to be paid to districts during the 4th quarter). Works are on course to be completed in full during 2013/14, in line with the grant requirements. The grant is held by the ITA, and there is no risk to this funding since it can be profiled over the 2012/13 and 2013/14 financial years.

11 Capital Programme Financing

- 11.1 The following table sets out how the ITA's capital programme for 2012/13 will be financed, based on the projected outturn as set out in section 2 of this report:-



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Funding Type	Funding Allocated in 2012/13	
	£m	£m
Grant		
Metro Rail Grant	31.812	
Section 31 Grant	3.008	
LTP Integrated Transport Block	8.509	
LTP Public Transport Block	6.655	
LSTF	0.747	
Better Bus Area Funding	2.600	
Total Grant		53.331
Prudential Borrowing		1.350
NESTI		3.297
Nexus RCCO		2.909
Total Funding		60.887

12 Next Steps

12.1 The programme will continue to be monitored closely and the outturn position reported to the Authority following the end of the financial year.

13 Potential impact on objectives

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



Appendix A – Metro Asset Renewal Plan

Asset Category	Latest Approved Budget	Projected Outturn 2012/13	Quarter 3 Spend 2012/13
	£m	£m	£m
Civils	4.057	3.283	1.705
Communications	3.794	2.443	0.984
Depot Equipment	0.086	0.110	0.088
Level Crossings	0.423	0.088	0.054
Mechanical and Electrical	4.383	4.149	1.663
Metro Cars	6.652	6.615	4.918
Miscellaneous	0.614	0.598	0.175
Overhead Line	0.365	0.128	0.051
Permanent Way	15.764	15.858	13.079
Plant	0.782	0.781	0.288
Power	0.576	0.567	0.077
Signalling	2.055	1.532	0.498
Stations	4.263	3.067	1.512
Total Approved 2012/13 Capital Programme	43.814	39.219	25.092



REPORT FOR INFORMATION

DATE: 28 March 2013
SUBJECT: STRATEGIC RISK REGISTER UPDATE
REPORT OF: Acting Clerk to the ITA

PURPOSE OF REPORT

This report provides an update on the ITA's strategic risks and opportunities. It has been reported to the ITA Audit Committee for comment in advance of submission to this Committee.

RECOMMENDATIONS

Members of the Committee are asked to:

- Review and comment on the strategic risk register, including the appropriateness of the amendments to those areas specifically highlighted in this covering report; and
- Identify any further significant risks, mitigating actions or opportunities for consideration.

BACKGROUND DOCUMENTS

Strategic Risk Update paper to ITA Audit Committee, 22/02/2013

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

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



1 Executive Summary

- 1.1 This report provides an update on ITA strategic risks and opportunities, incorporating mitigating actions. The formal risk process adopted by the ITA aims to provide assurance that significant risks and opportunities associated with the delivery of ITA business are identified, monitored and managed.

2 Introduction and Background

- 2.1 The ITA Strategic Risk and Opportunity Register is regularly monitored and reported to ITA Audit Committee twice per annum to ensure risk ratings reflect emerging risks and opportunities and that progress is being made in reducing current risks and maximising opportunities.
- 2.2 The risks and opportunities register has been reviewed by officers of the ITA taking into account similar registers from partner organisations such as Nexus and the Tyne Tunnel Concessionaire (TT2). Significant changes / issues for consideration that have occurred since the last review are summarised within this covering report. Risks and opportunities are merged within the register to present a coherent overview.

3 Strategic Risk Update

- 3.1 This report provides all strategic risks and opportunities (presented in **Appendix A**).
- 3.2 Before being reported to the February meeting of the Audit Committee a review of the Strategic Risk Register was last undertaken and reported to the ITA Audit Committee in August 2012. Since this time amendments have been made – these are summarised in section 4 onwards.
- 3.3 For this review of the register officers have maintained the format adopted at the last review. This reflects changes made by government to the way transport business cases must be outlined – it seems sensible to consider our risks in the same ways. Therefore the register now outlines risks and opportunities within five broad areas, that will show whether our ongoing work:
- Fits with wider public policy objectives – ‘strategic’ risks and opportunities;
 - Demonstrates value for money – ‘economic’ risks and opportunities;



- Is financially affordable – ‘financial’ risks and opportunities;
- Is commercially viable – ‘commercial’ risks and opportunities; and
- Is achievable – ‘management’ risks and opportunities.

4 Summary of changes to last risk register

4.1 Strategic section

4.1.1 Risk Reference 1 – Clear Strategic Direction

This risk is maintained with no change to its likelihood or impact. The control mechanisms have been amended to reflect the additional governance structures emerging in the North East Local Enterprise Partnership area. The ITA has been involved in discussions with partners at a wider level for considerable time around these potential changes so the likelihood and impact of this risk has not changed. Other changes to the control mechanisms reflect additional reports on the ITA’s forward programme to ensure bi-annual General Policy papers, an induction away day for members and the removal of a list of officer working groups as control mechanisms to align with the actions outlined later in this section related to a review of the officer reporting structure.

The Clerk of the ITA being responsible for engagement with the North East Local Enterprise Partnership (NELEP) and strengthening dialogue with the Leadership Group for the area as a control mechanism has been maintained despite changes to the ITA Management Team following the change in officer leadership at Newcastle City Council, the lead authority for the ITA. The Acting Clerk to the ITA and the Director General of Nexus have provided leadership and engagement at an officer leadership level around reputational and operational issues such as the Bus Strategy Delivery Project and the ITA Levy, while officers from the ITA are supporting the work of the NELEP as part of the Independent Economic Review led by Lord Adonis.

The actions to reduce this risk have been amended to reflect the fact that the audit of existing structures to ensure the ITA continues to set the strategic direction for Tyne and Wear transport through LTP3 delivery has taken place, as part of the ITA’s internal audit plan. The timeline has been altered to reflect the actions identified as being required to address some weaknesses identified – which will be taken to the



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ITA for consideration at their Annual General Meeting. These actions include a clarified officer reporting structure with revised roles and responsibilities to take into account changes to officer resource and successful funding bids for new projects. The refresh of the ITA Policy Statement has been delayed to coincide with the first LTP3 'Delivery Period of 2011-14 coming to an end. The language around the 'Local Transport Body' has been altered to outline the 'guidance' rather than proposals in a consultation.

4.1.2 Risk Reference 2 – Equalities issues

This risk has been modified solely to outline that changes have been made (overseen by the ITA's Equality and Diversity Working Group) to incorporate and address necessary changes to the business of the ITA and the delivery of its objectives following the Equalities Act 2010 legislation. The target for this risk has been re-profiled to more accurately portray achievable risk scores. As the impact is unlikely to go below medium, the target would more appropriately be Green 6 (Low likelihood, Medium impact) than Green 4 (Low impact).

4.1.3 Risk Reference 3 – Reputational and financial opportunities and threats associated with the Bus Strategy Delivery Project

The risk manager for Nexus has been altered to better reflect the governance of the project. The review of governance of the project overseen by the ITA Clerk has been maintained as an action but deferred given the current timescales for the BSDP and its potential inclusion within wider governance reviews. The ITA Clerk and Director General of Nexus have maintained regular meetings with the bus companies. The risk score and target have not been changed.

4.2 Economic section

4.2.1 Risk Reference 4 – Metro Reinvigoration

The control mechanisms have been updated to reflect the successful receipt of full funding for the next three years of the programme. This outlines that the current delivery is progressing well and the likelihood of this risk has therefore been reduced from medium to low – achieving the current target.

4.2.2 Risk Reference 5 – New Tyne Crossing

This risk has been split into two sections: 5A, the ongoing risks associated with the New Tyne Crossing Project to deliver the new vehicle tunnel and refurbished existing tunnel and 5B, focusing on risks in relation to the Tyne Pedestrian and



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Cycle Tunnel refurbishment project. This risk register shows a concise summary, with all NTC related risks being monitored and managed in detail through the NTC Project Board and ITA Tyne Tunnels Working Group.

On 5A, the nature of the risks in relation to the New Tyne Crossing project have now changed following final completion and the successful delivery of the construction project. The focus now shifts to ongoing contract management and the financial risks around the operation of the tunnels going forward, and the revised risk register reflects this. The key action coming up is the setting of the Concession Toll in August 2013. It is crucial that this is set at the appropriate level (planned to be £1.60) since once set it can only be varied by RPI.

5B summarises identified risks in relation to the refurbishment of the Tyne Pedestrian and Cycle Tunnel. The main works on the £6m refurbishment project are now scheduled to take place in 2013/14, with full closure of the Tunnels for up to 12 months.

4.2.3 Risk Reference 6 – Opportunities presented by NESTI

The control mechanisms associated with this risk have been changed to reflect the inclusion of the wider governance of this initiative by the Association of North East Councils (ANEC). The actions associated with mitigating this risk have been altered to incorporate the pilot programmes underway and opportunity for partners to make additional suggestions for uses. Further, the importance of ensuring the NESTI programme is considered as part of the North East's Independent Economic Review has been highlighted with a specified action to ensure this is the case. The risk profile and target has not changed despite the delivery of mitigating actions.

4.3 Financial and commercial section

4.3.1 Risk Reference 7 – Reduction in public sector finance

This risk has been increased from a Medium to High likelihood, as the grant settlement announcements for Local Government in December 2012 indicated a further cut to funding for Concessionary Travel. Tyne and Wear was already significantly underfunded in relation to the costs of the statutory scheme, and the position has been worsened by a cut of 10% in the control total in 2014/15, on top of a 13% cut by 2013/14. It had been hoped that some of the underfunding could have been addressed through a review of the formula used for allocation of the national funding total, but this has not proved to be the case.

The bid for Better Bus Area funding referred to in the previous update was successful, with the ITA being awarded £5m in revenue and capital funding for the



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period to 31 March 2014. The large business case submission for £16m (to complement a proposed £9m local contribution) was unsuccessful, but the ITA was awarded £5m from a revised bid in September 2012.

Reference to the “representations made to DfT for support for Tyne Tunnel to achieve equitable treatment with other key river crossings such as Humber Bridge and Mersey Gateway to allow tolls to be capped at £1.50” has been removed from the updated risk register. Approaches were made to civil servants and ministers but were rejected.

4.3.2 Risk Reference 8 – Pressure on Levy from Tyne & Wear Districts

This risk has been increased from a Medium to High likelihood, as a result of the significant pressures on Council budgets in Tyne and Wear, which has increased pressures to reduce the levy. The Medium Term Financial Strategy period for 2011/12 to 2013/14 is now coming to a close, and a firm position has not yet been agreed for 2014/15 and beyond.

The action around exploration of options for potential alternative distribution of the levy between Tyne and Wear Districts, as requested by one of the Districts, has been removed. This was examined in conjunction with the ITA’s legal advisors and found not to be feasible given the statutory basis of the ITA levy allocation calculation. However, work is ongoing between Nexus and the Districts to demonstrate how value for money is achieved from the levy paid.

4.4 Management section

4.4.1 Risk Reference 9 – Ineffective performance management

This risk has been changed to ensure the audit referenced in risk 1 is cross referenced and to outline appropriate additional governance reviews – including the Review of Nexus. The target date for ITA resource planning has been extended to July 2014 to more accurately align with the outputs of the aforementioned governance reviews and the implementation of the actions associated with the audit. There has been no change to the risk profile and target.

4.4.2 Risk Reference 10 – Scrutiny processes

This risk has reduced in likelihood following a review of the scrutiny forward plan, more closely aligning the work programme with the outputs of the ITA and its constituent authorities.



Tyne and Wear ITA Strategic Risk Register – March 2013

Purpose - To enable all risks and opportunities to be recorded, evaluated and further actions planned in order to inform resource management and budget allocation.

Identification		Analysis				Control measures						
Ref	Opportunity / Risk description	Owner	Manager	Control mechanisms	Likelihood	Impact	Risk priority	Target risk priority	Actions to reduce risk	Target deadline	Action manager	
Strategic												
1	<p>The importance of ITA policies providing partners with a clear strategic direction while also being integrated in any new governance arrangements for transport delivery.</p> <p>In order to do so the ITA must ensure its policies (wherever possible) consider emerging government policies and consultations across various themes, to include:</p> <ul style="list-style-type: none"> - different modes of transport, - wider geographical areas, - integration with wider policy areas such as the economy, health and wellbeing, climate change and skills. 	ITA Clerk	ITA Policy	<p>Effective governance and reporting mechanisms to ensure officers are aware of (and inform Members of) opportunities and risks across different geographical areas that have the potential to impact on the delivery of Tyne and Wear ITA's core aims and objectives – including links to the newly established North East Local Enterprise Partnership (NELEP) and emerging governance at a north east (Tyne and Wear + Durham and Northumberland) level.</p> <p>Regular ITA Policy seminars bring together the Members of ITA with a number of Officers to discuss future and emerging policy changes / consultations. An 'Induction' away day takes place for all members in the month following the Annual General Meeting.</p> <p>Bi-annual 'General Policy Update' papers outlining relevant emerging / confirmed policies / consultations across various modes and geographic areas.</p> <p>Strengthened dialogue between Tyne and Wear Leadership Group and ITA facilitated by the ITA Clerk leading on senior / director level discussions.</p> <p>Clerk of the ITA leading on engagement with the NELEP.</p> <p>ITA working-groups (LTP, Bus Strategy, E&D, Metro).</p> <p>ITA leading on High Speed Rail and</p>	Med	Med	Amber (9)	Green (6)	<p>Audit of existing structures to ensure ITA continues to set the strategic direction for Tyne and Wear transport through LTP3 delivery – for example, all officer working groups to have new terms of reference and clarified structures for implementation following ITA approval in May 2013.</p> <p>Clerk of the ITA to take lead in continuing effective engagement with Local Enterprise Partnership and LTP partners (through meetings, forums and workshops/events).</p> <p>Monitor emerging developments around regional/local transport policy, governance and investment planning.</p> <p>Continue to review and refresh ITA Policy statement to reflect new roles defined by Local Transport Act and set new strategic direction (via new vision and objectives) and coincide with the end of the first LTP3 Delivery Period.</p> <p>Ensure ITA takes a role in the new 'Local Transport Body' as recommended in the guidance on major scheme devolution.</p> <p>Representation on wider bodies for promotion and implementation of transport policies and lobbying: including, but not exclusively, Core Cities and the Eastern Network Partnership (rail).</p>	<p>May 2013</p> <p>Ongoing</p> <p>Ongoing</p> <p>March 2014</p> <p>Ongoing</p> <p>Ongoing</p>	<p>ITA Policy</p> <p>ITA Policy</p> <p>ITA Policy</p> <p>ITA Policy</p> <p>ITA Policy</p> <p>ITA Policy</p>	



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				<p>classic rail network on behalf of LTP partners, in liaison with wider geographic area such as NELEP. Co-ordinated discussion between Leadership and Govt. through all means, including Core Cities, PTEG, etc</p>							
2	<p>Equalities issues not fully considered in policy formulation and other activities of the ITA, resulting in potential reputational damage, legal challenge and/or failure to deliver ITA vision and objectives.</p>	<p>ITA Deputy Clerk</p>	<p>ITA Policy Nexus Director of Customer Service</p>	<p>Existing equalities Codes of Nexus and Metro. Complaints System. No claims successfully lodged. Establishment of Equalities and Diversity ITA Working Group. Revision of website to ensure easier access in line with best standards. Implemented necessary changes following a review of the implications of the Equality Act 2010.</p>	<p>Low</p>	<p>Med</p>	<p>Green (6)</p>	<p>Green (6)</p>	<p>Equalities assessments for ITA and Nexus Policy and Strategies: <ul style="list-style-type: none"> ITA Policies and objectives Nexus Strategies Review of ITA / Nexus Equalities Scheme(s) Continue to monitor changes to equalities obligations as outlined in Equalities Act 2010 – this involved the ITA adopting an existing PTE (Nexus) responsibility.</p>	<p>Ongoing Ongoing</p>	<p>ITA Policy Nexus Head of Customer Service ITA Policy and Nexus lead on equalities</p>
3	<p>Reputational and financial opportunities and threats associated with 'Delivering the Bus Strategy' project.</p>	<p>ITA Clerk Nexus Director General</p>	<p>ITA Policy Nexus Director of Customer Service Local authorities</p>	<p>Individual risk register has been created for this project held by Nexus and overseen by their Executive Board. Detail of relationship is handled by Nexus through regular meetings with Bus Operators. Bi-lateral meetings between operators and districts occur periodically. Ongoing dialogue with other PTEs and ITAs (through PTEG, ITA etc). ITA Bus Strategy Working Group established. ITA Clerk holds regular meetings with bus operators.</p>	<p>Med</p>	<p>High</p>	<p>Red (12)</p>	<p>Amber (9)</p>	<p>Ensure risk registers for this project are kept updated and acted upon to maximise the opportunities presented by this work and mitigate against the potential threats. Review governance of project with ITA overseeing this review.</p>	<p>Ongoing Deferred</p>	<p>Nexus Director of Customer Service ITA Policy</p>



Economic										
4	Project: Metro Reinvigoration Failure to provide effective challenge and governance to the Metro Reinvigoration Project.	ITA Clerk Nexus Director General	ITA Deputy Clerk Nexus Director of Rail and Infrastructure	Governance process approved within Outline Business Case is being followed. Ongoing dialogue with DfT Phase 1 and 2 approval received (including the approval of the full amount for the next three years of funding for the programme) Expansion of capital programme reporting to illustrate key performance / project milestones to the ITA and ITA Scrutiny Committee Regular reports by Nexus to the ITA on Metro reinvigoration activity	Low	Med	Green (6)	Green (6)	Phase 2 ongoing. Regular reviews of programme to ensure best value for money for passengers. Regular updates at Policy Seminars and ITA Metro sub-committees	Phase 2 – 2010 - 2021 Nexus Director of Rail and Infrastructure ITA Policy
5A 5B 5C 5D 5E 5F 5G 5H 5I 5J 5K 5L 5M 5N 5O 5P 5Q 5R 5S 5T 5U 5V 5W 5X 5Y 5Z 5AA 5AB 5AC 5AD 5AE 5AF 5AG 5AH 5AI 5AJ 5AK 5AL 5AM 5AN 5AO 5AP 5AQ 5AR 5AS 5AT 5AU 5AV 5AW 5AX 5AY 5AZ 5BA 5BB 5BC 5BD 5BE 5BF 5BG 5BH 5BI 5BJ 5BK 5BL 5BM 5BN 5BO 5BP 5BQ 5BR 5BS 5BT 5BU 5BV 5BW 5BX 5BY 5BZ 5CA 5CB 5CC 5CD 5CE 5CF 5CG 5CH 5CI 5CJ 5CK 5CL 5CM 5CN 5CO 5CP 5CQ 5CR 5CS 5CT 5CU 5CV 5CW 5CX 5CY 5CZ 5DA 5DB 5DC 5DD 5DE 5DF 5DG 5DH 5DI 5DJ 5DK 5DL 5DM 5DN 5DO 5DP 5DQ 5DR 5DS 5DT 5DU 5DV 5DW 5DX 5DY 5DZ 5EA 5EB 5EC 5ED 5EE 5EF 5EG 5EH 5EI 5EJ 5EK 5EL 5EM 5EN 5EO 5EP 5EQ 5ER 5ES 5ET 5EU 5EV 5EW 5EX 5EY 5EZ 5FA 5FB 5FC 5FD 5FE 5FF 5FG 5FH 5FI 5FJ 5FK 5FL 5FM 5FN 5FO 5FP 5FQ 5FR 5FS 5FT 5FU 5FV 5FW 5FX 5FY 5FZ 5GA 5GB 5GC 5GD 5GE 5GF 5GG 5GH 5GI 5GJ 5GK 5GL 5GM 5GN 5GO 5GP 5GQ 5GR 5GS 5GT 5GU 5GV 5GW 5GX 5GY 5GZ 5HA 5HB 5HC 5HD 5HE 5HF 5HG 5HH 5HI 5HJ 5HK 5HL 5HM 5HN 5HO 5HP 5HQ 5HR 5HS 5HT 5HU 5HV 5HW 5HX 5HY 5HZ 5IA 5IB 5IC 5ID 5IE 5IF 5IG 5IH 5II 5IJ 5IK 5IL 5IM 5IN 5IO 5IP 5IQ 5IR 5IS 5IT 5IU 5IV 5IW 5IX 5IY 5IZ 5JA 5JB 5JC 5JD 5JE 5JF 5JG 5JH 5JI 5JJ 5JK 5JL 5JM 5JN 5JO 5JP 5JQ 5JR 5JS 5JT 5JU 5JV 5JW 5JX 5JY 5JZ 5KA 5KB 5KC 5KD 5KE 5KF 5KG 5KH 5KI 5KJ 5KK 5KL 5KM 5KN 5KO 5KP 5KQ 5KR 5KS 5KT 5KU 5KV 5KW 5KX 5KY 5KZ 5LA 5LB 5LC 5LD 5LE 5LF 5LG 5LH 5LI 5LJ 5LK 5LL 5LM 5LN 5LO 5LP 5LQ 5LR 5LS 5LT 5LU 5LV 5LW 5LX 5LY 5LZ 5MA 5MB 5MC 5MD 5ME 5MF 5MG 5MH 5MI 5MJ 5MK 5ML 5MN 5MO 5MP 5MQ 5MR 5MS 5MT 5MU 5MV 5MW 5MX 5MY 5MZ 5NA 5NB 5NC 5ND 5NE 5NF 5NG 5NH 5NI 5NJ 5NK 5NL 5NM 5NO 5NP 5NQ 5NR 5NS 5NT 5NU 5NV 5NW 5NX 5NY 5NZ 5OA 5OB 5OC 5OD 5OE 5OF 5OG 5OH 5OI 5OJ 5OK 5OL 5OM 5ON 5OO 5OP 5OQ 5OR 5OS 5OT 5OU 5OV 5OW 5OX 5OY 5OZ 5PA 5PB 5PC 5PD 5PE 5PF 5PG 5PH 5PI 5PJ 5PK 5PL 5PM 5PN 5PO 5PP 5PQ 5PR 5PS 5PT 5PU 5PV 5PW 5PX 5PY 5PZ 5QA 5QB 5QC 5QD 5QE 5QF 5QG 5QH 5QI 5QJ 5QK 5QL 5QM 5QN 5QO 5QP 5QQ 5QR 5QS 5QT 5QU 5QV 5QW 5QX 5QY 5QZ 5RA 5RB 5RC 5RD 5RE 5RF 5RG 5RH 5RI 5RJ 5RK 5RL 5RM 5RN 5RO 5RP 5RQ 5RR 5RS 5RT 5RU 5RV 5RW 5RX 5RY 5RZ 5SA 5SB 5SC 5SD 5SE 5SF 5SG 5SH 5SI 5SJ 5SK 5SL 5SM 5SN 5SO 5SP 5SQ 5SR 5SS 5ST 5SU 5SV 5SW 5SX 5SY 5SZ 5TA 5TB 5TC 5TD 5TE 5TF 5TG 5TH 5TI 5TJ 5TK 5TL 5TM 5TN 5TO 5TP 5TQ 5TR 5TS 5TT 5TU 5TV 5TW 5TX 5TY 5TZ 5UA 5UB 5UC 5UD 5UE 5UF 5UG 5UH 5UI 5UJ 5UK 5UL 5UM 5UN 5UO 5UP 5UQ 5UR 5US 5UT 5UU 5UV 5UW 5UX 5UY 5UZ 5VA 5VB 5VC 5VD 5VE 5VF 5VG 5VH 5VI 5VJ 5VK 5VL 5VM 5VN 5VO 5VP 5VQ 5VR 5VS 5VT 5VU 5VV 5VW 5VX 5VY 5VZ 5WA 5WB 5WC 5WD 5WE 5WF 5WG 5WH 5WI 5WJ 5WK 5WL 5WM 5WN 5WO 5WP 5WQ 5WR 5WS 5WT 5WU 5WV 5WW 5WX 5WY 5WZ 5XA 5XB 5XC 5XD 5XE 5XF 5XG 5XH 5XI 5XJ 5XK 5XL 5XM 5XN 5XO 5XP 5XQ 5XR 5XS 5XT 5XU 5XV 5XW 5XX 5XY 5XZ 5YA 5YB 5YC 5YD 5YE 5YF 5YG 5YH 5YI 5YJ 5YK 5YL 5YM 5YN 5YO 5YP 5YQ 5YR 5YS 5YT 5YU 5YV 5YW 5YX 5YY 5YZ 5ZA 5ZB 5ZC 5ZD 5ZE 5ZF 5ZG 5ZH 5ZI 5ZJ 5ZK 5ZL 5ZM 5ZN 5ZO 5ZP 5ZQ 5ZR 5ZS 5ZT 5ZU 5ZV 5ZW 5ZX 5ZY 5ZZ	Project: New Tyne Crossing Impacts of NTC construction that could result in damage to community relations and reputation damage to the ITA / risk of not associating the reputational benefits from delivery to the ITA. Concession Toll set at incorrect level resulting in future financial shortfalls.	NTC Project Director	NTC Project Manager	Full Risk Assessment completed of all key phases of project – influenced negotiations of terms (regular reporting to NTC Project Board and ITA as required) Dedicated NTC Project Manager and Project Director as part of Project Governance, based onsite. Project Agreement protects ITA from financial liability for late delivery. Long-term financial model reviewed during 2011/12 with professional advisers. Payment mechanism such that risk of traffic reductions largely falls on TT2 rather than TWITA. Significant reserves built up during construction phase (c.£30m).	Low	Med	Green (6)	Green (6)	Construction phase of New Tyne Crossing programme has been delivered. Formal setting of the concession toll required (with effect from 1 January 2014) Ongoing monitoring of water ingress – review after one year	Ongoing – legacy August 2013 Dec 2013 ITA Policy NTC Project Director ITA Treasurer and NTC Project Director
5B	Project: Tyne Pedestrian and Cycle Tunnel refurbishment Risk of impact of renovation works and tunnel closure on users – failure to meet ITA objective to grow TPCT	NTC Project Director	NTC Project Manager	Full Risk Assessment of project completed, regular reporting to NTC Project Board, ITA Tyne Tunnels Working Group and ITA. NTC Project Director leading. Ongoing involvement of PR support and successful community	Low	Med	Green (6)	Green (6)	Regular monitoring of project costs to ensure does not exceed budget provision Formal communication of temporary tunnel closure to key stakeholder and users	July 2013 and quarterly thereafter March 2013 ITA Accountant and NTC Project Director NTC Project Director



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usage							engagement as used during NTC construction					Ongoing monitoring of shuttle bus and taxi provision	Review Dec 2013	NTC Project Director
Risk of overspend against allocated project budget							Shuttle bus provision to maintain link, taxi provision for night-time shift workers							
6	Risk of missing the opportunities presented by regional Smart Ticketing initiative (NESTI) to deliver ITA policy objectives around transport goals such as modal shift and network integration – and wider applications.	ITA Clerk Nexus Director General	ITA Policy Nexus Director of Finance and Resources	Update to ITA members at ITA Policy Seminar Regular updates at ITA meetings Funding secured from local authority partners and continued updates and liaison with wider partners as part of Association of North East Councils (ANEC) governance Collaboration Agreement confirmed and governance (overseen by ITA) found to be 'good'.	Med	Med		Amber (9)	Green (6)			Continue to deliver North East Smart Ticketing Initiative (NESTI) in partnership with Local Authorities, operators and other stakeholders. Undertake pilot programmes to illustrate potential benefits from wider use of NESTI outputs and enable partners to come forward with additional uses. Ensure NESTI is considered as part of the Independent Economic Review	Ongoing (review progress in November 2013) Ongoing May 2013	ITA Policy Nexus Director of Finance and Resources Nexus ITA Policy
Financial and commercial														
7	Reduction in public sector finance to include: Future public spending restrictions by Central Government, impacting on key ITA projects and ability to deliver policy objectives. Insufficient funding for Concessionary Fares resulting in restricted ITA ability to fund other transport services, reduction in some services and adverse publicity.	ITA Clerk Nexus Director General	ITA Treasurer Nexus Director of Finance and Resources	Funding secured for Metro Reinvigoration Phase 2. Earmarked reserves held to fund Tyne Tunnels and Metro Reinvigoration work. Construction phase of NTC project now complete. Budget agreed for TPCT refurbishment works and built into NTC financial model £10m funding secured for NESTI project to deliver Smart Ticketing across the North East. Successful bid for LSTF funding for key components package - £4.9m DfT funding and £5.9m Local Contributions. Further successful revised bid for the Go Smarter to Work programme £5m. Effective Capital programme	High	High		Red (16)	Amber (8)			Continue to champion business case for Tyne and Wear schemes through member and officer structures. Continue to lobby & influence Department for Transport and other Government Departments on issues of Tyne and Wear transport challenges and opportunities, local transport funding and other funding mechanisms/opportunities. Develop evidence outlining the wider economic costs to Tyne and Wear of not delivering priority major schemes. Deliver improvements to Tyne Pedestrian and Cycle Tunnels (inclined lift and other improvements) within allocated budget (see 5B) Tyne Tunnels setting of Concession toll – analysis/modelling to ensure toll set at appropriate level to enable Tunnels to	Ongoing – review Dec 2013 Ongoing – review Dec 2013 Ongoing – review Dec 2013 Major Works now scheduled to be delivered in 2013/14 August 2013	ITA Clerk, Nexus DG ITA Clerk, Nexus DG ITA Treasurer, Nexus Director of Finance NTC Project Director NTC Project Director and ITA Treasurer



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						monitoring to ensure schemes are delivered on budget and provide demonstrable value for money. Nexus FD involved in PTEG Working Groups						be self-financing over the life of the TT2 contract and beyond (see 5A). Lobbying Government in relation to the funding gap on the Statutory Concessionary Travel Scheme.	June 2013	ITA Acting Clerk, Nexus Director General
8	Pressure on Levy from Tyne & Wear Districts Pressures on Tyne and Wear Districts' budgets leading to severe reductions in levy awarded to ITA.	ITA Treasurer	ITA Treasurer	High	Med	<p>Agreed three year strategy for 2011/12-2013/14 with all Tyne & Wear Districts. This provides for a 5% reduction 2011/12, further 5% in 2012/13 and cash freeze 2013/14.</p> <p>Strategy includes use of ITA and Nexus unearmarked reserves – maintaining prudent minimum level.</p> <p>Strategy allows for development of more sustainable savings over the longer term through Quality Partnerships or Quality Contracts scheme</p> <p>Significant efficiency savings delivered on both ITA and Nexus budgets in recent years.</p> <p>Pension costs (significant for ITA and Nexus budget) fixed until 2013/14 under 2010 triennial valuation</p> <p>ITA Budget reviewed and strategy agreed with Tyne & Wear Treasurers, Chief Executives and Leaders Groups.</p>				Red (12)	Amber (8)	<p>Agree MTFS for 2014/15 and beyond taking into account results of Bus Strategy Delivery Project.</p> <p>Explore further efficiency savings in ITA and Nexus budgets, e.g. overall model of support to ITA, this will be incorporated into appropriate governance reviews.</p> <p>Work on loans portfolio to take advantage of low rates and reduce financing costs. Consider investments portfolio to maximise interest income.</p>	Sep 2013 Sep 2013 Sep 2013	ITA Treasurer, Nexus DoFR ITA Treasurer, Nexus DoFR ITA Treasurer
Management														
9	Ineffective Performance Management leading to ineffective decision making and inappropriate use of resources.	ITA Clerk	ITA Policy	Low	Med	<p>Local Transport Plan and annual progress reports align policies and targets.</p> <p>Nexus Business Intelligence Annual Report of public transport and socio-economic trends</p> <p>Monitoring of LTP2 performance indicators.</p> <p>Outcomes of audit outlined as action</p>				Green (6)	Green (4)	<p>Resource planning to ensure the best delivery of ITA Policy.</p> <p>Complete audit of performance management and introduce actions associated with delivering improvements</p>	June 2013 May 2013	ITA Policy ITA Policy



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10	Opportunity to further develop processes and arrangements for scrutiny to ensure that the ITA remains democratically accountable and transparent, and that the best possible outcomes are delivered for Tyne and Wear.	ITA Clerk	NCC Head of Democratic Services	in risk 1 a control mechanism to guard against ineffective performance management.	Med	Med	Green (6)	Green (4)	Review scrutiny forward programme in parallel with ITA forward programme to ensure relevant items and issues are considered by scrutiny committee, and that value is added to the ITA process.	May 2012	ITA Policy
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ITA STRATEGIC RISK AND OPPORTUNITY MATRIX

Likelihood	Impact			
	Nil	Low	Medium	High
High			<ul style="list-style-type: none"> Pressure on Levy from Tyne & Wear Districts 	<ul style="list-style-type: none"> Reduction in public sector finance including future public spending restrictions and insufficient funding for Concessionary Fares
Medium			<ul style="list-style-type: none"> ITA policies providing partners with a clear strategic direction while also being integrated in any new governance arrangements for transport delivery Opportunities presented by regional Smart Ticketing initiative (NESTI) Opportunity to further develop process and arrangements for scrutiny. 	<ul style="list-style-type: none"> Reputational and financial opportunities and threats associated with 'Delivering the Bus Strategy' project.
Low			<ul style="list-style-type: none"> Equalities issues not fully considered in policy formulation and other activities Failure to provide effective challenge and governance to the Metro Re-invigoration Project Impacts of NTC construction Tyne Pedestrian and Cycle Tunnel construction Ineffective Performance Management 	
Nil				

Likelihood	Impact			
	Nil	Low	Medium	High
High	4	8	12	16
Medium	3	6	9	12
Low	2	4	6	8
Nil	1	2	3	4

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INFORMATION

DATE: 28th March 2013

SUBJECT: Bus patronage trends in Tyne and Wear

REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To summarise the trends seen in bus patronage using a variety of data sources

RECOMMENDATIONS

To note the content of the report

BACKGROUND DOCUMENTS

Public Service Vehicle Survey (Department for Transport)

Derived from annual returns made to DfT by a sample of holders of PSV operators' licences ('the PSV survey'). This survey provides information on passenger journeys, vehicle miles, passenger receipts and operating costs.

UK Census (Office for National Statistics)

National Travel Survey (Office for National Statistics)

NTS data is collected via two main sources including each household member being asked to record details of all their trips over a seven day period in a travel diary

National Public Transport Data Repository

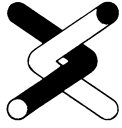
The National Public Transport Data Repository (NPTDR) holds annual snapshots of public transport route and timetable information (for one week in October) including static data such as bus stop locations and is used to produce tables on bus vehicle trips.

CONTACT OFFICERS

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0191 203 3467



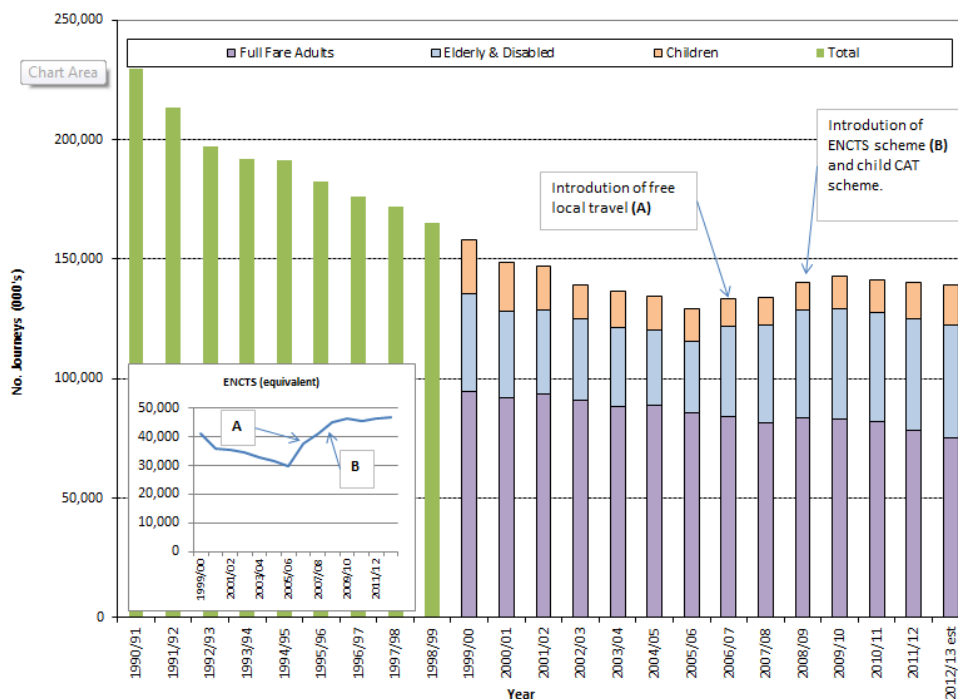
IMPACT ON OBJECTIVES

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

1	Executive Summary
1.1	Nexus have analysed various sources of information to assess trends in bus patronage within Tyne and Wear.
1.2	Nexus records a long term decline in bus patronage within Tyne and Wear, which is supported by a number of external sources.

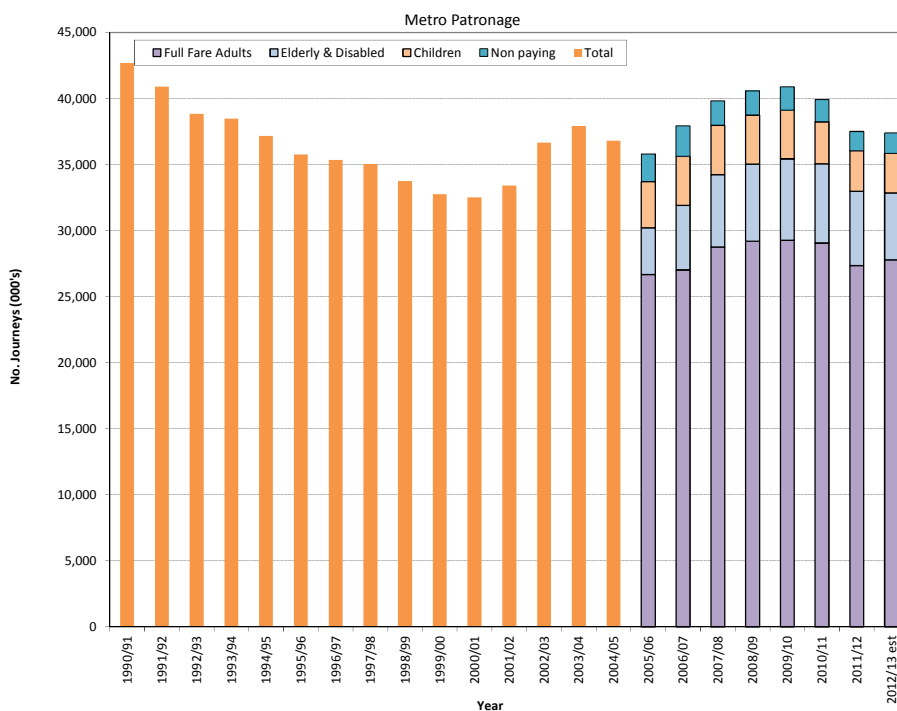
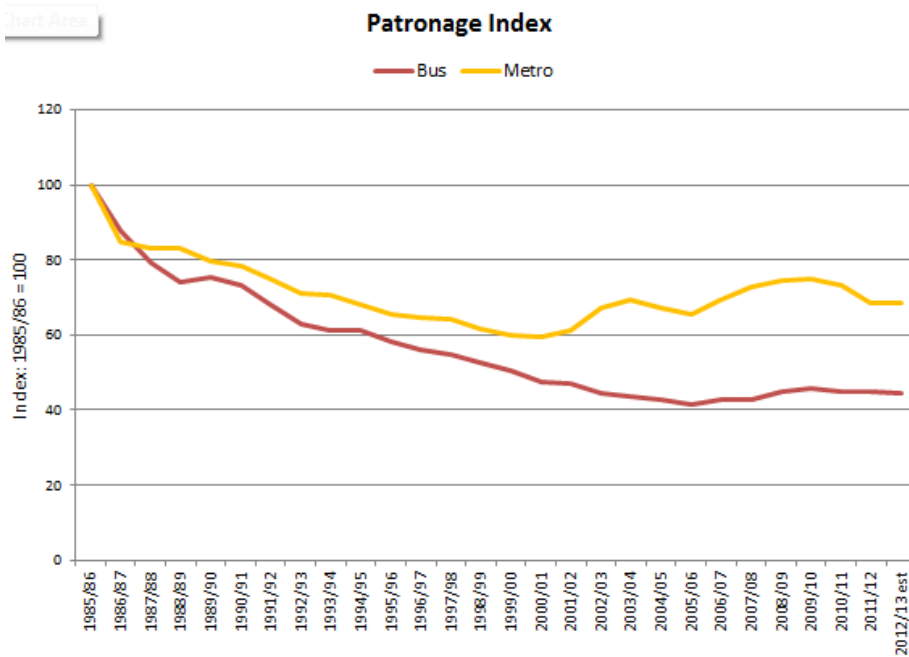
2	Introduction and Background
2.1	Nexus survey passengers on board public transport within Tyne and Wear through the Continuous Monitoring process. The methodology has been in place for over 25 years and is independently audited by the Statistical Department at Southampton University. To provide further reassurance an additional independent audit is being commissioned jointly with bus operators.
2.2	Although based on a sample of all passengers, the annual Tyne and Wear total bus patronage figure measured by the Continuous Monitoring process is accurate to within +/- 1.3% and is considered statistically robust.

2.3 The Nexus figures show a general long term decline in bus patronage. The introduction of the free local bus travel in 2006, and its extension through the English National Concessionary Travel Scheme in 2008 helped to increase overall patronage but this was due to increased ridership among children and the Over 60s & Disabled, fare paying adult patronage continued to decline.





- 2.4 Nexus have recorded year on year decline in adult bus patronage since 2001/02, with a brief exception in 2008/09. Between 2001/02 and 2011/12, adult patronage declined by 16% while total patronage fell by 5% as it was boosted by an increase in ENCTS travel.
- 2.5 Nexus' Continuous Monitoring also provides patronage figures for the Metro. Whilst a decline has also been observed on Metro, this is at a reduced rate compared to bus.





3	External Datasets																		
3.1	A number of external sources measure the provision and performance of local bus services with varying degrees of localism; Tyne and Wear, Regional and Metropolitan Area status.																		
3.2	<i>Public Service Vehicle (PSV) annual return to DfT</i>																		
3.2.1	The Public Service Vehicle (PSV) survey is based on annual returns made to DfT by a sample of holders of PSV operators' licences. This shows a decline in bus journeys between 2009/10 and 2011/12 of 2.3 million within Tyne and Wear. It also represents a decline in the journeys per head of 2.1%. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Area</th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> </tr> </thead> <tbody> <tr> <td>Tyne and Wear (total journeys in millions)</td> <td>129.8</td> <td>129.2</td> <td>127.5</td> </tr> <tr> <td>Tyne and Wear (journeys per head)</td> <td>117.3</td> <td>115.4</td> <td>114.8</td> </tr> </tbody> </table>	Area	2009/10	2010/11	2011/12	Tyne and Wear (total journeys in millions)	129.8	129.2	127.5	Tyne and Wear (journeys per head)	117.3	115.4	114.8						
Area	2009/10	2010/11	2011/12																
Tyne and Wear (total journeys in millions)	129.8	129.2	127.5																
Tyne and Wear (journeys per head)	117.3	115.4	114.8																
3.2.2	Bus vehicle miles in the North East have fallen from 105 million to 90 million between 2004/05 and 2011/12, representing a reduction of 14%. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Miles</th> <th>2004/05</th> <th>05/06</th> <th>06/07</th> <th>07/08</th> <th>08/09</th> <th>09/10</th> <th>10/11</th> <th>11/12</th> </tr> </thead> <tbody> <tr> <td>Millions</td> <td>105</td> <td>101</td> <td>101</td> <td>97</td> <td>93</td> <td>94</td> <td>94</td> <td>90</td> </tr> </tbody> </table>	Miles	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	Millions	105	101	101	97	93	94	94	90
Miles	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12											
Millions	105	101	101	97	93	94	94	90											
3.3.3	The PSV also shows that the number of buses in use within Metropolitan Areas has fallen from 10,500 to 9,700 between 2004/05 and 2011/12, representing a decline of 8%. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Buses</th> <th>2004/05</th> <th>05/06</th> <th>06/07</th> <th>07/08</th> <th>08/09</th> <th>09/10</th> <th>10/11</th> <th>11/12</th> </tr> </thead> <tbody> <tr> <td>Thousands</td> <td>10.5</td> <td>10.6</td> <td>10.7</td> <td>9.8</td> <td>10</td> <td>9.8</td> <td>9.7</td> <td>9.7</td> </tr> </tbody> </table>	Buses	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	Thousands	10.5	10.6	10.7	9.8	10	9.8	9.7	9.7
Buses	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12											
Thousands	10.5	10.6	10.7	9.8	10	9.8	9.7	9.7											
3.3	<i>2011 UK Census</i>																		
3.3.1	The UK Census asks respondents about their mode of travel to work and data is therefore comparable between the 2011 and 2001 editions. While this does not represent total patronage, it serves as a broad indicator of change in usage for commuting purposes. The results show that the proportion of people using bus fell from 18.2% to 15.9% over the ten year period. The proportion driving increased from 59.9% to 63.7%.																		



INFORMATION

Method	2001	2011	Change
Underground, metro, light rail, tram	5.8%	6.7%	13.6%
Train	1.3%	1.3%	0%
Bus, minibus or coach	18.2%	15.9%	-13.4%
Driver in car or van	59.9%	63.7%	5.9%

3.3.2 Rising car ownership is one of the biggest factors in public transport use. Overall, the number of households with a car increased by 14%. The main increase was due to the number of households with multiple cars, which increased by 37%. The total number of cars increased by 21% to just under 440,000.

Indicator	2001	2011	No. Change	% Change
H'holds Without car	193,630	178,193	-15,437	-8%
H'holds One Car	192,217	201,234	9,017	5%
H'holds Multiple Cars	76,977	105,100	28,123	37%
H'holds No. of vehicles	361,469	436,319	74,850	21%

3.3.3 However, the proportion of people using other modes of public transport either increased or stayed constant. The proportion of people travelling to work using the Metro increased from 5.8% in 2001 to 6.7% in 2011, although it should be noted that the 2001 figures were obtained before the Sunderland extension. See table above (3.3.1).

3.3.4 The proportion of people using local train services remained at 1.3%.

3.5 *National Travel Survey*

3.5.1 The National Travel Survey is designed to track long term changes in the number of trips made by modes of transport.

3.5.2 The survey results show that between 2004/05 and 2011/12 the number of trips on bus fell from 84 to 74 per person in the North East.

Annual trips per person	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12
Local Bus	84	87	82	84	84	82	86	74
Other Public	37	31	35	44	40	32	37	37
Car driver	371	381	403	406	405	389	368	381

3.5.3 Trips made on other public transport stands at 37 trips per person in 2011/12, the same as in 2004/05. Trips made as a car driver increased from 371 to 381 trips per person.



3.6 National Public Transport Data Repository (NPTDR)

3.6.1 The National Public Transport Data Repository (NPTDR) in regards to the number of vehicle trips. The NPTDR shows the number of weekly bus trips in Metropolitan Areas fell from 756,000 to 691,000 between 2006 and 2011, representing a decline of 9%.

Weekly Bus Trips	2006	2007	2008	2009	2010	2011
Thousands	756	753	742	711	710	691

4 Comparison of Data

4.1 The data included in this report has been obtained both internally and from a number of external sources. The indicators measured vary between sources, as does the coverage available. The tables below summarises the findings of each source of data.

Between 2009/10 – 2011/12	Findings	Source/Coverage
Total Tyne and Wear journeys	-1.8%	PSV / Tyne and Wear
Total Tyne and Wear journeys per head	-2.1%	PSV / Tyne and Wear
Total Tyne and Wear journeys	-2.0%	Nexus Monitoring / Tyne and Wear

Between 2004/05 – 2011/12	Findings	Source/Coverage
Trips per person on bus	-12%	NTS / North East
Vehicle mileage	-14%	PSV / North East
Number of buses	-8%	PSV / Met Areas
Adult journeys	-11%	Nexus Monitoring / Tyne and Wear
Total Tyne and Wear Journeys	+4%	Nexus Monitoring / Tyne and Wear

Between 2001 – 2011	Findings	Source/Coverage
Users of bus for travel to work	-13%	Census / Tyne and Wear
Adult journeys	-16%	Nexus Monitoring / Tyne and Wear

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1	Background
1.1	Passenger Focus (PF) are an independent public body set up by the Government to protect the interests of England's bus passengers outside London, coach passengers on scheduled domestic services and tram passengers.
1.2	PF developed the Bus Passenger Survey to present a measure of bus passenger satisfaction across the country at PTE or district level and for bus operators within that area. The analysis is particularly relevant to the ITA.
1.3	Passengers rate their satisfaction with a wide range of aspects of their bus journey, as well as their overall satisfaction with that bus journey and their rating of value for money.
1.4	In late 2012, PF undertook a bus passenger survey in 23 transport planning authorities. Surveys took place within Tyne & Wear between September and November 2012.
1.5	PF launched the national results at a conference on 18th March 2013
2	Headline results
2.1	Passenger Focus report that overall bus user satisfaction in the Tyne and Wear area has fallen significantly from 91% in 2011 to 87% in 2012.
2.2	However, Tyne and Wear figures are still higher than the average for all PTEs. Satisfaction for all PTEs has remained static at 84%.
2.3	Satisfaction for fare payers (85%) remains lower than concessionary passengers (92%) and both categories have fallen by around 3% compared to 2011.
2.4	Satisfaction for commuters (83%) remains lower than non-commuting passengers (90%) and both categories have fallen by around 3% compared to 2011.
2.5	Satisfaction with value for money (59%) has fallen significantly by 4% compared to 2011 (63%).
2.6	Overall satisfaction with the bus stop (84%) has increased significantly by 7% compared to 2011 (77%). Similar improvement has been seen in other PTEs, increasing from 72% to 78%.
2.7	Satisfaction with personal safety at the bus stop (80%) has increased significantly by 4% compared to 2011 (76%).
3	Further detail
3.1	The full Passenger Focus report, "BPS 2013 – Tyne and Wear PTE Interim presentation" is attached as an appendix to this report.



REPORT FOR INFORMATION

DATE: 28 March 2013
SUBJECT: Better Bus Area Guidance
REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To inform Members of the issuance by guidance by the Department for Transport (DfT) in relation to those authorities who wish to apply for designation as a Better Bus Area.

RECOMMENDATIONS

That the report be noted.

BACKGROUND DOCUMENTS

Guidance on applying for designation as a Better Bus Area. DfT February 2013.

<https://www.gov.uk/government/publications/bus-service-operators-grant-reform-and-better-bus-areas>

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IMPACT ON OBJECTIVES

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

1 Executive Summary

- 1.1 The DfT has recently published guidance on applying for designation as a Better Bus Area. Authorities who wish to apply must do by 23 June.
- 1.2 The report describes the thinking behind the Better Bus Area (BBA) concept, and the types of measures that the guidance recommends a BBA application could include.

2 Background

- 2.1 The DfT takes the view that the existing system of revenue support for the bus industry is unaffordable and not fit-for-purpose. Bus Service Operators Grant (BSOG) is currently paid to bus operators on a mileage basis per litre of fuel consumed. The DfT suggests that the effectiveness of this subsidy, estimated nationally at around £360m per year, needs to improve, although it acknowledges the role that BSOG plays in keeping fares down and maintaining networks. In response to local authority and PTE requests for greater devolution of BSOG funding, an incremental shift of BSOG resources from operators is proposed in Better Bus Areas that will see local authorities managing the funding to deliver better value for bus passengers and the economy more generally. This is intended to be achieved through the creation of designated Better Bus Areas where bus operators and transport authorities work together to devise a package of measures that will improve the performance of the local bus network and grow the market. If a transport authority chooses to designate BBAs, operators have no power of veto over the decision; equally, BBA proposals must demonstrate support from all operators of commercial services who will be affected by the changes. All operators within the geographical area of a BBA would be affected by its provisions.
- 2.2 In addition to the gradual transfer of BSOG from operators to transport authorities, BBAs will receive top-up funding - for capital spend only – that will increase the level of total bus funding in a designated area.
- 2.3 Bus operators in BBAs face a loss of income through the transfer of BSOG to transport authorities. The DfT estimates that fares could rise by 4% and patronage could decline by 3.6% as a result of these changes, if no other action is taken. The thinking behind the BBA proposal is that by removing factors which prevent efficient bus operation such as congestion, and by introducing new improvements, patronage growth and reduced operating costs will compensate for the loss of BSOG.



- 2.4 The guidance is fairly explicit as to the types of measures that are considered appropriate in order to make the concept work. Schemes which help the local economy, reduce carbon emissions and offer good value for money are sought. These are summarised as measures which attract new passengers from cars, and reduce bus journey times. Whilst revenue support measures such as new concessionary fares schemes and tendered bus services are allowable, the thrust of the guidance focuses on capital measures where spending and subsequent effectiveness can be more easily monitored. The package must demonstrate a benefit to cost ratio at least as high as BSOG currently delivered, which is estimated to be within a range of 2 to 2.8:1, and meet full DfT scheme evaluation criteria.
- 2.5 The types of measures that could meet these criteria are similar to those that are being rolled-out following the 2012 Better Bus Area Fund award to the ITA; improved street infrastructure such as parking restrictions, bus gates, stops and shelters; traffic management and enforcement of bus priority measures; a re-designed bus network in partnership with operators, and improved passenger information and ticketing. Discussions are currently under way with local bus operators and highway authorities to identify a suitable package of measures that could form the basis of a bid to be prepared by Nexus, on behalf of the ITA.
- 2.6 The BBA concept is being piloted in Sheffield. Here a partnership comprising bus operators, Sheffield City Council and South Yorkshire PTE have put forward a package of measures which has been approved by the DfT. Worth around £7 million in additional top-up funding, the BBA plans incorporate bus priority measures, the alleviation of congestion hotspots, greater co-ordination of services and audio-visual displays serving a key cross-city route.
- 2.7 An authority that is considering the introduction of a Quality Contract Scheme within its area can bid for BBA funding if it can demonstrate the same standard of partnership working with bus operators as any other authority. The guidance continues “should partnership working demonstrably fail, then [BBA] top-up funding may be considered for areas pursuing a QCS”. It would also be possible for a BBA to be introduced in one geographical area of an authority, and a QCS within another.
- 2.8 The DfT uses a means of transport appraisal called WebTAG (this is the transport equivalent to the Treasury’s ‘Green Book’, it outlines how to conduct an appraisal appropriate for transport schemes). The DfT are currently consulting on changes to WebTAG transport appraisal guidance. New guidance explains how bus ‘quality



factors' such as audio announcements, CCTV, real-time passenger information, bus shelters and low-floor vehicles can be incorporated into modelling and thus allocate benefits to these investments. The consultation runs to 'at least' 17 May but there may be opportunities to use the outline of these changes within the consultation to support the argument for any proposed investment through a BBA bid.

3 Next Steps

- 3.1 The North East Bus Operators Association has indicated in principle its willingness to work in partnership with Nexus to investigate the potential for a BBA bid in the Tyne and Wear area. Progress will be reported to a future meeting.

4 Potential impact on objectives

- 4.1 Funding of a BBA bid for Tyne and Wear will contribute positively towards wider ITA objectives.



REPORT FOR INFORMATION

DATE: 28th March 2013

SUBJECT: Metro Smart Ticketing - update

REPORT OF: Director General of Nexus

PURPOSE OF REPORT

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

RECOMMENDATIONS

The ITA is recommended to note the delivery programme set out in this paper.

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IMPACT ON OBJECTIVES

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

1 Executive Summary

1.1 The installation of new Ticket Machines, platform validators and Gatelines on Metro stations is now nearing completion. Progress is now well advanced in the conversion of Metro customers to Smartcards, with over 7,000 cards now in circulation

1.2 The programme to introduce smart ticketing on the Tyne and Wear Metro is as follows:

April 2013	Gold Card customers will no longer be issued with a paper ticket; an electronic Smart ticket will be loaded onto their English National Concessionary Travel Scheme (ENCTS) pass
From May 2013	MetroSaver customers who hold a POP card will be able to renew their season tickets at Station Ticket Machines
Progressively, from June through to September 2013	<p>MetroSaver customers will be able to buy their tickets in new ways:</p> <ul style="list-style-type: none"> – At PayZone Agents (newsagents etc); – Via the internet, with the electronic ticket being loaded onto their POP card when they next visit a Metro Station
Provisionally from September 2013	<p>The introduction of Oyster-style “Pay As You Go” travel on Metro, with a maximum daily price cap and the “Get You Home Guarantee”</p> <p>All Smartcard holders (Pop Cards and Gold Cards) will be required to “Touch-in” and “Touch-out” when using Metro</p> <p>Automatic Ticket Gates routinely in operation at 11 Metro stations across the network</p>



2	Introduction and Background
2.1	Through the Ticketing and Gating Scheme, Nexus is in the process of introducing 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 will also see Automatic Ticket Gates installed 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 delivery programme through a transition period to the full introduction of smart ticketing on Metro.
3	Delivery Programme
3.1	Progress to date <p>The physical works required on stations is now largely complete, with only 12 Ticket Machines left to be installed on 4 stations and the gateline to be installed at South Shields¹. Two further stations – Byker and Chichester - will be gated later in the year.</p> <p>Software for the gatelines and validators, together with updated software for the Ticket Machines is currently in the final stages of testing prior to the commencement of rollout next month.</p> <p>Over 7,000 MetroSaver customers have been issued with their POP branded Smartcards. Additionally, Students at Newcastle University are able to load their Student ticket onto their University ID/Smartcard</p> <p>Together with sales from Ticket Machines, this means that over half of passengers are already carrying “gate enabled” tickets. This proportion will rise sharply as Gold Card customers transition to Smart and the start of production of gate enabled tickets for Network One customers, which will allow the start of the operation of the new gates.</p>

¹ Figures as at 18 March 2013



3.2 **April 2013** – Gold Card goes Smart

A software upgrade has now been installed on the new Ticket Office Machines at Travelshops which enables the Gold Card to be sold as a Smart product. Customers will no longer be issued with a paper ticket; an electronic ticket will be encoded onto their ENCTS card which will be able to be read by the new Ticket Gates, Validators and by Metro Revenue Protection staff.

3.3 **Starting May 2013** – MetroSaver season tickets can be renewed at Ticket Machines

Throughout April, additional functionality will be introduced into the new Ticket Machines. This will allow:

- Smartcard customers to renew their tickets (MetroSavers, Gold Cards, Students & 16-18) at a Ticket Machine, rather than having to queue up at a Travelshop
- The ability to use contactless credit/debit cards (“PayWave”) at Ticket Machines, thereby significantly shortening the time it takes to buy a ticket.

Software will also be installed on the gatelines and the validators, which will then be “powered up” and tested. Training of Metro Revenue Control staff in the operation of gates will commence, with gates being closed initially during off-peak periods at quieter stations.

May will also see the commencement of an extensive period of trials for the new “Pay as You go” product, to ensure that, when launched, there are no errors in the way fares are deducted from the value held on the Smartcard. These trials will involve a team of sixth form pupils at Charles Thorp Comprehensive School (whose school Access control card can also act as a transport smartcard), along with other groups.

An “App” for certain types of mobile phone will be made available to the public to allow them to read the contents of their smartcard (for example, to check the expiry date of their MetroSaver ticket). The same app will also be used by Revenue Control staff to check ticket validity

3.4 **June to September 2013** – new ways of buying Metro Tickets

Throughout the Summer, MetroSaver customers will be able to buy their tickets

- At PayZone Agents (newsagents etc);
- Via the internet, with the electronic ticket being loaded onto their POP card when they next visit a Metro Station



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Nexus is also currently developing a solution to allow customers to purchase online and load the electronic ticket onto their smartcard at home, using their own “POP Pad”. This will be the first time this technology is used in this way and so, although it is hoped that this can be introduced by September, it may be later in the year before it is widely available.

By this stage, all Nexus season tickets will have been migrated to smart. The majority of Network One tickets will now also be being issued as Gate Enabled tickets.

As training of DBTW staff progresses and the proportion of customers carrying “gate enabled” tickets progresses, gates will be closed at busier stations and at busier times

3.5 **Provisionally September 2013** – The introduction of Oyster-style “Pay As You Go” travel on Metro

Dependent upon the successful trialling throughout the summer, September will see the launch of the Pay As You Go product. 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 ‘price cap’ to ensure that no more than the day ticket price is charged for the zones the customer has travelled through. 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. The prices to be charged for using the Pay As You Go card were incorporated into the ITA’s annual pricing review in November 2012.

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. We are currently working with Bus Operators to ensure that this facility can be introduced at the same time but, again, this will be dependent upon the successful trialling of the product through the summer.

At this point, the Automatic Ticket Gates will be activated routinely across the Network. All smartcard customers will be required to ‘touch in’ when entering a Metro station (by touching their smartcard to a reader on a validator or by passing through an Automatic Ticket Gate), and ‘touch out’ at their destination station. Widespread customer communications will be put into place to explain the process.



3.6	<p>From 2014</p> <p>Later phases of delivery will see a range of further enhancements to way in which customers can purchase tickets, and interact with the smart ticketing system.</p> <p>More information on developments will be provided as detailed designs are made available and delivery dates are confirmed.</p>
3.7	<p>Network One tickets</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. Network One are currently developing a strategy that will see its own product range go Smart over the next 12 months.</p>
4	<p>Next Steps</p>
	<p>Over the coming months the ITA will continue to receive regular updates regarding the progress against the delivery plan and the number of Pop cards issued during the upcoming transition period.</p>
5	<p>Potential impact on objectives</p>
	<p>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.</p>
	<p>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.</p>

1 Executive Summary

- 1.1 This report outlines the arrangements in place to allow the North East Local Transport Body (NELTB) to prioritise a programme of local major schemes for delivery in 2015 – 19. It describes the support structures that are in place, progress towards assessing the schemes that have been submitted by promoters and the role of the NELTB going forward.

2 Introduction and Background

- 2.1 Members will recall that Department for Transport (DfT) required the area to convene a Local Transport Body (LTB) and to develop an 'Assurance Framework' in order to receive devolved major scheme funding (projected to be £46.7m) for the period 2015 – 19.
- 2.2 It has been agreed that the LTB will cover the administrative area of the North East Local Enterprise Partnership (NELEP), which comprises Durham and Northumberland counties and the metropolitan area of Tyne and Wear. It has also been agreed that the North East Local Transport Body (NELTB) will consist of eight voting members (the 7 local authorities plus the ITA) and one non-voting member (the NELEP). The DfT has requested that the NELTB submit a prioritised programme of local major schemes to them by the end of July 2013.
- 2.3 The NELTB's Assurance Framework, which describes how the group will operate, has now been submitted to the DfT for consideration. The Department have undertaken to sign-off Assurance Frameworks within two months, subject to their meeting DfT's minimum requirements. Once the NELTB's Assurance Framework has been ratified the NELTB will be in a position to meet formally. At the direction of the DfT, all LTB meetings must be held in public.

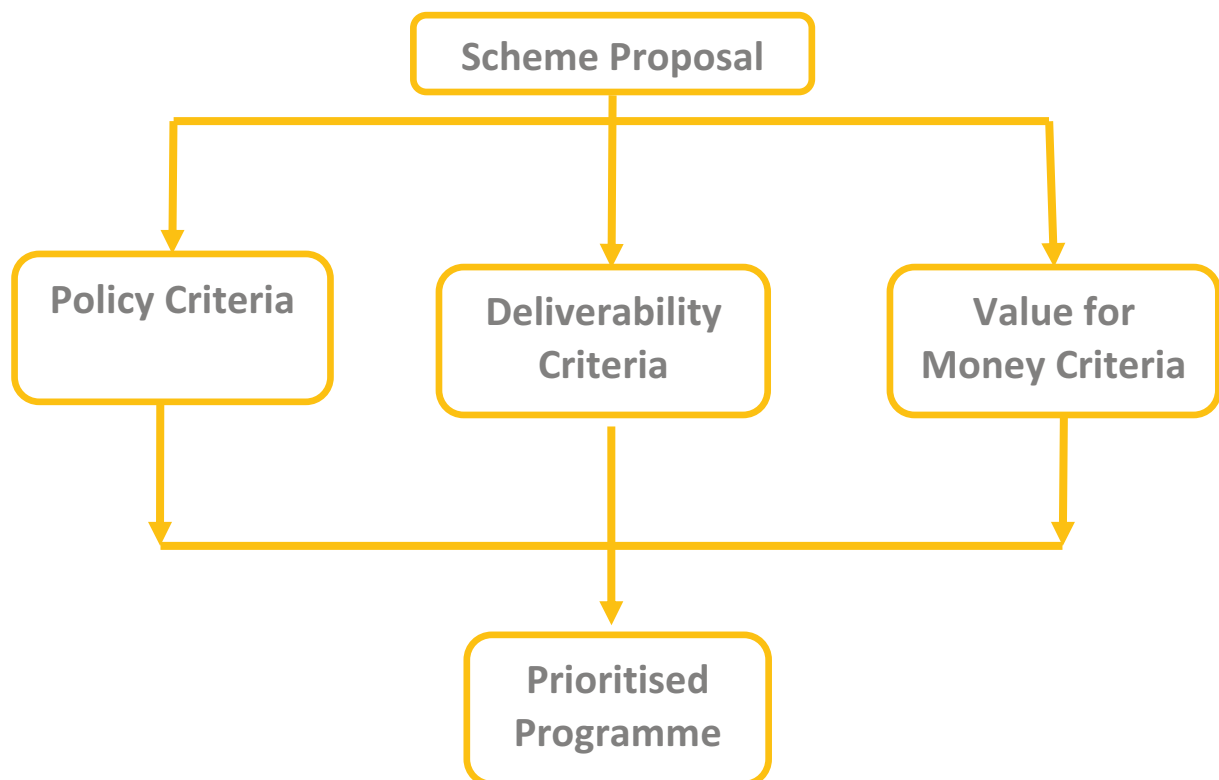
3 Progress to date

- 3.1 In order to assist the NELTB, the Senior Officers' Transport Advisory Group (SOTAG) has been co-ordinating the development of a list of potential schemes for the NELTB to consider. From an initial 'long-list' of 53 potential schemes, 21 are being actively developed by scheme promoters; these have a total cost of approximately 4 times the available budget and so some prioritisation will be necessary.



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- 3.2 Transport consultants JMP have been appointed by SOTAG to provide an independent assessment of the 21 schemes to aid the NELTB in its decision making process. A prioritisation framework has been developed by JMP in discussion with the SOTAG group. JMP has recently completed a series of face to face meetings with all of the scheme promoters to aid in the production of a series of scheme summaries.
- 3.3 The prioritisation framework provides an assessment of the submitted schemes' contribution to a number of policy criteria (see Annex A). It also provides an independent assessment of how deliverable a scheme is in the 2015 – 19 period, and gives an indication of its predicted value for money in line with the DfT's appraisal methodology.
- 3.4 Guidance has been issued to prospective scheme promoters on the types of evidence which are likely to support the policy criteria adopted, and to guide scheme sponsors in providing evidence on value for money and deliverability. This guidance identifies appropriate and acceptable sources of evidence and data, helping to support data quality and rigour in the summary process.



- 3.5 The prioritisation methodology is an open framework, where all of the evidence inputs can be clearly seen by stakeholders and decision makers. There is no attempt to imply an element of precision in evidence presented where there is none, nor is



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there any attempt within the methodology to combine the three dimensions (policy, value for money and deliverability) to give an overall score for a scheme or intervention. Therefore data gaps are identified, not concealed.

- 3.6 The intention is to provide the NELTB with the necessary information to make an informed decision on their preferred programme of local major schemes.
- 3.7 To assist the NELTB in their decision making process a number of 'themed' programmes will be developed as options to inform debate. These programmes are not intended to be binding. These options could include (for example):
- The package of schemes that is considered to be most deliverable;
 - The package of schemes that levers in the most match funding;
 - The package of schemes that best reflects the balance of policy criteria contained within Annex A.
- 3.8 The themed options will be developed taking in to account the potential for plus or minus 30% funding as the DfT have asked that any final programme of schemes is developed taking this stipulation in to account.

4. Next Steps

- 4.1 The suggestions for initial themed packages that will aid in decision making processes produced by the SOTAG group will be peer reviewed by the Economic Directors.

5. Key Dates

Short term:

- 27 March – 7 Economic Directors' Group
- 15 April – 7 Chief Executives' Group
- 23 April – LA7 Leadership Board (incorporating NELTB meeting)
- End of April – Feedback from DfT on Assurance Framework

ANNEX A

Theme	Challenge	Criteria
Economic Growth and Job Creation	Supporting jobs	Will the scheme contribute to the creation of new jobs and retention of existing jobs in the North East LEP area?
	Supporting gateways and national and international trade	Will the scheme support the North East LEP area gateways?
	Contributes to skilled employment or training	Will the scheme encourage the development or retention of skilled jobs (NVQ Level 4 and above) and support sites that deliver the training for such skills?
	Support the NELEP spatial strategies and economy	Will the scheme provide sustainable access solutions to existing and growing development corridors, centres and sectors or support housing growth?
	Attractiveness of the North East LEP area as a place to do business	Will the scheme ensure capacity and speed of transport links to and within the North East LEP area are maintained and enhanced in order to increase the attractiveness of the North East LEP area as a place to do business, boosting inward investment and improving competitiveness of indigenous firms?
Access to Opportunities	Improves connectivity from residential areas to employment opportunities	Will the scheme deliver improved accessibility from residential areas to areas that have employment, education or other opportunities?
	Improving the local environment	Will the scheme contribute to an improvement in the overall quality of journeys, particularly those providing links to employment and health or education opportunities?
Quality of Life	Achieving carbon reduction targets	Will the scheme contribute to an overall improvement in the local environment including improving local air quality or reducing the noise impact of transport corridors?
	A healthy population	Will the scheme contribute to an overall reduction in carbon emissions relative to the existing situation?
		Will the scheme provide the opportunity to improve health, reduce levels of obesity among the population or improve road safety within the area?

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REPORT FOR INFORMATION

DATE: 28 March 2013

SUBJECT: THE TYNE AND WEAR FLEET OPERATOR RECOGNITION SCHEME

REPORT OF: Chair of the Joint Transport Steering Group

PURPOSE OF REPORT

To update Members on the background to, and progress with, the Tyne and Wear Fleet Operator Recognition Scheme (FORS).

RECOMMENDATIONS

1. That the ITA endorse the continuing work of the Tyne and Wear Freight Partnership to promote FORS, supported through the procurement process; and
2. That a more detailed presentation about FORS be provided to a future ITA Policy Seminar.

BACKGROUND RESOURCES

None.

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IMPACT ON OBJECTIVES

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



1 Summary

- 1.1 This report provides an update on the Tyne and Wear FORS, current status and future development.

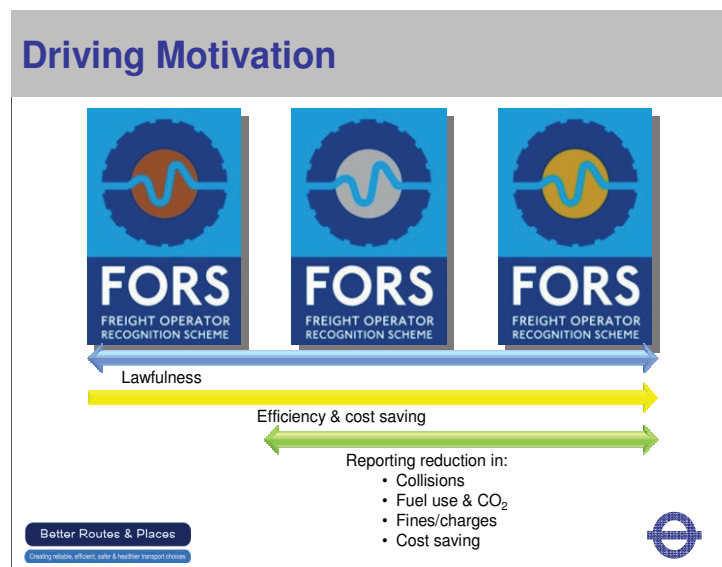
2. Introduction

- 2.1 The purpose of Fleet Recognition Schemes is to provide recognition, guidance and advice to road transport operators. An assessment is carried out of a fleet's overall road transport operation to recognise levels of legal compliance, operational and environmental performance and those complying with the required standards are branded accordingly. An analogy might be the Investors in People programme.
- 2.2 During 2011-12, the Tyne and Wear Freight Partnership carried out desktop research into various types of Recognition Scheme in place around the UK and Europe, to identify a model best suited to local needs, to assist in the delivery of LTP objectives. It was decided that Transport for London's (TfL) FORS was most appropriate for this region.
- 2.3 FORS, in its simplest terms, is about making streets and commercial vehicle operators safer, reducing accidents, congestion and the number of parking notices received, as well as saving fuel and improving sustainability. It is an accreditation scheme that motivates transport operators to achieve professional excellence and helps them demonstrate this when tendering for work. The benefits are:
- Improved road network performance
 - Reduction in CO2 emissions
 - Injury and road risk reduction
 - Local air quality management
 - Tool to engage with operators
 - Sustainability through procurement
 - Membership benefits for operators



3. Background

- 3.1 Tyne and Wear FORS was launched in the summer of 2012 by the Tyne and Wear Freight Partnership, with funding assistance from Transport for London, as a mechanism for raising standards amongst operators and contributing towards LTP goals. It represents a regional pilot (the first in the country) of TfL's highly successful FORS.
- 3.2 The scheme in London now has over 1000 members, operating more than 85,000 registered vehicles (over 25% of the vehicles regularly operating in London). Since starting to benchmark performance, 42 FORS silver members in London have achieved at least a 6% improvement in fuel efficiency and a saving of 65,000 tonnes of CO₂, with a monetised value of £3.25M from 2011 to 2013. There has also been a noticeable reduction in Penalty Charge Notices, with 55% fewer fines annually. Road safety has also improved, with 13% fewer collisions annually.



- 3.3 Operators receive an initial audit to assess that they are fully compliant with their legal duties and aware of best practice. Any operator who does not pass the audit receives an action plan for improvement, prior to re-audit.
- 3.4 Operators who pass the audit gain FORS bronze certification, with the opportunity to move up to silver and finally gold stages as their standards improve, with a particular focus on staff training, performance management and reducing the environmental impact of their fleet. Regular re-audits ensure that the required standards are still being met.



- 3.5 TfL are providing generous backing for Tyne and Wear FORS comprising:
- 50 free company assessments (plus any associated re-assessments);
 - 1 page in the quarterly (minimum) FORSight newsletter – including free design;
 - Access to all FORS product features;
 - 10 silver or gold assessments; and
 - Membership management including the helpline.

4. Current Status

- 4.1 Tyne and Wear FORS now has 15 members, operating over 2,000 vehicles in total. The first two FORS accredited bronze recipients are Port of Tyne and Sunderland City Council.
- 4.2 The first six FORS workshops were held in the first quarter of 2013, with the assistance of private sector sponsorship. Feedback from attendees was extremely positive and attendance at workshops counts towards operators legally-required CPC accreditation.

5. Next Steps

- 5.1 Tyne and Wear FORS has made an encouraging start and a major part of the Freight Partnership's 2013-14 work programme is to continue to promote the scheme and recruit new members.

5.2 Procurement

A key driver of FORS take-up in London has been that membership of a Fleet Recognition scheme is a procurement requirement on many large contracts (eg Crossrail). Useful discussions have been held with Newcastle's Procurement staff about introducing a similar arrangement here, whereby membership of FORS or an equivalent recognition scheme provides a positive benefit in the tender assessment process. It is hoped to broaden the discussion to include procurement departments in all five Tyne and Wear local authorities. By linking FORS with the procurement process, standards can be raised and operators will have a further spur to



membership.

5. Potential impact on objectives

- 5.1 The promotion of sustainable freight movement will assist in the delivery of all the ITA's objectives.

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

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