



Tyne and Wear Integrated Transport Authority



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Meeting to be held at 10.00am on Thursday 22 November 2012 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, Murison, O'Shea, Smith, Stokel-Walker, Stone, D Wood (Chair) and P Wood

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

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

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For approval, with the exception of Minute 52 which was approved by the Delegated Committee on 25 October 2012.

(The approval of Minute 52 was required urgently to enable its submission together with other relevant documentation to the Secretary of State in order to implement the changes to the tolls at the Tyne Tunnels from 1 January 2013, as agreed by the Authority at the September meeting and in line with the Toll Strategy.)

4. Appointment of Lead Members' Portfolios

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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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Thursday, 24 January 2013 at 10am.

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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.	
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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

27 September 2012
(10.05 - 11.55 am)

Present:

Councillor: D Wood (Chair)

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

In attendance:

Newcastle City Council:

P Woods - Deputy Clerk and Treasurer (ITA)
J Softly - Legal Advisor and Monitoring Officer (ITA)
D Slater - Executive Director of Environment and Regeneration
H Emms - Transport Policy Advisor to the ITA
G Grant - Senior Transport Policy Officer (ITA)
E Goodman - Senior Accountant (ITA)
R Elliott - Head of Planning and Performance
N Whitefield - Press Officer
V Miller - Democratic Services

Nexus:

B Garner - Director General
T Hughes - Director of Customer Services
J Fenwick - Director of Finance and Resources

44. APOLOGIES FOR ABSENCE

Councillors Hodson and Lawson.

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

Councillors Blackburn, Green, Hobson, Lott, O'Shea and Smith declared a personal interest due to holding a concessionary travel pass.

Councillors Blackburn, Hobson and O'Shea declared a personal interest due to holding a permit for the Tyne Tunnels.

46. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting subject to the indicated below amendments were approved as a correct record and signed by the Chair.

Amendments

(i) Declarations of interest of members or officers in any matter to be discussed at the meeting

(Minute 27)

The last sentence should read "Councillor P Wood declared a personal interest due to being a *member of the Management Board* of the Compass Community Transport charity".

(ii) Minutes of the previous meeting

Matters Arising

Bus Strategy Delivery Project Update

(Minute 28)

The last bullet point should read "Progress of the preparation of a *Quality Contract Scheme* (QCS) proposal in draft".

47. APPOINTMENT OF ACTING CLERK

Submitted: A report of the Legal Advisor and Monitoring Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which recommended interim corporate governance arrangements following the departure of the Clerk.

Members thanked B Rowland for his work for the Authority.

RESOLVED – That:

- (ii) Paul Woods, the Deputy Clerk and Treasurer be appointed as Acting Clerk (and he would continue in his role as Treasurer); and
- (iii) David Slater, Newcastle City Council's Executive Director of Environment and Regeneration be appointed as Acting Deputy Clerk and non-executive director of Nexus.

48. 2011/12 AUDIT OF THE ANNUAL REPORT AND ACCOUNTS

Submitted: A report of Deloitte on the financial statement audit for the year ended 31 March 2012 (previously circulated and copy attached to Official Minutes).

C Craig was in attendance to present the report and highlight the key principal matters which had arisen from the audit, as in the report.

Clarification was provided on the management response to the recommendation of the auditors in relation to legal documentation on the North East Smart Ticketing Initiative (NESTI) agreement. It was explained that the inconsistencies in documentation had arisen purely due to slight changes in the accounting treatment, which at the time had not been reflected in legal documentation. Officers gave reassurance about the openness and ongoing communication around this matter. Officers also advised members that due to the relatively low risks involved and the potential costs associated with the amendment of legal documentation, in their view, at present, the commissioning of a review of legal documentation was not necessary.

Clarification was also provided on the recommended amendment to the basis of valuations for the Tyne Tunnels. It was noted that this was a technical accounting matter which had no impact on usable reserves or the true value of the tunnels.

P Woods congratulated the ITA officers and Deloitte on effective cooperation between the teams.

RESOLVED – That the report be noted.

49. **ANNUAL REPORT AND ACCOUNTS 2011/12**

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

P Woods presented the Annual Report and Accounts 2011/12 for members' consideration and approval.

RESOLVED – That:

- (i) the Letter of Representation, as in Appendix 1, be noted and approved;
- (ii) the Treasurer be authorised to sign the Letter of Representation on behalf of the Authority;
- (iii) the amended ITA and Group Accounts for 2011/12, as in Appendix 2, be approved;
- (iv) the Chair and the Treasurer be authorised to sign the amended ITA and Group Accounts.

50. **ANNUAL GOVERNANCE STATEMENT 2011/12**

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

R Elliott presented the report which outlined the process undertaken to review the Authority's governance and internal control arrangements. The report also presented the resulting Annual Governance Statement 2011/12 and sought members' approval of it as part of the Annual Report and Accounts 2011/12.

The report confirmed that there had been no significant weaknesses or areas requiring significant improvement identified as part of the review.

RESOLVED – That the Annual Governance Statement 2011/12, as in Appendix A, be approved as part of the Annual Report and Accounts 2011/12.

51. **LOCAL TRANSPORT PLAN TARGETS - UPDATE REPORT**

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

H Emms presented the report which provided an update on the progress made towards setting appropriate targets to monitor the effectiveness of delivery of the 3rd Local Transport Plan (LTP 3). It was noted that the progress had been achieved in identifying targets in relation to carbon emissions and mode share of travel to school. The development of remaining targets was in progress and further updates would be brought to a future meeting.

Comments/points noted

- It was noted that, within the scope of the Bus Strategy Delivery Project, both options for delivery could potentially be capable of bringing improvements in targets but this could not be confirmed until the options were developed further.
- A member recommended that further targets should be identified for Metro.
- A member recommended that the presented data should be made available at district level.
- In response to a member's query about the interpretation of percentages for Road Condition Maintenance, as presented in Appendix A, officers undertook to check this matter and provide a written clarification for members after the meeting.
- In welcoming the targets for increased bus and Metro patronage, a member queried as to why there was no increase planned for targets on accessibility. It was explained that, similarly to the trend on public transport patronage, the accessibility trend was declining. The proposed target aimed to arrest this trend as a minimum, which was in itself challenging. If requested by members, a separate discussion could be held with them on accessibility.

RESOLVED – That:

- (i) the proposed targets identified in Appendix A be agreed;

- (ii) the progress made in identifying the basis for setting targets for those areas outstanding be noted.

52. MODIFICATION TO TOLLS AT THE TYNE TUNNEL

Submitted: A joint report of the New Tyne Crossing Project Director and Treasurer of the ITA (previously circulated and copy attached to Official Minutes).

P Woods presented the report which sought members' approval of the proposed increase in tolls at the Tyne Tunnel from 1 January 2013 in line with the Toll Strategy, as agreed by the Authority on 27 September 2007.

Comments/points noted

- The Chairman had previously made a submission to the Department for Transport (DfT) for financial assistance to prevent increase in tolls. However, due to the strength of the business plan for the Tyne Tunnels, the DfT had not allowed this assistance.
- Members commented on the benefits of the Tyne Tunnels route, including the good value for money it represented for motorists and heavy goods vehicles (HGVs). It was noted that the Tyne Tunnels compared very favourably with the tolls set in other areas of the country. A member also commented on the extended benefits of using a permit.

RESOLVED – That:

(i) the increase in tolls for cars (class 2 vehicles) from £1.40 to £1.60 and for HGVs (class 3 vehicles from £2.00 to £2.50) to take effect from 1 January 2013 as set out in paragraph 3 of the report be approved; and

(ii) the Project Director be authorised to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005 (Schedule 14, Part 1) as amended on 9th January 2012 and as described in paragraph 4 of this report.

53. RESPONSE TO CLG CONSULTATION PAPER ON BUSINESS RATE RETENTION: IMPLICATIONS FOR CONCESSIONARY TRAVEL FUNDING

Submitted:

(i) A report of the Treasurer and Deputy Clerk (previously circulated and copy attached to Official Minutes);

(ii) A copy of the consultation response of PTEG to the technical consultation on Business Rates Retention (with the permission of the Chairman, due to the timetables involved circulated at the meeting and copy attached to Official Minutes).

P Woods presented the report which provided an update on the latest proposals to change the national funding arrangements for concessionary travel from 2013/14 onwards. The report

also asked members to note the response to questions 1, 3 and 4 of the consultation paper on the new arrangements with regard to the Business Rates Local Government Finance Formula Grant Distribution, which had been submitted on behalf of the Authority by the deadline of 24 September 2012.

Comments/points noted

During the ensuing discussion, members expressed their continuing concerns about the growing gap in funding provided for the Statutory Concessionary Travel Scheme. It was noted that the scheme had been greatly underfunded since its introduction. Comments were also made about the level of complexity of the national formula.

Concerns were expressed about the quality of information provided to the Government Departments on boardings and the resulting statistical model which did not seem to represent the true position.

The Chairman reported that the issue had also been raised and discussed at a meeting of the Special Interest Group and support had been secured from the Local Government Association (LGA) to assist the Authority in meeting with a relevant Minister.

It was noted that, at this stage, only general concerns had been raised; no modelling had been carried out of the effects of the proposals on the bus services in Tyne and Wear. However, J Fenwick explained that Tyne and Wear had been more adversely affected than other areas in England and this had been flagged up in the Passenger Transport Executive Group's (PTEG) proposed response to the consultation. A member recommended that user groups should also be made aware of the issue and invited to support the work to address this matter.

Members thanked P Woods for raising concerns, and supported the proposals to continue to make strong representations to the Government.

RESOLVED – That:

- (i) the content of the consultation paper and the draft response that had been submitted be noted;
- (ii) the Chairman would write to the Minister to seek a meeting to discuss the critical issue of the impact of the proposals in the Consultation paper on future funding of Concessionary Travel in Tyne and Wear.
- (iii) the ITA would continue to work with PTEG and the LGA to influence the Government to seek to restore funding for the concessionary travel funding so that the Statutory free travel scheme is fully funded and to seek a fairer distribution of the funding to councils based on more accurate data on actual costs and concessionary travel boardings.

54. PASSENGER FOCUS REPORT: BUS SERVICE REDUCTIONS - THE IMPACT ON PASSENGERS

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

T Hughes presented the report which informed members of the contents of a paper recently published by Passenger Focus, which detailed the negative impact of bus service reductions on the quality of life of passengers in Derbyshire, Suffolk, Somerset and West Sussex.

A member welcomed the report in that it had illustrated the real-life impact of reductions in bus services on people's lives.

In response to a member's comment that the research had focused predominantly on rural areas and that travel issues in such areas could be potentially different to those relevant for urban areas, it was explained that Tyne and Wear consisted of a significant amount of rural areas but, importantly, the study had shown the general effects of the withdrawal of bus services on people's lives.

RESOLVED – That the report be noted.

55. **WEETSLADE PETITION**

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

Members noted the report which informed them of a petition received by Nexus from residents of the Weetslade area of North Tyneside following changes to commercial bus operations in that area.

Comments/points noted

During the discussion of the matter, a member commented that the petition had reflected the direct impact of such changes on people's confidence in bus services.

Members pointed out that the issue with bus operators setting their routes on the basis of convenience and profitability, which then bypassed communities and villages, needed to be addressed as part of the Bus Strategy Delivery Project (BSDP).

In expressing his concerns about the possibility that more bus services could potentially be withdrawn in future and the impact of such withdrawals on accessibility and value for public money, a member commented that it was important to get the balance right and consider this matter as part of discussions with operators on BSDP.

A member suggested that the Authority should make a representation to the DfT to extend the required consultation time for service withdrawal and to ensure that users were consulted on potential withdrawals. It was noted that this matter would be taken forward as part of discussions on BSDP. A member also flagged up the fact that, with regard to the specific issue in the Weetslade area, there had been very little consultation undertaken with passengers who in many cases had simply been told about the withdrawal once the decision had already been taken.

As a general point, a member encouraged communication with bus operators. A member also commented positively on the possibility of improvements discussed with the operator involved. A member said that more needed to be achieved.

RESOLVED – That the report be noted.

56. **BUS STRATEGY DELIVERY PROJECT UPDATE**

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

The Chairman reiterated that the Authority had not yet made a decision on the option for delivery of the Bus Strategy Delivery Project (BSDP). He also reminded that Nexus had been tasked to develop proposals and present them to the Authority for consideration. Whilst the work to develop the proposals progressed, no decision had been made on any of the potential proposals. The Authority was the body responsible for making such a decision and it would be made when appropriate and following the submission of all relevant evidence.

Members received a follow-up legal advice from J Softly, with a reminder to remain open-minded about the options for BSDP until all relevant evidence had been considered and the Authority was at the decision-making stage. Members could express a preference but it was important to continue to make it clear that they had not made a decision. Members were advised to contact J Softly directly if they had any questions on the matter.

B Garner presented the report which provided an update on the progress made by Nexus on preparing proposals for BSDP and advised members to meet in December to evaluate the proposals.

Members welcomed the report and reiterated that the aim of BSDP was to deliver better services for passengers. Members recommended that experiences of other areas, including South and West Yorkshire and Tees Valley, should be studied as part of the work on the proposals.

Members welcomed the ongoing discussion with bus operators.

A member recommended that the informal consultation document should be made available to the Authority.

RESOLVED – That:

- (i) the position regarding the development of the draft Quality Contract Scheme, including the high-level summary of the contents of the working draft and the extension of the informal consultation period be noted;
- (ii) the developing discussions regarding a potential Operator Partnership be noted;
- (iii) a further meeting be organised with bus operators, if requested.

57. CONSULTATION ON BUS SUBSIDY REFORM

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

J Fenwick presented the report which provided information on the DfT's consultation on the proposed reforms to the system of bus subsidy in England outside London, with the main proposal being that in future the grant would be paid directly to transport authorities rather than operators. This was intended to change the basis for the grant, which was currently based on fuel use, to encourage the industry to become more environmentally friendly and reduce its carbon emission. Due to the timetables involved officers sought members' permission to consider a draft response at the next meeting of the Bus Strategy Working Group.

The Chairman commented that there seemed to be a conflict between the Government's statements on bus policy and the financial implications for authorities which developed a Quality Contract Scheme compared to those which adopted partnerships as part of a Better Bus Area. The Chairman undertook to write to the DfT to clarify this matter and request that the options available to local authorities be put on an equal footing.

RESOLVED – That a draft response of the ITA to the proposals be considered by the Bus Strategy Working Group on 4 October 2012.

58. MINUTES OF THE 8 AUGUST 2012 MEETING OF THE DELEGATED COMMITTEE

The minutes of the 8 August 2012 meeting of the Delegated Committee were noted.

59. MINUTES OF THE 13 AUGUST 2012 MEETING OF THE DELEGATED COMMITTEE

The minutes of the 13 August 2012 meeting of the Delegated Committee were noted.

60. LOCAL SUSTAINABLE TRANSPORT FUND - REVISED APPLICATION

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

H Emms introduced the report which provided an update on the submission of the revised business case to the DfT for the Local Sustainable Transport Fund (LSTF), which focused on access to the existing employment areas served by the A1 Western Bypass and which had been funded in full. D Slater commented on the positive feedback received from the DfT on the resubmission.

Members welcomed the success of the resubmission but commented that lessons must be learned for the future about the importance of being able to identify priorities rather than attempting to target all areas in need as part of one bid.

The Chairman, on behalf of the Authority, offered thanks to all members and officers in partner Councils who had been working on the resubmission.

RESOLVED – That the report be noted.

61. **INTERCITY EAST COAST FRANCHISE CONSULTATION**

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

B Garner presented the report which informed members of the recent consultation process undertaken by the DfT in respect of the InterCity East Coast rail franchise. The report also outlined the responses submitted by Nexus on behalf of the ITA and by the Association of North East Councils (ANEC).

Following a discussion by members, it was:

RESOLVED – That the responses be noted and a letter in support of the responses be submitted by the ITA.

62. **ANNUAL MEMBERS' INSPECTION**

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

The report provided information about members' annual inspection which had taken place on 30 August 2012 and consisted of visits to the Safetyworks education and training facility in Newcastle, the Metro depot in South Gosforth and the new station at North Shields. Members commented positively on the experience and offered thanks to the organisers.

RESOLVED – That the report be noted.

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

Thursday 22 November 2012 at 10am.

64. **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.

1 Executive Summary

- 1.1 This report seeks the Authority's approval that Councillor F Lott, Vice Chair ITA, should take up portfolio responsibility for engagement with, and where appropriate representation of, the freight industry and taxi trade for the ITA.

2 Introduction and Background

- 2.1 On 31 May, the ITA made the following appointments for the Municipal Year 2012 /2013:

Portfolio	Portfolio Holder
Economic development and regeneration	Councillor D Wood
Addressing climate change	Councillor J Blackburn
Supporting safe and sustainable communities	Councillor J McElroy

- 2.2 It is important to note that the role of portfolio holder for the ITA is to act as a spokesperson for the authority on that sector / theme.

In addition to the portfolios outlined above, Cllr Hobson, Vice Chair of the Authority, is the Chair of the Tyne Tunnels Working Group.

3 Appointment of additional portfolio

- 3.1 Given proposed changes to the legislative and policy frameworks in the areas of the taxi trade and freight industry (outlined elsewhere on the agenda) it is proposed that Councillor F Lott is appointed to represent the ITA and provide links to the 'Freight Industry and Taxi Trade' for the Municipal Year 2012/13.

4 Next Steps

- 4.1 Councillor Lott will attend the forthcoming Tyne and Wear Freight Partnership meetings and engage with a representative group of taxi trade operators and owners to establish how the ITA can work with them over the coming months; and in light of potential changes to the legislative framework within which they operate.



REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: Annual Audit Letter 2011/12

REPORT OF: Acting Clerk and Treasurer

PURPOSE OF REPORT

The purpose of this report is to consider the Annual Audit Letter for 2011/12, attached to this report as Appendix 1. The letter is very positive, confirming that an unqualified audit opinion was issued and all work completed by the required deadlines.

RECOMMENDATIONS

The ITA is recommended to receive the report and the Annual Audit Letter for information and comment.

BACKGROUND DOCUMENTS

Annual Report and Accounts 2011/12

Report on the financial statement audit for the year ended 31 March 2012

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 presents the Annual Audit Letter issued by the external auditors, Deloitte, in October 2012. This completes the reporting in relation to the final accounts for 2011/12.
2	Introduction and Background
2.1	At the meeting of the ITA on 27 September 2012, the Authority approved the final Annual Report and Accounts, subject to the audit of some outstanding items being completed. The external auditor issued an unqualified audit opinion on the Statement of Accounts, an unqualified value for money conclusion and an unqualified opinion on the Whole of Government Accounts return on 28 September, within the statutory deadline.
3	Observations made by the External Auditor
3.1	The Audit Letter is positive, confirming that the external auditor did not identify any significant weaknesses in financial reporting systems, and any control observations raised were considered to be minor.
3.2	The Authority is recommended to implement the actions noted in the management response for each of the control observations raised in the report to those charged with governance. As discussed at the September meeting of the ITA, these were: <ul style="list-style-type: none"> • To complete a review of the risk of challenge and costs involved in formally updating the NESTI legal documentation to reflect changes to the accounting treatment of the funding; and • To review levels for authorisation and independent review of internal journals.
3.3	The external auditor has judged the financial standing of the Authority to be satisfactory, based on current and ongoing expenditure demands, expected income and the current cash and reserves position.
4	Next Steps
4.1	The annual audit letter will be published on the Audit Commission website and the



REPORT FOR INFORMATION

Twita website. It will also be circulated to Audit Committee members and considered at the next meeting.

5 Potential impact on objectives

5.1 There is no impact on ITA objectives arising from this report.

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Tyne & Wear Integrated
Transport Authority

Annual Audit Letter

on the 2011/12 Audit

October 2012

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1. Key messages

The Statement of Accounts was prepared, audited and closed in accordance with the agreed timetable. The Authority achieved a good standard of financial reporting. A number of adjustments impacting the reported financial position were processed. The main audit adjustment related to the valuation of the existing vehicle and cycle tunnels.

The existing vehicle and cycle/pedestrian tunnels were valued on a depreciated replacement cost basis as they were being accounted for as Other Land and Buildings. However they were disclosed in the accounts as Infrastructure assets. The 2011/12 Local Authority Accounting Code of Practice requires infrastructure assets to be valued on a historical cost basis and the Authority's accounting policy is consistent with the Code. Amendments were put through to correct this. The impact of the amendment is a reduction in the value of net assets and unusable reserves of £18 million. There was no impact on the general fund.

We issued an unqualified audit opinion on the Statement of Accounts and an unqualified value for money conclusion on 28 September 2012.

The Whole of Government Accounts return was presented for audit by the deadline set by HM Treasury. We issued an unqualified opinion on the Whole of Government Accounts return on 28 September 2012.

The audit certificate of completion of the audit was also issued on 28 September 2012.

We did not identify any significant weaknesses in the financial reporting systems and control observations noted in our report are considered to be minor. Control observations were reported to the Audit Committee on 14 September and the full Authority on 27 September 2012 as part of our report on significant matters arising from our audit.

Action needed by the Authority

The Authority needs to implement the actions noted in the management response for each of the control observations raised in our report to those charged with governance.

2. Purpose, responsibilities and scope

The purpose of this letter

The purpose of this Annual Audit Letter is to summarise the key matters arising from the work that we have carried out in respect of the year ended 31 March 2012.

Although this letter is addressed to the members of Tyne & Wear Integrated Transport Authority (“the Authority”), it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk and also on the Authority’s website.

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.

Responsibilities of the Auditor and the Authority

The Authority is responsible for maintaining the control environment and accounting records and preparing the accounting statements in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 based on IFRS and other relevant legislation.

We are appointed as the Authority’s independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public bodies in England, including Integrated Transport Authorities.

As the Authority’s appointed external auditor, we are responsible for planning and carrying out an audit that meets the requirements of the Audit Commission’s Code of Audit Practice (“the Code”). Under the Code, we have responsibilities in two main areas:

- the Authority’s accounts; and
- whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

The scope of our work

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board (“APB”). The audit opinion on the accounts reflects the financial reporting framework adopted by the Authority, being the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 based on IFRS and other relevant legislation. We conducted our work on the value for money conclusion in line with guidance received from the Audit Commission in respect of other local government bodies for the financial year ended 31 March 2012.

3. The audit of the accounts

Key issues arising from the audit of the accounts

We issued an unqualified opinion on the Authority's 2011/12 accounts on 28 September 2012, in accordance with the deadline set for local government bodies. Our opinion confirms that the accounts present a true and fair view of the financial position of the Authority and its income and expenditure for the year.

Before we give our opinion on the accounts, we are required to report to those charged with governance any significant matters arising from the audit. A detailed report was discussed with the members of the Audit Committee on 14 September and the full Authority on 27 September 2012 and there were no key issues to report.

We received a set of draft accounts in advance of the agreed deadline, which were supported by working papers. The finance staff were helpful throughout the process and responded swiftly to all queries. This performance reflects well on the professionalism of the finance staff and their commitment to maintaining high-level controls over financial systems. Amendments were made to the reported financial position for the current year. The main audit adjustment relates to the valuation of the existing vehicle and cycle tunnels.

The existing vehicle and cycle/pedestrian tunnels were valued on a depreciated replacement cost basis as they were being accounted for as Other Land and Buildings. However they were disclosed in the accounts as Infrastructure assets. The 2011/12 Local Authority Accounting Code of Practice requires infrastructure assets to be valued on a historical cost basis and the Authority's accounting policy is consistent with the Code. Amendments were put through to correct this. The impact of the amendment is a reduction in the value of net assets and unusable reserves of £18 million. There was no impact on the general fund.

We have considered the financial standing of the Authority as at 31 March 2012. We have assessed this based on current/ongoing expenditure demands, expected income and the current cash position of the Authority. The financial standing of the Authority is considered to be satisfactory.

Audit certificate

When our audit is complete we are required to certify the closure of the audit. The audit certificate was issued on 28 September 2012.

4. Value for money

Background

Under the Audit Commission Code of Audit practice, as appointed auditors, we are required to draw a positive conclusion regarding the organisation's arrangements to secure economy, efficiency and effectiveness of its use of resources (the value for money (VFM) conclusion).

In 2011/12, as set out in the "Work Programme and Scales of Fees 2011/12 - Local government, housing and community safety" and supporting the New Approach to VFM Audit document issued by the Audit Commission, our VFM audit work consists of the following:

- review of the annual governance statement (AGS);
- review the results of any work of the Audit Commission and other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditor's responsibilities at the audited body; and
- undertake other local risk-based work as appropriate, or any work mandated by the Audit Commission.

We have not identified any local risk-based work, nor was there any additional work mandated by the Commission.

Value for money conclusion

Having performed our work in line with guidance received from the Audit Commission we issued an unqualified value for money conclusion for the 2011/12 financial year. This means that we are satisfied that, in the areas reviewed, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources during the year.

5. Other matters

Audit Commission

In 2010, the Secretary of State for Communities and Local Government announced the proposed abolition of the Audit Commission. The Audit Commission subsequently announced proposals that the audits undertaken by their in-house practice should be outsourced to the private sector for the year ended 31 March 2013 onwards and five-year contracts have been awarded to that effect. Following a consultation exercise with all audited bodies about the appointment of their auditor for the audit of the 2012/13 and future years' accounts, the Commission has recently written to the Clerk confirming Deloitte as the appointed auditor for the Authority. The Commission will continue to regulate the local public audit market, monitor the performance of the firms providing audit services and determine the scale audit fees until the Government implements a new local public audit regime.

Reports issued

Reports issued during the course of the 2011/12 audit included:

- fee letter in April 2011;
- report to those charged with governance on the 2011/12 audit in September 2012; and
- annual audit letter in October 2012.

Analysis of audit fees

Audit fees charged are as follows:

	2012 £'000	2011 £'000
Total fees for work carried out under the Code of Audit Practice	33	37

We have not performed any non-audit services in either the current or prior year. In addition there have been no claims that required certification or additional Value for Money projects undertaken in the current or prior year.

Independence and objectivity

In our professional judgement, our policies and safeguards that are in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit partner and audit staff is not impaired.

6. Closing remarks

This letter has been discussed and agreed with the Acting Clerk and Treasurer. A copy of the letter will be provided to all Members.

We would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the course of the audit. Our aim is to deliver a high standard of audit which makes a positive and practical contribution which supports the Authority's own agenda. We recognise the value of your co-operation and support.

Deloitte LLP

Chartered Accountants

Newcastle upon Tyne, England

25 October 2012

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body and this report is prepared on the basis of, and our audit work is carried out in accordance with, that statement.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the national data and methodology supporting our value for money conclusion as they are derived solely from the Audit Commission.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other party since this report has not been prepared, and is not intended, for any other purpose.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Annual Audit Letter since first published. These matters are the responsibility of the Authority but no control procedures can provide absolute assurance in this area.

Deloitte.

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REPORT FOR INFORMATION

DATE: 22 November 2012
SUBJECT: Treasury Management and Investment Strategies Update
REPORT OF: Acting Clerk and Treasurer

PURPOSE OF REPORT

In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice and Guidance Notes for Local Authorities, it is recommended that a mid-year report on Treasury Management operations be made to members. This report sets out the current position with regard to the ITA's borrowing and lending activities and outlines anticipated changes over the course of the financial year.

RECOMMENDATIONS

The ITA is recommended to receive this report for information.

BACKGROUND DOCUMENTS

Treasury Management Strategy 2012/13

CIPFA Treasury Management Code of Practice 2011

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	In line with the CIPFA Treasury Management Code of Practice for Local Authorities, it is recommended that a mid-year report on Treasury Management operations be made to members. This report sets out the current position with regard to the ITA's borrowing and lending activities and outlines anticipated changes over the rest of the 2012/13 financial year.
2	Introduction and Background
2.1	In January 2012, the ITA approved the Treasury Management and Investment Strategy 2012/13. In line with best practice, this is reviewed and reported to members during the financial year.
2.2	<p>To meet the requirements of the Code, the Authority must provide evidence that the following actions are taken:</p> <ol style="list-style-type: none"> 1. Scrutiny <p>There is a formal process to scrutinise the Treasury Management Strategy and policies and report on this.</p> 2. Approval Process <p>The annual strategy will be approved by the Authority.</p> 3. Training of Authority Members <p>Relevant members of the Authority will receive appropriate training to enable them to function in their role.</p> 4. Reporting <p>A mid-year report will be made, as well as an annual report.</p>
3	Update Report
3.1	The current Treasury Management prudential indicators were set out in the Treasury Management Strategy Report 2012/13. That report was considered and approved by the Authority at its meeting on 26 January 2012.



3.2 Prudential Indicators

3.2.1 Borrowing Requirement

The borrowing requirement comprises the expected movement in the Capital Financing Requirement and any maturing debt which will need to be re-financed. The table below shows the estimated effect on the borrowing requirement of the Authority over the next three years, updated for changes that have occurred since the Treasury Management Strategy Report 2012/13 was reported in January 2012.

	2012/13	2013/14	2014/15
	£000	£000	£000
Debt at 1 April	214,404	215,560	211,936
Expected change in Debt	1,156	(3,624)	(4,294)
Debt at 31 March	215,560	211,936	207,642

3.2.2 The table above shows that expected levels of debt for the ITA at the year end will be £215.56m, while current borrowing is £205.56m. An additional £10m borrowing is therefore required in the remaining months of 2012/13. This is currently being borrowed from Newcastle City Council.

3.2.3 Treasury Officers aim to meet the Authority’s future borrowing needs and minimise the impact on the budgetary position of the Authority. One option that may be used to do this is to consider further use of Public Works Loans Board (PWLB) annuity and equal instalments of principal (EIP) as well as the more common maturity type of loan. Annuity and EIP loans usually provide a lower rate of interest in order to encourage borrowers to repay principal during the course of the loan rather than at the end. It is advantageous to provide a mix of the various loan types within the debt portfolio in order to reduce interest rate volatility.

3.2.4 The current PWLB interest rates particularly for annuity and EIP loans are relatively low. For example, for a 25 year loan the rates are 3.17% EIP, 3.31% annuity and 4.06% maturity. This compares to the average rates of interest on the ITA’s loans portfolio of 4.24%.



3.3 The Authorised Limit for External Debt

3.3.1 The Authorised Limit is a key prudential indicator which provides a control on the overall level of borrowing with the Authority setting and revising a limit beyond which external debt is prohibited. This reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all authorities’ plans, or those of a specific authority, although no control has yet been exercised.

No changes are proposed to the limits agreed by the Authority in January 2012. These limits are detailed below:

	2012/13	2013/14	2014/15
Authorised limit – borrowing	£240m	£240m	£240m
Authorised limit – other long-term liabilities	£0	£0	£0
Authorised limit - TOTAL	£240m	£240m	£240m

Current borrowing is therefore well within the agreed authorised limits, and has been for the year to date.

3.4 Borrowing in advance of need

3.4.1 Borrowing in Advance of need – The Authority has some flexibility to borrow funds this year for use in future years. The Acting Clerk and Treasurer may do this under delegated power where, for instance, a sharp rise in interest rates is expected and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Acting Clerk and Treasurer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so, borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 100% of the expected increase in borrowing need (Capital Financing Requirement) over the three year planning period; and



	<ul style="list-style-type: none">• Would not be more than 12 months in advance of need. <p>Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.</p>
3.5	Investment Activity April to September 2012
3.5.1	<p>At 30 September 2012 the ITA had no external investments, with all cash balances being held by the lead authority, providing an extremely low-risk return to the ITA.</p> <p>The ITA Treasurer is currently examining options to place some ITA cash balances with external institutions. A considerable level of revenue reserves are held for the Tyne Tunnels, in line with the New Tyne Crossing financial strategy, and a large proportion of these reserves will not be required to be drawn down in the immediate future. It therefore seems suitable to consider short to medium term investments with highly rated institutions, as a way to maximise interest income to the ITA to support its objectives. For example the Co-operative Bank (with whom the ITA holds its bank account) is currently offering a rate of 2.875% for a 15 month term or 2.5% for one year. A full update will be provided as part of the 2013/14 Treasury Management Strategy which will be considered at the next meeting of the ITA.</p> <p>The ITA has a partnership agreement to provide investment services on behalf of Nexus. £28m of Nexus reserves are currently invested for periods of up to 364 days with external institutions.</p> <p>No changes are proposed to the Authority's investment criteria and limits approved in January 2012.</p>
4	Next Steps
4.1	<p>The borrowing position will continue to be carefully monitored by Treasury Management officers.</p>
4.2	<p>The Treasury Management and Investment Strategy for 2013/14 will be presented to the Authority for agreement on 24 January 2013.</p>
5	Potential impact on objectives
	<p>There is no impact on ITA objectives as a result of this report.</p>

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REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: Revenue Budget Monitoring Report to October 2012

REPORT OF: Acting Clerk and Treasurer, ITA

Not confidential

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 31 October 2012. 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 October 2012

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 is the second 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 original 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.
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 for the first seven months of the 2012/13 financial year against the budget for the period. Appendices 1 and 2 detail the recorded spending position as at 31 October 2012 and projected outturn for the year against the original approved budget.
3	ITA Budget
3.1	For the ITA, gross expenditure at £40.9m is 58% of the budget for the year, with no significant unexpected costs incurred to date.
3.2	The projected outturn for the year shows savings likely on the external audit fee, where the scale fee set by the Audit Commission has been reduced significantly from previous years.
3.3	A saving is due 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 has been ringfenced to fund additional policy support for work around major scheme devolution.
3.4	Overall, forecast expenditure, revenue and grant levels indicate that, at this point in time, the anticipated net spending of the ITA will be within the budget for the year agreed by the ITA in January 2012.



4	Tyne Tunnels
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 linked to the tolls income. For the period 1 April 2012 to 31 October 2012, the position is summarised in Appendix 2.
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 continued steady growth in traffic since the commissioning of both tunnels. On 1 January 2013, a toll increase will be implemented in line with the project plan, which will result 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 August 2012. Overall, contract payments to TT2 are projected to be in line with the budget at the year end.
4.4	The projected outturn under 'Other Expenses' is higher than the original budget, due to the cost of the ITA's contribution to the official opening ceremony for the new Tyne Tunnel held in July 2012. The costs will be met from additional interest income and savings on financing charges which are anticipated in 2012/13.
5	Treasury Management
5.1	The Authorised Borrowing Limit approved by the ITA for 2012/13 is £240m. The current level of external borrowing as at 31 October 2012 is £206m. 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. The average interest rate payable on the ITA's loans this year is estimated at 4.25%.
5.2	The ITA currently holds £28m of investments on behalf of Nexus, which are placed with external institutions. At 31 October 2012 the ITA's own balances were all invested with Newcastle City Council, with none placed with external institutions. Further details are included in the Treasury Management mid-year update report elsewhere on this agenda.



6 | **Next Steps**

6.1 | The budget and the ITA's treasury management position will continue to be monitored carefully by the Acting Clerk and Treasurer. The revised budget and Treasury Management Strategy will be agreed by the Authority in January 2013, and the final outturn position 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 Original Budget	Spend to 31/10/12	Projection for the year	Spend as a % of Original Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
Revenue Expenditure						
Members' Allowances	86	25	86	29%	G	Awaiting invoices from some Districts for 2012/13 recharges.
Travel and Conferences	4	1	4	25%	G	
Supplies & Services	28	6	28	21%	G	
Support Services	286	166	285	58%	G	Indicative based on pay as you go charges and proportion of fixed SLA incurred to date. Savings on Clerk post offset costs of additional policy support.
ITA Website Charges	22	0	22	0%	G	Payment to be made during the year.
Pension Costs	455	265	455	58%	G	
LGA Subscription	30	30	30	100%	G	One-off payment made at beginning of year. Discount for early payment received.
External Audit Fee	29	0	20	0%		Will be charged later in the year as work on 2012/13 audit has not yet commenced.
Financing Charges	2,562	1,495	2,568	58%	G	Indicative position - charges calculated at year end.
Grant to Nexus	66,922	39,038	66,922	58%	G	
Total	70,424	41,026	70,420			
Revenue Income						
Levy Income	(70,207)	(40,954)	(70,207)	58%	G	
Interest on Balances	(25)	(18)	(30)	70%	G	Indicative position - interest allocated at year end
Total	(70,232)	(40,972)	(70,237)			
Contribution from Reserves	192	54	183		G	Overall status green - forecast to be within budget at year end.

Appendix 2 – Tyne Tunnels Budget

Tyne Tunnels	2012/13 Budget	Spend to 31/10/12	Projection for the year	Spend as a % of Original Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
TT2 Contract						
Toll Income	(19,770)	(11,276)	(19,770)	57%	G	
Contract Payments to TT2	14,030	3,964	14,030	28%	G	Includes usage payments to August 2012
Total	(5,740)	(7,312)	(5,740)			
Other						
Employee Costs	33	17	33	52%	G	
Other Expenses	55	62	104	113%	G	Increased outturn due to costs of ITA contribution to official opening
Community Fund	10	6	10	60%	G	
Pension Costs	525	306	525	58%	G	
New Tyne Crossing Support Services	145	85	135	58%	G	Indicative based on pay as you go charges and proportion of fixed SLA incurred to date
Financing Charges	6,700	1,495	6,637	22%	G	Indicative position - charges calculated at year end
Interest on Balances	(322)	-	(370)	0%	G	Indicative position - interest allocated at year end
Other income	-	(2)	(2)	100%	G	
Total	7,146	1,968	7,072			
Net (Surplus) / Deficit	1,406	(5,344)	1,332		G	Overall status green - forecast to be within budget at year end.



REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: 2012/13 CAPITAL PROGRAMME – SECOND QUARTERLY REVIEW

REPORT OF: THE 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 second 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 second 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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Eleanor Goodman *eleanor.goodman@newcastle.gov.uk* 0191 277 7518

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 This report sets out the overall performance of the 2012/13 Capital Programme, including delivery to the end of the second 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 second quarter is set out below:-

Expenditure	Latest Approved 2012/13	Projected Out turn 2012/13	Quarter 2 Expenditure 2012/13
	£m	£m	£m
Metro Asset Renewal Plan	42.972	40.040	17.233
Metro Ticketing and Gating (T&G)	7.225	7.170	1.104
NESTI Project (Gross)	4.463	4.463	0.162
<u>Less:</u> NESTI contribution to T&G	(2,545)	(2,545)	0.000
New Tyne Crossing	0.904	0.620	0.181
Tyne Pedestrian and Cycle Tunnel	4.750	1.000	0.236
LTP Integrated Transport Block Allocation	8.509	8.509	4.254
Nexus/LTP Public Transport Allocation	2.588	2.588	0.394
Better Bus Area Fund	3.338	3.338	0.020
LSTF Projects	0.847	0.847	0.026
Total Expenditure	73.051	66.030	23.610

The NESTI contribution towards Ticket and Gating of £2.545m is reported both within the Ticket and Gating and the NESTI project budgets.

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 (including over programming) for 2012/13 totalling £46.007m to DfT. Since then, the programme has been further revised to £42.972m, as reported to the Metro Sub Committee on 8 November 2012.

Expenditure as at Quarter 2 of 2012/13 is £17.233m, this is detailed in Appendix A. The forecast for the year is £40.040m which although slightly adrift of the revised budget



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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 £42.972m, the forecast remains within funding tolerances as approved by DfT and as reported to the Metro Sub-committee the reason for this variation is largely down to slippage into the following year. To militate 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. These include:

- Blockade works during August to carry 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 21 of the 90 cars anticipated to be refurbished by March 2013. Currently there are 11 cars refurbished;
- Progress towards the implementation of the Master Plan of Ducting, Cable and Fibre replacement projects;
- Escalator replacements at Central, Monument, Gateshead and Regent Centre and lift replacements at Four Lane ends, Heworth, Regent Centre and St James;
- 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 £7.225m. Current 2012/13 expenditure as at Quarter 2 totals £1.104m. The forecast for the year as at Quarter 2 shows a slight underspend of £0.055m against the approved budget but this will not affect any grant



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funding conditions. The project has been allocated £3.008m of Section 31 grant funding, which must be spent within the current financial year and we remain on schedule to do this.

The 2012/13 funding reported also includes a contribution from within NESTI of £2.545m for station validators and as a contribution towards the upgrade of the back office system, necessary to support the NESTI partnership. The remaining Ticket and Gating funding sources are £0.908m from Nexus capital reserves and £0.709m DfT Smart Ticketing grant.

As at the end of the second quarter 141 new Ticket Vending Machines had been deployed at 41 stations across the Metro network. The second quarter also saw the first Automatic Ticket Gate installations at North Shields station. This programme of TVM, ATG and validator installation is scheduled to complete by the end of January 2013.

Furthermore, Ticket Office Machine installations began in September representing a significant milestone in the Smart Ticketing agenda.

5 New Tyne Crossing and Tyne Pedestrian and Cycle Tunnel

5.1 The majority of the approved programme on the Tyne Tunnels for 2012/13 relates to the major refurbishment works on the Tyne Pedestrian and Cycle Tunnel. The revised programme has been reduced compared with the original approved budget, as the majority of the works are now likely to take place early in the 2013/14 financial year. The budget for the refurbishment works was originally approved by the ITA in July 2010, for a total of £5.654m. Slippage in the programme results in a 2012/13 outturn projection of £1.620m. There is no risk to the delivery of the overall scheme and no loss of funding since these works are financed by prudential borrowing.

Planning documents required for Listed Building Consent were prepared in 2010/11 and submitted to the local Planning Authorities in April 2011. Consent was given in October 2011, and works during the first half of 2012/13 have been mainly based around the detailed design work, with the main contractor appointed in October 2012.

Major works on the refurbishment are expected to commence in early 2013 and will involve a total closure of the tunnel for up to 12 months. The ITA will soon make an official announcement on how much longer the Tunnel will stay open for before it has to close to enable the refurbishment to take place.

During the refurbishment, which will include the replacement of two of the original escalators with inclined lifts and the replacement of the tunnels' ageing mechanical and electrical systems, a free timetabled shuttle bus will operate 7 days a week between



6am and 8pm. A taxi service is being planned to assist shift workers who use the tunnels but have no other means of getting to and from work.

6 Nexus / LTP Public Transport Projects

6.1 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
	£m
LTP Integrated Transport Block	
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. Payments amounting to £4.254m have been made to Districts during the second quarter.

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

	Approved 2012/13	Quarter 2 Spend
	£m	£m
Gateshead	0.156	0.000
Newcastle	0.187	0.000
North Tyneside	0.120	0.000
South Tyneside	0.096	0.000
Sunderland	0.188	0.000
Nexus	0.341	0.146
LTP Core Team	0.155	0.077
Metro ARP local contribution	2.640	1.723
	3.883	1.946



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B/F 2011/12 Metro ARP local contribution	2.705	1.723
Nexus Additional Contribution (RCCO)	1.152	0.171
B/F 2011/12 Public LTP	0.067	0.000
Total Expenditure	7.933	3.840

Where Q2 spend is shown as zero, this is due to claims for public transport schemes not yet having been submitted and paid to the Districts. Full expenditure is likely during the financial year.

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 carried forward from 2011/12 in order to meet the increased local contribution for the Metro ARP during 2012/13.
- £1.152m 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.

7 NESTI

7.1 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 officer led programme board to steer progress and bi-annual reporting to ANEC. Nexus acts as programme manager for NESTI.

The budget for 2012/13 is £4.465m (including a contribution of £2.545m to the Metro Ticketing and Gating Project for station validators) and the expenditure as at Quarter 2 is currently £0.162m. Although there has been little spend in 2012/13 to date, a number of deliverables will occur mainly in quarters 3 and 4 of this financial year.

Main highlights during the quarter include:

- Progression to final stages of the Small Operator Scheme.
- Regional Retail Network contract award.
- Bulk Reissue of CT cards contract award.



- Development of a specification for the regional Card Management System
- Development of detailed design documents for the Stored Travel Rights initiative in consultation with bus operators
- Progression of other initiatives to interface with public transport smart technology; Charles Thorp Comprehensive door access system and Newcastle University student cards

8 Local Sustainable Transport Fund

8.1 The LSTF 'Schools Go Smarter' project is now in its second year, having commenced in autumn 2011. The capital budget for 2012/13 of £0.440m relates primarily to the purchase of vehicles for parking enforcement at schools and the school links and school grants work streams. 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 works in the Districts making it easier to cycle or walk to school, such as upgrading cycle paths or installing new pedestrian crossings. Although expenditure to date is low the outturn at year end is currently projected to be on target. Claims have been received from a number of Districts which are due to be paid in November 2012.

In September 2012, the ITA was informed that it had been successful in its revised bid for further LSTF funding to support the 'Go Smarter to Work' programme. The capital elements of this programme total £0.447m and are now included within the revised budget for the year. Capital elements of the programme are focused around infrastructure investments, implementing the physical infrastructure work necessary to make cycle, walking and public transport trips a more attractive alternative; 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 Better Bus Area Fund

9.1 The ITA received notice in April 2012 that it had been successful in its application for DfT Better Bus Area funding. A capital allocation totalling £3.338m has been awarded and included within the capital budgets. Work to date has been primarily around the procurement of equipment for the Intelligent Transport Solutions element, which includes CCTV, Automatic Number Plate Recognition and co-ordination of traffic signal



installations; and planning and design work on bus route and bus lane improvements and interchange improvements.

Expenditure to date is low since the funding is expected to be drawn down by Districts later this financial year, with the outturn at year end currently projected to be on target. Whilst capital funding from the BBAF is time limited, it can be profiled over both the 2012/13 and 2013/14 financial years.

10 Capital Programme Financing

10. The following table sets out how the ITA’s capital programme for 2012/13 will be
1 financed, based on the projected outturn as set out in this report:

Funding Type	Funding Allocated in 2012/13	
	£m	£m
Grant		
Metro Rail Grant	32.555	
Section 31 Grant	3.008	
LTP Integrated Transport Block	8.509	
LTP Public Transport Block	6.655	
LSTF	0.847	
Better Bus Area Funding	3.338	
T&G Smart Ticket Grant	0.709	
Total Grant		55.621
Prudential Borrowing		1.620
NESTI		4.463
Nexus RCCO		2.186
ITA Reserves		2.140
Total Funding		66.030

11 Next Steps

11. The programme will continue to be monitored throughout the financial year and
1 reported to this Committee on a quarterly basis.

12 Potential impact on objectives

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



Appendix A – Metro Asset Renewal Plan

Asset Category	Latest Approved Budget £m	Projected outturn 2012/13 £m	Quarter 2 Spend 2012/13 £m	Reason for Variation
Civils	4.126	3.716	1.217	Revised programme reflects slippage in Ducting programme to future years although overall costs have been contained within budget
Communications	1.753	1.654	0.819	Revised programme reflects slippage in Fibre Replacement programme to future years although overall costs have been contained within budget
Depot Equipment	0.086	0.097	0.070	
Level Crossings	0.119	0.120	0.055	
Mechanical and Electrical	4.465	4.226	0.610	Accelerated programme of lifts and escalators now included bringing forward spending from future years
Metro Cars	7.552	7.637	1.990	Revised programme incorporates slippage from 2011/12. Work is ongoing to reach agreement regarding revised specification and timescales.
Miscellaneous	0.517	0.510	0.050	
Overhead Line	0.365	0.240	0.025	
Permanent Way	15.376	15.397	9.733	Budget and Forecast incorporates increased tender costs for Plain Line
Plant	0.049	0.697	0.040	
Power	0.576	0.576	0.049	
Signalling	2.422	1.050	0.414	Revised programme reflects slippage in Signalling programme to future years although overall costs have been contained within budget
Stations	5.564	4.118	2.162	Revised programme incorporates projects accelerated into 2012/13 and re-scoping delays
Total Approved 2012/13 Capital Programme	42.972	40.040	17.233	

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REPORT FOR INFORMATION

DATE: 22 November 2012
SUBJECT: General Policy Update
REPORT OF: Acting Clerk and Treasurer to the ITA

PURPOSE OF REPORT

To provide ITA Members with a brief overview of current national transport policies and outline some of those wider national policies that have a direct link to transport and the ITA's ability to meet its objectives.

RECOMMENDATIONS

ITA Members are asked to note the report.

BACKGROUND DOCUMENTS

Copies of all documents referenced in this paper (including consultation responses) are available from the 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 paper outlines a range of policy decisions, consultations, funding decisions and announcements by the government since members of the Authority received their last bi-annual update in May. The paper is not an exhaustive list of every aspect of relevance to transport but includes details that may be of interest to ITA Members across various themes including: rail, aviation, elements of road (both local and strategic and by mode), and public transport.
2	Reforming our railways
2.1	The Department for Transport's (hereafter DfT) Command Paper for rail <i>Reforming our railways</i> contained proposals to address the issues outlined in the McNulty review of the rail industry. The Command Paper contents were summarised in the May policy update paper. Alongside the Command Paper the DfT published two consultations that closed on June 28 2012; <i>fares reform</i> , and <i>devolving responsibilities for rail services</i> .
2.2	Responses to these consultations were submitted by Nexus on behalf of the Tyne and Wear Local Transport Plan Partners (for the fares reform consultation) and by the North East Local Enterprise Partnership (NE LEP), the body representing the seven local authorities in the north east and business interests (for the devolving rail responsibilities consultation). The Association of North East Councils (ANEC) also submitted a high level response to the devolution consultation. Officers of the ITA and Nexus were involved throughout the drafting process of the NE LEP and ANEC responses (as outlined in a paper to ITA in May 2012) and continue to be part of the working arrangements to help specify any future devolved rail services in the north east as part of any potential future model.
3	InterCity East Coast Franchise consultation
3.1	A consultation on the InterCity East Coast franchise commenced on 26 June 2012 and passengers, local councils and other interested parties were invited to give their views on what they would like the next franchise to deliver. It is proposed that the next franchise will last for a period of up to 12 years and a fleet of brand new InterCity Express trains will be introduced on the East Coast Main Line by 2019. It was originally proposed that the winning bidder will operate trains on the line from 2013.



3.2 Similar to other transport policy issues with a wider footprint than the Tyne and Wear sub-region two complementary consultation responses were submitted, by ANEC and the NE LEP – officers of the ITA and Nexus were involved throughout the drafting of these responses. The government will publish a report summarising stakeholder’s views in the near future and will use the consultation responses to set the minimum requirements in the franchise specification.

3.3 The impact of the decision to cancel the franchise procurement for the West Coast mainline may impact on the timelines associated with the East Coast mainline. The Secretary of State for Transport, Patrick McLoughlin MP has ordered two independent inquiries that will have an impact on all rail franchising programmes. Other ‘live’ procurements to have been paused include the Essex Thameside, Great Western and Thameslink.

4 High Speed Rail 2 (HS2) – January 2012

4.1 The Government has announced it will pay more than the minimum statutory compensation of 100% un-blighted value, to those whose homes will be affected by HS2. DfT will award properties affected by HS2 110% of the full un-blighted value. Residents will also receive an additional ‘home loss payment’ of 10% of the property’s un-blighted value. This payment will be capped at £47,000 and properties situated within 60 metres of the track will be eligible. In addition, a ‘voluntary purchase zone’ will be established in rural areas which are located immediately outside of the area safeguarded for the HS2 route.

4.2 The Secretary of State for Transport, Patrick McLoughlin MP commented at the Conservative Party Conference that the government was “committed to build a new line not just to Birmingham but on to Manchester and Leeds”. And he announced a study to cut rail journey times between Scotland and London to three hours, and to “make sure the North East [of England] benefits too”. Officers await proposals for the line of route to Leeds and Manchester and continue to work with other areas as part of the Eastern Network Partnership to establish consistent and coherent evidence and support for the future expansion of High Speed Rail, and corresponding improvements to the East Coast Main Line.



5	Draft Aviation Policy Framework
5.1	Following the Scoping Paper ‘Developing a sustainable framework for UK aviation’ (released in March 2011) and reported to ITA in May 2012 the DfT released the draft aviation policy framework in July 2012. The draft framework is a strategic document that sets out high level policies for aviation. It focuses on the need to balance the benefits aviation brings with its impacts and highlights that – in order to achieve this – improved engagement between local communities and airports will be required.
5.2	Responses to the consultation were submitted by the Association of North East Councils (ANEC) and the NE LEP, representing the seven authority footprint of the LA7 consortium of local authorities with a financial stake in the airport, and the importance of the airport to businesses. Both responses stress the importance of greater utilisation of regional airports as the best method of achieving the government’s stated desire to rebalance the economy and encourage growth in parts of the country away from London and the south east. The responses also highlight the disproportionate impact Air Passenger Duty (APD) has on regions and asks the government to consider adopting a differential approach to APD, effectively imposing ‘congestion charges’ whereby rates for regional airports, particularly those which are under-utilised, are lower.
5.3	<p>In the response, the NE LEP also asks the government to consider the potential impact any devolution of APD powers to the Scottish government could have on regional airports and in particular Newcastle International. Connections from Newcastle International Airport Ltd. (NIAL) to hub airports such as Heathrow, Amsterdam and Dubai are vital to the region’s economic growth. At present, there is no transatlantic connection from Newcastle International. The NE LEP considers the development of a route to the USA to be a key component of Newcastle’s economic growth strategy and this is reiterated in Newcastle’s City Deal.</p> <p>Members should note that the DfT intends to finalise the Aviation Policy Framework by March 2013.</p>
6	Davies Commission into airport capacity
6.1	The Davies Commission into airport capacity will consider and report on the “scale and timing of any requirement for additional capacity to maintain the UK’s position



as Europe's most important aviation hub". Howard Davies, a former director general of the Confederation of British Industry and executive chairman of the Financial Services Authority, will report "no later than summer 2015". The commission must complete an interim report by no later than the end of next year on the "nature, scale and timing" of the investments needed in the longer-term and actions to improve the use of existing runway capacity in the next five years.

7 | **Route based strategies**

7.1 | The Cook review *A fresh start for the Strategic Road Network* was published in November 2011. The DfT responded to this review and in doing so pledged a long term plan and the potential for greater private sector involvement in the network's management. Additionally, there was an announcement that there would be three pilot 'Route Based Strategies' developed by the Highways Agency in partnership with local and regional stakeholders.

7.2 | These strategies are to be developed in tandem with a performance specification for the network and together will form the foundations of a more robust and independent future investment planning. Members will be interested to note that the A1 Western Bypass is the focus of one of these pilot route based strategies with an officer programme board established to manage the process. The programme board includes representatives from the Highways Agency, DfT, Gateshead Metropolitan Borough Council, Newcastle City Council, the NE LEP and the ITA.

8 | **Pinch Point funding**

8.1 | The Highways Agency asked the NE LEP to liaise with local authorities to help them outline potential schemes which alleviate congestion and also contribute to economic growth (outlined in May 2012 report). One of the submitted schemes has been successful; an improvement at Seaton Burn and Fisher Lane junction (costing £6.1million). The other schemes; an upgrade of the Wessington Way A19 southbound off-slip (circa £4million), and an additional scheme focusing on the Swalwell junction on the A1 are still being considered for potential funding. This funding source is nationally competitive and to have been successful with one, and have another two projects still in the running is a significant achievement for partners from across the north east.



9	Freight Charging Consultation
9.1	Earlier this year the government consulted on proposals to introduce charging for freight vehicles and received support – including the Freight Transport Association who “broadly welcomed” the proposals. From April 2014, a year earlier than originally planned, the government will seek to start charging heavy goods vehicles (HGV). The main purpose of the scheme is to ensure that freight organisations contribute towards the cost and maintenance of the UK’s roads.
9.2	Under the scheme, it is considered that around 94% of UK HGV operators will pay no more than they do currently. This is largely due to reductions in Vehicle Excise Duty, which will be implemented at the same time as road charging. Foreign hauliers make around 1.5 million trips to the UK each year. From April 2014 foreign HGVs wishing to use UK roads will be required to pay up to £1,000 a year. The charges will apply to vehicles weighing over 12 tonnes and will be on a sliding scale based on vehicle weight.
9.3	Freight charges will become law through the HGV Road User Levy Bill and non-payment will be classed as a criminal offence, which could result in a fine of up to £5,000. At present, UK freight organisations using roads in other European countries are required to pay charges whereas foreign hauliers do not have to pay anything to use roads in the UK. The introduction of freight charging will contribute towards correcting this imbalance and creating a fairer deal for UK freight companies.
10	Reforming the Law of Taxi and Private Hire Services
10.1	In May 2012 The Law Commission published a consultation paper on proposals for the reform of the legal framework for taxis and private hire vehicles. The consultation ended on 10 August 2012. The Law Commission aims to publish the final report and a draft Bill in November 2013. Parliament will make the decision on whether laws for taxis and private hire vehicles should change.
10.2	Under the new proposals, the distinction between taxis (vehicles which are able can ply for hire on street and wait at taxi ranks) and private hire vehicles (must be pre-booked) is retained. The proposals would withdraw the ability for local authorities to limit taxi numbers and appropriately licensed private hire operators would be permitted to accept bookings outside of their local area and work freely across the



	country. This would give customers greater choice and lead to greater competition and lower fares.
10.3	Under the new proposals, all vehicles would be required to comply with national minimum safety standards. The safety standards would replace over 340 sets of local regulations for private hire vehicles. Drivers of taxis and private hire vehicles would also be required to undergo disability awareness training.
10.4	Members may be interested to note that according to the last independent study of the Taxis in Tyne and Wear, undertaken in 2008, it was found that: <ul style="list-style-type: none">- Approximately 5,800 taxis operate in Tyne and Wear, two thirds of which are licensed private hire vehicles;- An estimated 56million- 73 million taxi journeys are made in Tyne and Wear, 98% of which cost less than £10. The majority of taxi journeys are made at night, between 23:00 and 02:59; and- There are 145 different taxi operators in Tyne and Wear and research has found the average journey length to be 9.1 km.

11 Bus Subsidy Reform

11.1	A consultation on how to implement the Bus Subsidy proposals outlined in the Green Light for Better Buses (May 2012 ITA papers) was launched in September 2012 and reported to members at the September ITA. The consultation response (provided to and discussed by members of the ITA LTP, and Bus Strategy Working Groups) is available on request.
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12 Investment in Green Buses

12.1	<p>The Department for Transport has announced that they are making a further £20 million available through a fourth round of the Green Bus Fund. The funding will assist bus operators and local authorities in England to buy low carbon emission buses.</p> <p>The funding is to be used to meet additional up-front costs of purchasing new low carbon buses and it is predicted that it will enable bus operators and local authorities to buy approximately 300 of these buses. Investment in low carbon</p>
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buses will assist the DfT in achieving their overarching objectives of helping to create growth and tackle carbon.

The DfT are due to publish a guidance document which will give details of how local authorities and bus operators can bid for funding from the fourth round of the Green Bus Fund.

11 Local Major Scheme Funding – January 2012

- 11.1 An officer group with Director / Heads of Services from the seven north east local authorities, in addition to representation from the NE LEP, ITA and Nexus has been formulated. This group, the Senior Officers Transport Advisory Group (SOTAG) will report through the Economic Directors and Chief Executives to the Seven Leaders and Elected Mayor. It will manage the process to deliver the proposed new system of prioritising and funding local major schemes after the end of the current Spending Review period. It is important for Members to note that this work is focused on potential changes to the old 'Regional Funding Allocation' system – and does not propose changes to the format of delivery of transport schemes (this would still lie with the local highway / integrated transport authority).

14 Next Steps

- 14.1 A further update report to be brought in May 2013 with Policy Seminars every non-ITA Committee month.

15 Potential impact on objectives

- 15.1 There are no potential impact on objectives from this report.



DATE: 22nd November 2012
SUBJECT: ITA Bus Strategy 2012
REPORT OF: Director General, Nexus

PURPOSE OF REPORT

In July the ITA received a copy of the draft Bus Strategy prior to its release for consultation. Since then the document has been consulted upon with a number of key stakeholders, including the bus operators and was available on the Nexus website.

The consultation was open from 01 August 2012 – October 24th 2012.

This report presents the strategy as revised.

RECOMMENDATIONS

That the ITA adopt the Bus Strategy 2012.

BACKGROUND DOCUMENTS

ITA report The Bus Strategy, 26th July 2012

The Bus Strategy 2012 Version 11 attached as an appendix

Responses received to the consultation attached as an appendix

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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	In March 2009 the ITA approved and adopted the Bus Strategy: Charter for Growth. Progress against the actions set out in the strategy has been reported on a quarterly basis to the ITA Bus Strategy Working group.
1.2	To reflect this and the changing climate within which bus services operate since 2009 the Bus Strategy has been refreshed with revised targets and actions aimed at improving bus services across the region.
1.3	The Strategy sets out the aspiration for Bus Services in Tyne and Wear for the next 10 years. The strategy can be found at appendix A
1.4	The bus strategy has been consulted upon with key stakeholders, including the Bus operators since July 2012 and revised accordingly. A summary of the consultation can be found in appendix B.
2	Introduction and Background
2.1	The Strategy has been consulted upon with major stakeholder, including the Bus Operators, Local Authorities and Passenger Focus. The document was also available on the Nexus Website.
2.2	Local Authority officers were invited to a page turn of the strategy earlier in the year and their comments made were also incorporated into the strategy.
2.3	The main comments from operators were queries regarding the market research, data and how this was used in the bus strategy. A summary of their responses can be found in Appendix B.
2.4	Passenger Focus, who act as a champion for Bus Users, were consulted on the document and where supportive of the direction and ambitions set out in this strategy. A summary of their comments can be found in Appendix B and their full response to the document can be found on their website at www.passengerfocus.org.uk
3	Contents
3.1	The strategy is founded on the three overarching objectives of the ITA and aligned to national policy and the ITA's Local Transport Plan



3.2	The vision remains unchanged and is to “Ensure that buses play a central role in providing a simple affordable and integrated public transport system in Tyne and Wear”
3.3	As do the three objectives which are : <ul style="list-style-type: none">• To arrest the decline in bus patronage• To maintain and preferable grow network accessibility• To deliver better value for money
3.4	Appendix B sets out the responses received from key stakeholders to the consultation and show, where relevant, how the strategy has been amended in light of these comments.
4	Next Steps
4.1	If the ITA approve the strategy for adoption; Nexus will work to implement the deliverables as outlined with partners and report process against the strategy on a quarterly basis to the ITA Bus Strategy Working Group
5	Potential impact on objectives
5.1	This strategy supports the ITA’s objectives and provides one of the Key methods of delivering against them.

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The ITA Bus Strategy for Tyne and Wear 2012

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Executive summary

Buses are a vital public service – they have a major role to play in the way the public go about its daily life because of the economic connectivity they help to achieve. As with all public services, efficient and affordable delivery is paramount.

For individuals without access to a car, the bus is their main means of accessing employment, educational and shopping facilities, as well as a range of other essential services. Local bus services are, and will continue to be, important for the economy and the environment in Tyne and Wear. However, with patronage declining, car usage increasing, and car ownership rising rapidly, now is the time for action.

Combined with rising customer expectations of such an important public service, this is the background to the production of this document, the Tyne and Wear Integrated Transport Authority's (ITA's) 2012 edition of the Bus Strategy.

The Strategy is founded on the three overarching objectives of the ITA, as shown in the following diagram, and aligned with current national policy and the Tyne and Wear Local Transport Plan. It has a simple vision to *“Ensure that buses play a central role in providing a simple, affordable and integrated public transport system in Tyne and Wear”*.

This document sets out how the ITA intends to meet this vision, starting with a more detailed analysis of current trends and issues. From this, three clear Strategy objectives are identified: *to arrest the decline in bus patronage; to maintain (and preferably grow) network accessibility; and to deliver better value for public money*.

A list of specific deliverables is then derived for each, building upon the work that the ITA has done already, setting out clearly where the ITA would like to be, and how it intends to get there. To achieve these deliverables, the ITA will consider all options available to it, in order to identify which of them stand the best chance of supporting successful delivery. This will include such options as Voluntary Partnership Agreements, Quality Partnership Schemes and Quality Contract Schemes.

Finally, a list of principal and supporting targets is included. The three principal targets relate to the objectives of the Strategy, providing a clear data set against which to judge the implementation of the Strategy. Reporting on progress towards these targets will take place on an annual basis, allowing a review of the effectiveness of the deliverables, as well as any changes. The Bus Strategy itself will also be refreshed periodically to take account of changing circumstances.

The government's vision is for a 'better bus' – this is the same for the ITA, Nexus the Tyne and Wear local transport authorities, the bus operators, and most importantly, bus passengers. Through implementing this Strategy, that must be our common goal.



1. Introduction

- 1.0.1 Buses are a vital public service – they have a major role to play in the way the public goes about its daily life and because of the economic connectivity they help to achieve. The government¹ recognises that, *‘Many people rely on their local bus to get to school, to work, to the doctors, to visit their friends and family, or to go shopping.’* They are clear that, *‘Given their importance in providing employers and businesses access to labour markets, buses are important for a well-functioning and growing economy’*. As with all public services, efficient and affordable delivery is paramount.
- 1.0.2 For individuals without access to a car, the bus is their main means of accessing employment, educational and shopping facilities, as well as a range of other essential services. In order to connect people to opportunities and socially necessary services, public transport must be affordable, available, accessible and acceptable².
- 1.0.3 The contribution that the bus can make towards growth in the economy is often underestimated³. Approximately 40% of workless households in the UK do not have access to a car, so good public transport services are vital in enabling them to access employment opportunities⁴. 1 in 10 bus commuters would be forced to look for another job if they could no longer commute by bus⁵
- 1.0.4 Buses often provide the principal public transport connection to town and local centres, which can be of significant benefit to the retail economy. Improved access to City Centres can add up to 25% more benefit to the local economy.⁶
- 1.0.5 The bus industry itself contributes £2.1 billion per year to the UK’s economy and is a major mode of travel for many people. Outside London, 63% of all public transport trips are made on a local bus, and there were 2.3 billion bus journeys in total in 2010/11⁷. Of that figure, there are more than 139 million journeys per year on buses in and around Tyne and Wear.⁸
- 1.0.6 Yet congestion in urban areas costs the economy £10.9 billion per year⁹ and, with little or no signs of congestion easing, a plan of action needs to be brought forward which will significantly reduce this cost. An

¹ Department for Transport (2012), Green Light for Better Buses

² Pteg (2010), Transport and Social Inclusion: Have We Made the Connection in Our Cities?

³ Greener Journeys website (30 March 2012), Buses to Provide Good Return for Investment

⁴ Greener Journeys website (30 March 2012), Buses to Provide Good Return for Investment

⁵ Institute of Transport Studies, University of Leeds (2012), The Bus and Economic Growth Report

⁶ Institute of Transport Studies, University of Leeds (2012), The Bus and Economic Growth Report

⁷ Department for Transport (2011), Annual Bus Statistics 2010/11

⁸ Nexus Continuous Monitoring

⁹ Cabinet Office (2009), An Analysis of Urban Transport

effective bus service can attract people away from their cars and reduce congestion in the main centres, particularly for trips of between 2 and 5 miles in length.

- 1.0.7 It is also estimated that poor air quality, CO₂ emissions and noise in urban areas costs the economy a minimum of £8.7 billion each year¹⁰. Car travel is the largest source of transport-related emissions, accounting for 59% of domestic greenhouse gas emissions in 2009¹¹, so modal shift from car to bus can play a major role in reducing carbon emissions. For example, if 50 commuters who travel to and from work each day by car¹² were to switch to bus, CO₂ emissions would reduce by 21,272kg each year¹³. The carbon footprint of each individual making the switch would reduce by approximately two thirds.
- 1.0.8 Over 1 in 10 people in metropolitan areas travel to work by bus¹⁴; of the 39 million recorded passenger trips by bus in Tyne and Wear, 31% were to access employment or education, 40% for shopping and trips to essential services and 29% for leisure reasons.¹⁵
- 1.0.9 The North East, according the DfT's National travel Survey 2009/10, has the lowest levels of car ownership in England, outside of London; however car ownership is also growing at the fastest rate of any region. Nevertheless the North East still has the highest number of trips taken on local bus per person outside of London. In 2009/10 this equated to an average of 74 trips on local buses for each person.
- 1.0.10 These headline facts illustrate just how important local bus services are, and will continue to be, for the economy and the environment in Tyne and Wear. However, with patronage declining, car usage increasing, and car ownership rising rapidly, now is the time for action.
- 1.0.11 Combined with rising customer expectations of such an important public service, this is the background to the production of this document, the Tyne and Wear Integrated Transport Authority's (ITA's) 2012 edition of the Bus Strategy.
- 1.0.12 The ITA itself has three overarching objectives:
- Supporting economic development and regeneration,
 - Addressing climate change, and
 - Supporting safe and sustainable communities.

The objectives in the Tyne and Wear Local Transport Plan are closely aligned to these objectives.

¹⁰ Cabinet Office (2009), An Analysis of Urban Transport

¹¹ DfT Statistics (2012), Table ENV0201, Greenhouse gas emissions by transport mode: UK, 1999-2009

¹² Medium diesel car with engine size of 1.7-2 litres is assumed

¹³ Nexus Business Intelligence (May 2012)

¹⁴ DfT (2008) Public Transport Statistics

¹⁵ Nexus Continuous Monitoring Data

1.0.13 In order to help deliver these objectives, this Bus Strategy sets a simple vision to:

“Ensure that buses play a central role in providing a simple, affordable and integrated public transport system in Tyne and Wear”

The remainder of this document sets out how the ITA intends to meet this vision, starting with a more detailed analysis of current trends and issues, and ending with a clear identification of deliverables and targets against which to judge the implementation of the Bus Strategy.

2. Current trends and issues

2.0.1 Despite the significant role that the bus plays, the Department for Transport (DfT)¹⁶ recognises that there are a number of long term issues to address when aiming to improve bus services, including:

- *‘Bus passenger numbers have been in a slow, long-term decline, notwithstanding the popular concessionary travel scheme ... This decline is particularly apparent in our largest cities*
- *Fares are increasing above inflation (6.8% above inflation between March 2005 and March 2011), with real impacts on the young and lower income groups*
- *In many areas, there is little direct competition for bus passengers*
- *Local councils often spend significant amounts of money on putting on services for communities not well-served by commercial services, at a time when they are under pressure to deliver savings’.*
- *Bus customer satisfaction remains relatively high.*

These issues are no different in Tyne and Wear, as the analysis in the following parts of this section illustrates.

2.0.2 Bus passenger satisfaction is relatively high across the UK, with an average of 85% of the latest Passenger Focus survey of bus users saying that they were satisfied overall with their local bus service¹⁷; within Tyne and Wear the figure was 91%. Again, this is fairly similar in Tyne and Wear, although whilst 80% of customers are satisfied with bus services, some bus passengers consider customer service on public transport to be poor¹⁸.

¹⁶ Department for Transport (2012), Green Light for Better Buses

¹⁷ Passenger Focus (2012), Bus Passenger Surveys, March 2012

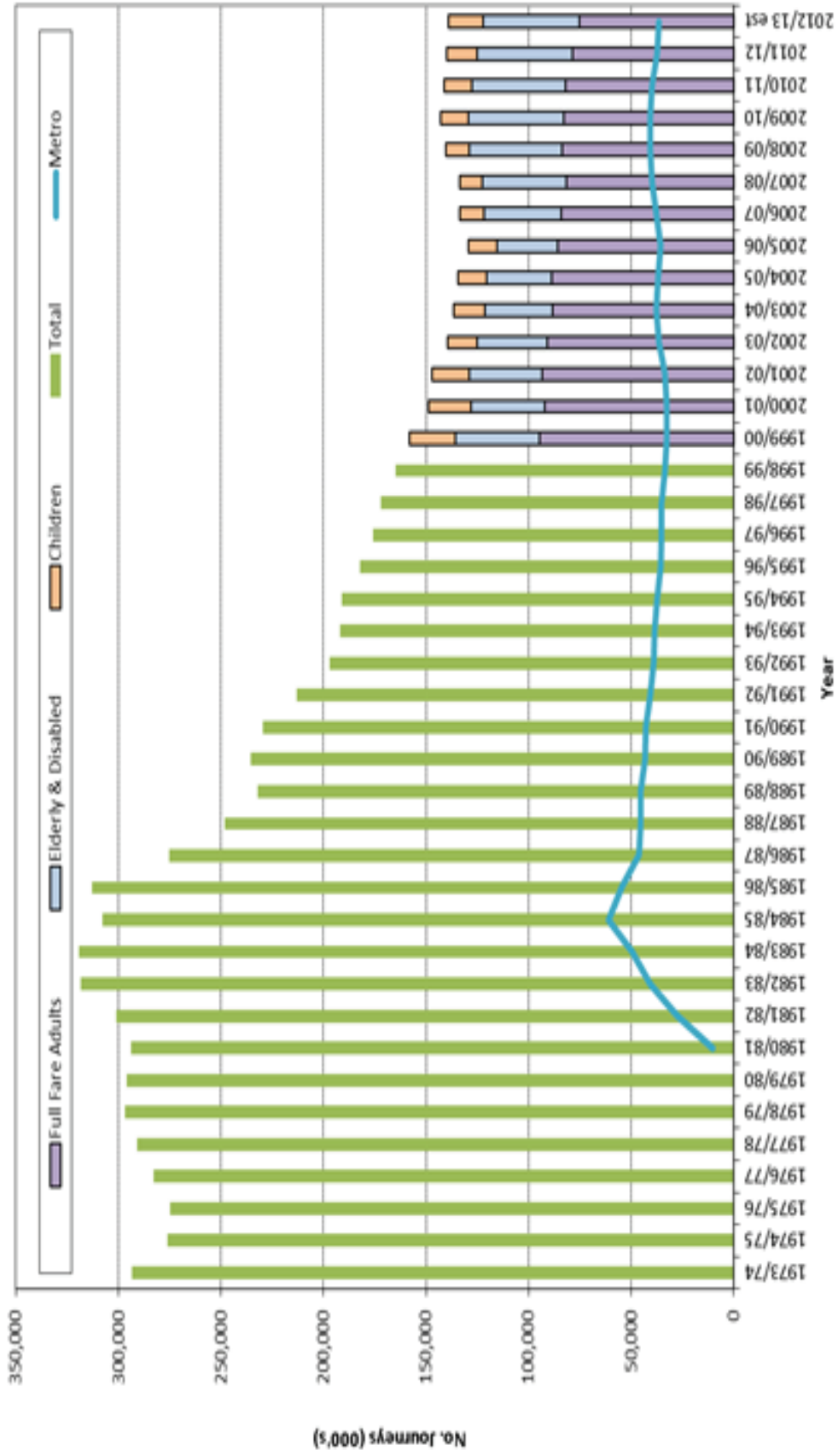
¹⁸ SMS (March 2010), Customer Service Strategy Market Research Report

2.1 Patronage

- 2.1.1 There are a number of factors affecting patronage decline, including
- The economic situation and therefore the number of jobs;
 - Car ownership and fuel prices;
 - The relative attractiveness of bus as a mode of transport, including frequency, fares and punctuality.
- 2.1.2 Although there has been continued and significant investment into Tyne and Wear buses and infrastructure, patronage still continues to decline, as shown in Figure 1 and 2¹⁹.
- 2.1.3 Whilst the introduction of free concessionary travel in 2008 has had a positive impact on patronage amongst those aged 60+, the number of passengers paying the full adult fare has continued to decline (Figure 2). Although patronage increased in 2008/09 for the first time in 17 years, this growth proved to be only temporary as patronage has since declined again.
- 2.1.4 For context Metro patronage is shown on figure 1.

¹⁹ Nexus Business Intelligence (May 2012)

Figure 1: Bus patronage 1973/74 to 2012/13 in Tyne and Wear.²⁰
 ** forecast figure for 2012/13 (Note: passenger type breakdown not available prior to 1999)



²⁰ Nexus Business Intelligence (May 2012)

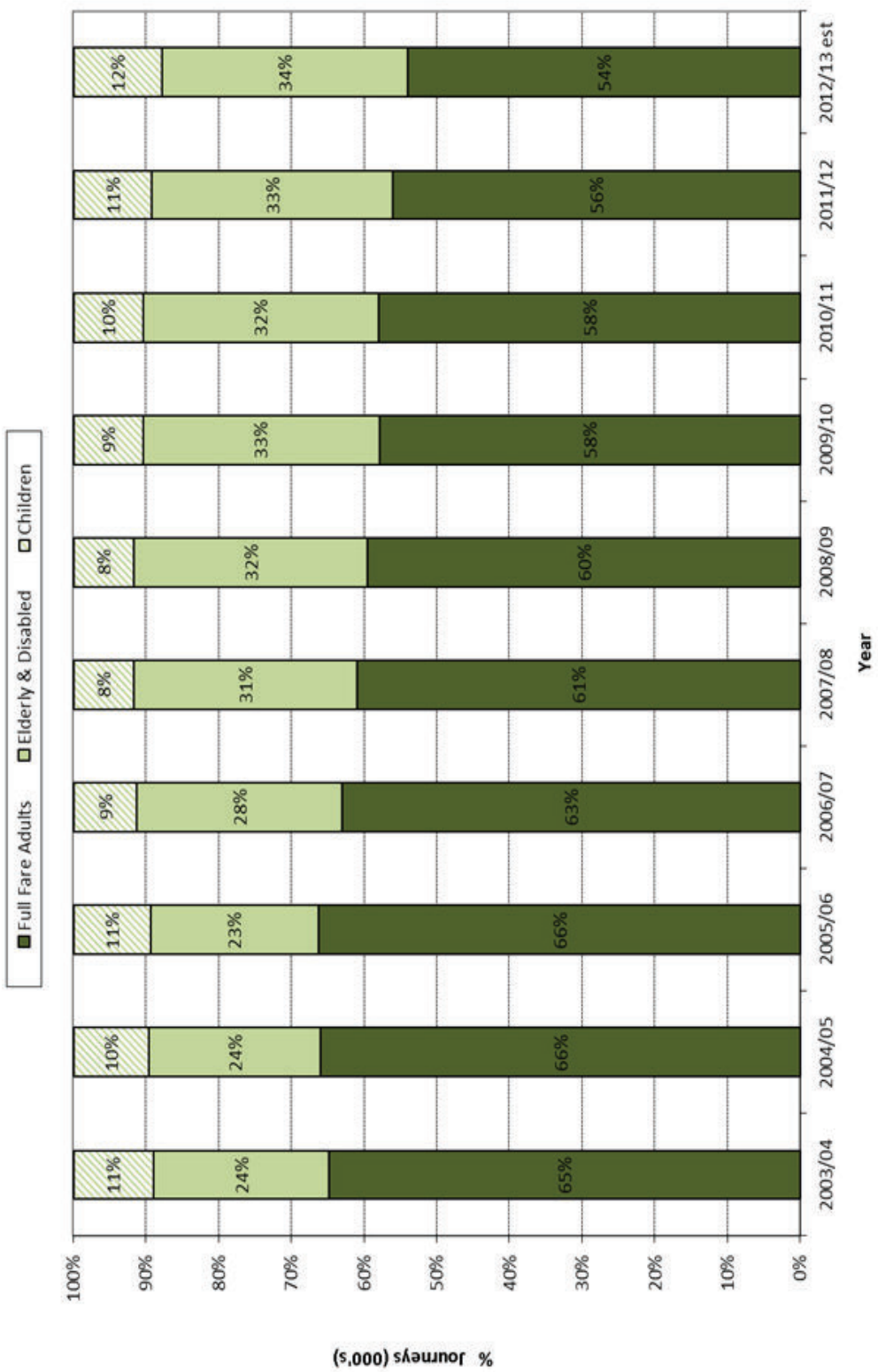


Figure 2: Bus patronage breakdown by passenger type 2003/04 to 2012/13 in Tyne and Wear (Note: forecast figure for 2012/13)

2.1.5 Bus use in Tyne and Wear has declined faster since 1997/8 than in any other Metropolitan area.²¹ As can be seen in figure 2 the decline in fare paying passengers on bus has continued, whilst concessionary travel has grown. However this growth is starting to show more recent signs of slowing.

2.1.6 **The Economy and Jobs:**

Buses provide a multiplier effect in other areas of the economy, helping to increase economic performance, connect people to jobs and support the vitality of town and city centre.²²

2.1.7 It is almost certain that the more recent patronage decline has also been affected by external economic conditions, such as rising rates of unemployment and increased living costs, factors which are evident in the decline in the Gross Value Added (GVA) of the regional economy.

2.1.8 The unemployment rate in Tyne and Wear has increased rapidly since 2009, which has inevitably resulted in fewer adults travelling by bus, and the trend is mapped by the overall decline in patronage across the North East, as shown in Figure 3.

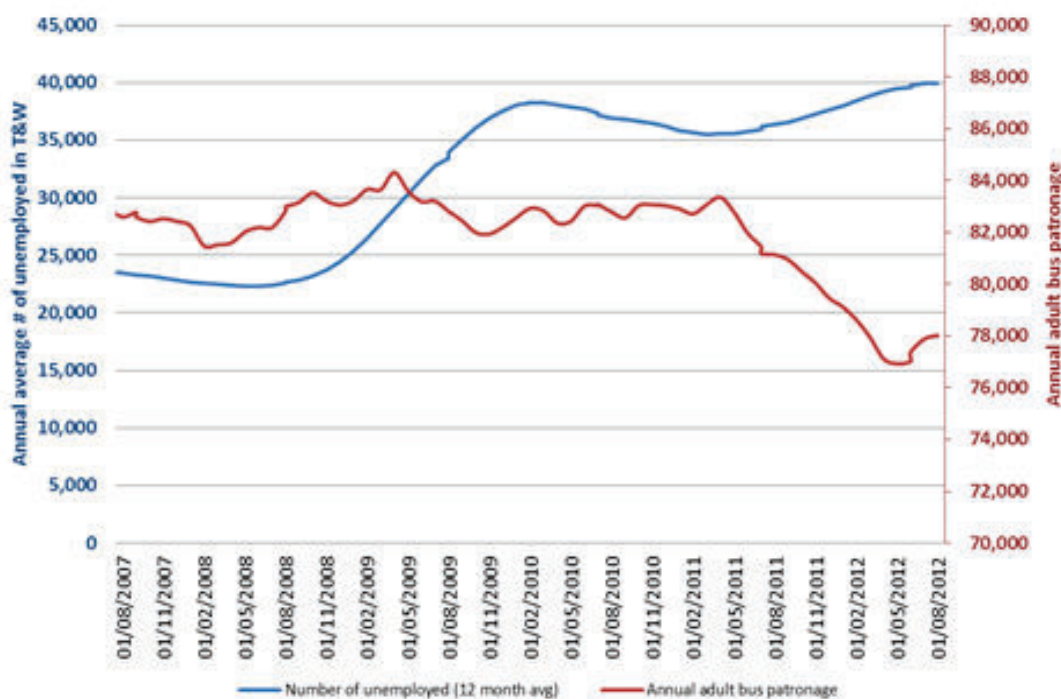


Figure 3: Correlation between bus ridership and unemployment in Tyne and Wear²³

²¹ DfT (2008) Public Transport Statistics

²² Institute of Transport Studies, University of Leeds (2012) The Bus and Economic Growth

²³ Nexus Business Intelligence (May 2012)

2.1.9 Predictions of population growth provided by the ONS, estimate Tyne and Wear will grow by 55,000 by 2021. These are comparable with figures used in DfT Temprow model that show population growth of 50,000.

2.1.10 **Car ownership and fuel cost:**

Another factor which is likely to have contributed to the decline in patronage is the rise in car ownership in Tyne and Wear, which has increased steadily in recent years. Travel by car accounts for around 70% of travel amongst potential bus users and is the greatest threat to reversing the downward trend in bus patronage²⁴.

2.1.11 Car use in UK urban areas is higher than in other European cities²⁵. Car ownership in Tyne and Wear has increased by 16% between 2001 and 2011.

2.1.12 Car drivers state they use the car instead of the bus because it is perceived to be:

- Easier (73%)
- Quicker (61%)
- Cheaper (20%)²⁶

2.1.13 Additionally although the cost of fuel has increased significantly in recent years, (Figure 4), the overall cost of motoring fell by 13% between 1997/8 to 2007/08 once the impact of inflation had been removed²⁷ therefore fuel cost increases have not been matched by sustained modal shift from car to bus, despite some local campaigns aimed at informing motorists of the comparative costs. The graph shows bus patronage declining at the same time as the greatest increase in fuel costs.

²⁴ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

²⁵ CfIT (2006) European best practice update cited in Cabinet officer (2006) analysis of urban transport

²⁶ MVA (June 2012) What the Public Want, Value for Money for Bus Users

²⁷ DfT (2009) Transport Trends

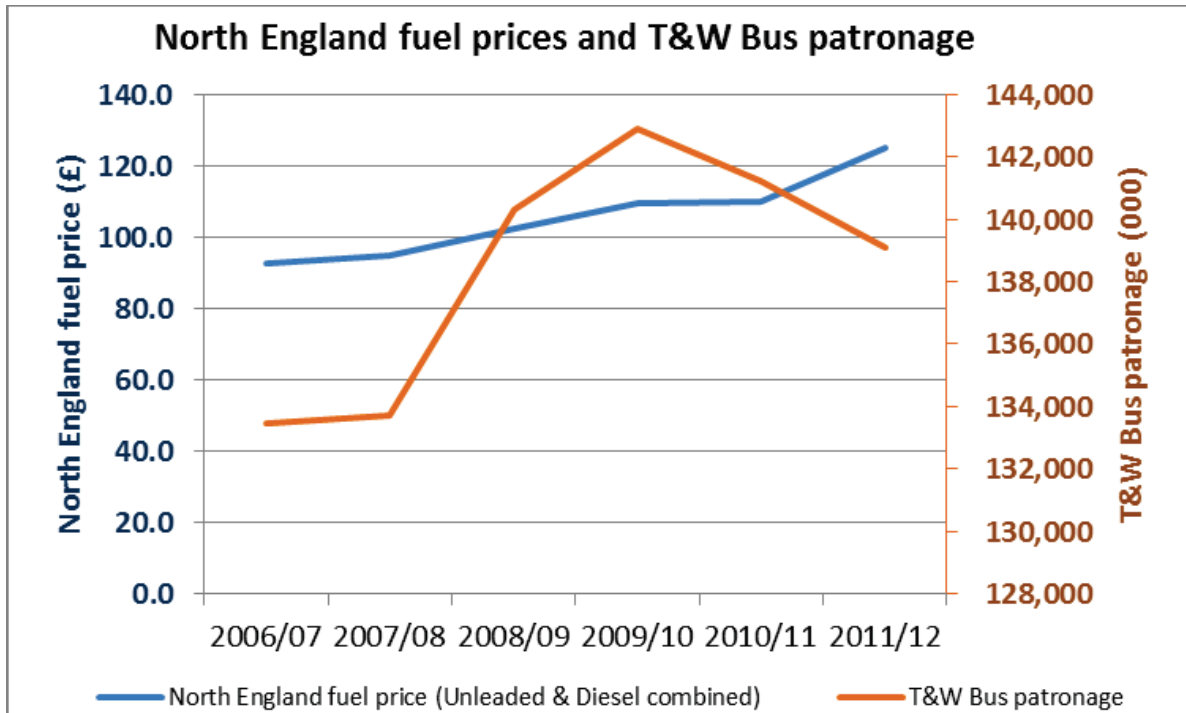


Figure 4: Cost of Fuel in the North of England²⁸ and Tyne and Wear Bus Patronage

2.1.14 The rising cost of fuel has had an adverse impact on the bus operators, however, in terms of increased operating costs. CPT figures suggest this rise has been on average 2.2% above RPI since 2004²⁹ The impact of such increases is often felt by passengers in the form of increased fares and/or reduced network operations. Both of these issues are considered in more detail in sections 2.2 and 2.4. According to the Institute of Transport Studies nationwide bus operator margins have fallen from 13-14% to 8% leading to fare increases and routes being cut.³⁰

2.1.15 What is clear from the trends in patronage is that reversing the current trend, notwithstanding the external economic influences that are more difficult to predict, is of paramount importance, and is a common goal of government, the ITA and all bus operators within Tyne and Wear.

2.2 Fares and ticketing

2.2.1 Since bus deregulation in 1986, the cost of bus travel has risen throughout England and the greatest increases have been in PTE areas, where bus fares rose by 95% between 1995 to 2008³¹; in contrast the average rise in the rest of England was 51% over the same period. According to Nexus’s monitoring statistics the equivalent figure for Tyne and Wear is 124%. The average fare in Tyne and Wear in April 1995

²⁸ AA Fuel Price Report - UK and overseas prices February 2012, (http://www.theaa.com/motoring_advice/fuel/index.html)

²⁹ CPT, cost index for bus operators in Northern England.

³⁰ Institute of Transport Studies, University of Leeds (2012) The Bus and Economic Growth

³¹ DfT Public Transport Statistics GB Bulletin 2002-2009 editions, cited in pteg (2010), Transport and Social Inclusion: Have We Made the Connection in our Cities?

was £0.66; this compares to £1.48 in April 2008. If fares had increased over that period in line with RPI the average fare in April 2008 would have been £0.95. CPT show that costs within the bus industry have risen, on average by 2.2% above RPI³². If fares since 2004 had risen in light with CPT cost increases the average fare would have been £1.38 in 2008.

Date	Average Actual Fare	% Change Fares	% Change RPI	Increase above RPI %	CPT cost increase ³³	Fare if CPT cost increase applied
April-95	£0.66	4.8%	3.5%	1.3%		
April-96	£0.69	4.5%	2.4%	2.1%		
April-97	£0.72	4.3%	3.1%	1.2%		
April-98	£0.75	4.2%	3.4%	0.8%		
April-99	£0.79	5.3%	1.5%	3.8%		
April-00	£0.83	5.1%	3.0%	2.1%		
April-01	£0.88	6.0%	1.8%	4.2%		
April-02	£0.94	6.8%	1.7%	5.1%		
April-03	£1.00	6.4%	2.9%	3.5%		
April-04	£1.07	7.0%	3.0%	4.0%	6.0%	£1.06
April-05	£1.16	8.4%	2.8%	5.6%	8.7%	£1.15
April-06	£1.26	8.6%	3.2%	5.4%	6.9%	£1.23
April-07	£1.38	9.5%	4.3%	5.2%	6.4%	£1.31
April-08	£1.48	7.2%	4.0%	3.2%	5.4%	£1.38
April-09	£1.62	9.5%	-0.5%	10.0%	6.2%	£1.47
April-10	£1.77	9.3%	4.6%	4.7%	1.5%	£1.49
April-11	£1.96	10.7%	5.2%	5.5%	3.7%	£1.54

Figure 5: Average bus fare paid in Tyne and Wear between 1995 and 2011 V RPI and CPT costs index.³⁴

³² CPT Cost index for Bus Operators in Northern England (earliest data available 2004)

³³ CPT Cost index for Bus Operators in Northern England (earliest data available 2004)

³⁴ Nexus Continuous Monitoring Data

2.2.2 The long term decline in passenger numbers which has occurred over the years coincides with these cost increases. In the light of patronage decline and rising costs elsewhere, fares often increase at a rate which is considerably higher than the Retail Price Index (RPI), as shown in Figure 6 below.

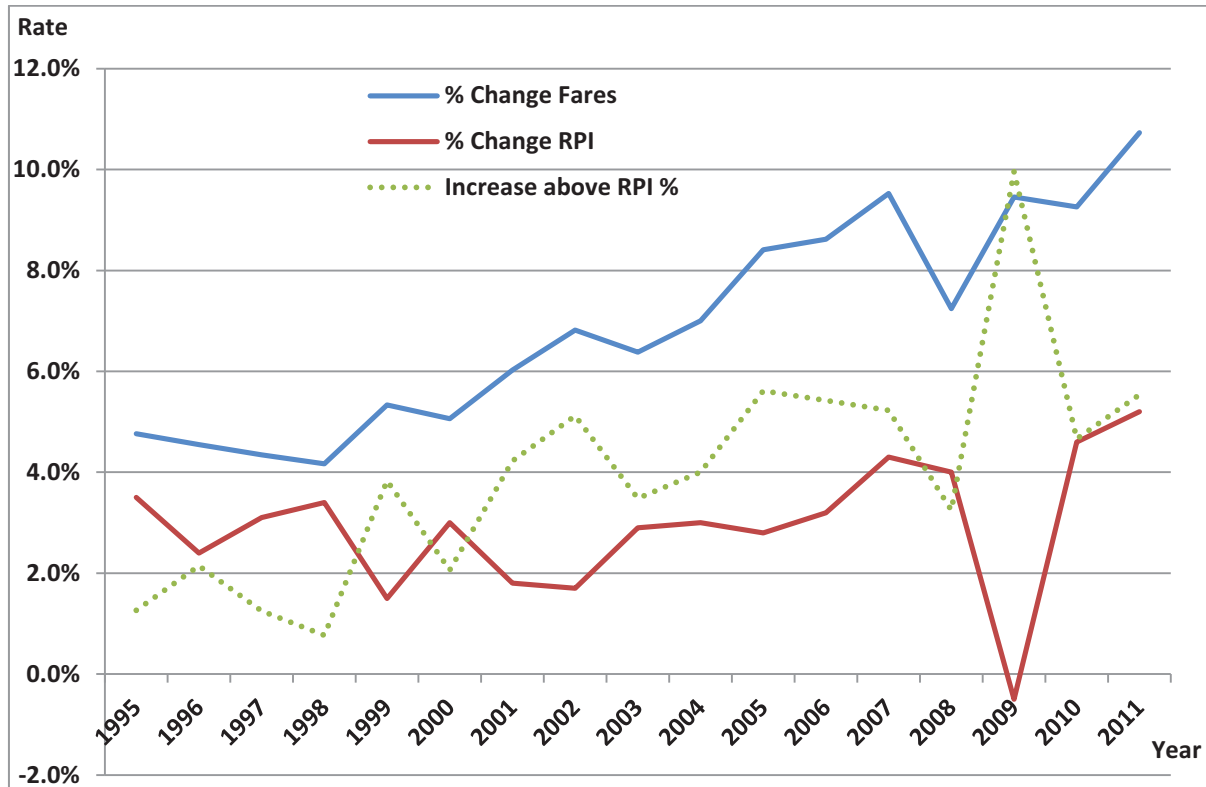


Figure 6: Annual Percentage Change in Fares and the Retail Price Index

2.2.3 "the attractiveness of bus travel continues to fall relative to motor cars because of the combination of rising fares and greater car ownership"³⁵

2.2.4 Fares differ between operators and market research has found that services provided by some operators are thought of as being more expensive than others³⁶. Respondents have also stated that fare increases are occurring too regularly and rises are often seen as high³⁷. 1 in 7 passengers surveyed considered the service to offer poor or very poor value for money.³⁸ Buses being seen as expensive was the number one factor highlighted by respondents in preventing their travel by bus more often.³⁹ Passenger Focus, told us that once responses from Concessionary Pass Holders had been taken out, Value for Money was

³⁵ Cabinet Office (2008) An analysis of Urban Transport

³⁶ Public Knowledge (April 2009), Fares and Ticketing Research (Qualitative Report)

³⁷ Public Knowledge (April 2009), Fares and Ticketing Research (Qualitative Report)

³⁸ MVA (2012) What the public want; Value for Money for Bus User

³⁹ MVA (2012) What the public want, Value for Monet for Bus User

the second most important issue for bus passengers across England (Excluding London)⁴⁰

2.2.5 However, the market research indicated a range of different inconsistencies, or uncertainties, in the current fares system create significant frustration for some passengers. Inconsistencies experienced include:

- different fares between the same two bus-stops (different operators);
- restrictions on bus tickets across different bus operators;
- uncertainty about whether the best-priced ticket is being purchased;
- confusion over restrictions that seem to be applied inconsistently;
- no such thing as a 'return ticket' on some routes;
- restrictions on paying with notes or cards; and
- un-announced fare increases.⁴¹

2.2.6 The feeling amongst participants was that much of the frustration would be lessened if they were better informed about available tickets (and restrictions); and more tickets could be used on different bus services. The latter would enable passengers to catch the 'first' bus that came along – thereby increasing the perceived service headway and improving reliability. Furthermore, simplification of fares would also reduce the barriers to entry for potential users⁴²

2.2.7 Those people belonging to the lowest income quintile make 206% more trips by bus and coach than those belonging to the highest quintile⁴³, therefore fare increases have the greatest impact on low income households, who are most reliant on the bus. Additionally those on low incomes are least likely to be able to take advantage of the cheapest fares because they are less likely to be able to afford a large financial outlay to purchase a season product.⁴⁴

2.2.8 30% of those who are dependent on bus to access education and training live in the top 10% of the most deprived areas of the country. The bus therefore plays a critical role in helping this group access more productive jobs.⁴⁵ Transport costs are cited as the biggest expenditure of

⁴⁰ <http://www.passengerfocus.org.uk/research/publications/passenger-focus-response-to-nexus-tyne-and-wear-region-draft-bus-strategy-consultation-october-2012>

⁴¹ MVA (2012) What the Public want; Value for Money for Bus Users

⁴² MVA (2012) What the Public want; Value for Money for Bus Users

⁴³ DfT National Travel Survey (2008), cited in pteg (2010), the Effect of Bus Fare Increases on Low Income Families

⁴⁴ Campaign for Better Transport (2012) Transport Accessibility and Social Exclusion

⁴⁵ Institute of Transport Studies, University of Leeds (2012) The Bus and Economic Growth

further and higher education. The Social Exclusion Unit identified that 6% of 16-24 year olds turned down training because of transport costs⁴⁶.

- 2.2.9 Network contraction also impacts on lower income families, with cuts to bus services serving more isolated estates, making it more difficult for low income groups to access entry level jobs. Also as weekend and evening services are cut back it becomes more difficult to access shift work outside of the core 9-5, Monday to Friday working week.⁴⁷
- 2.2.10 Research shows that in Tyne and Wear, 58% of customers are satisfied with the cost of fares⁴⁸. However, many customers, especially those making shorter journeys, describe bus fares as expensive⁴⁹. When questioned in focus group research, non-users said that the expense of buses was a barrier to use.⁵⁰ The DfT black book shows that fare elasticity equates to 0.42% increase in patronage for every 1% decrease in fares
- 2.2.11 Dissatisfaction with fares combined with a perception that bus travel is expensive, particularly when compared to other forms of transport, appears to be a contributory factor to the reduction in bus patronage over time. This suggests that a simple, affordable fares structure may encourage greater use of public transport, including bus.
- 2.2.12 As well as differentiated fares, each bus operator has its own fare structure and set of rules and conditions. Recent estimates suggest that there are over 100 bus ticketing products in Tyne and Wear, and when questioned in focus group research, some customers stated that they were unaware of what ticketing products were available⁵¹.
- 2.2.13 Operator-specific tickets are normally accepted for travel only on the services of the operator who issued the ticket. Bus users have expressed a desire to be able to purchase tickets which allow travel on services provided by more than one operator⁵².
- 2.2.14 At present there is an existing range of network-wide tickets for those wishing to travel on services provided by different operators in the form of Network One which offers multi-modal, multi-operator tickets⁵³. However awareness of such ticketing products tends to be low and they are generally perceived to be expensive⁵⁴. Only 46% of participants who

⁴⁶ Institute of Transport Studies, University of Leeds (2012) The Bus and Economic Growth

⁴⁷ Campaign for Better Transport, (2012) Transport, Accessibility and Social Exclusion.

⁴⁸ Nexus (January 2012), Customer Satisfaction Forecast data

⁴⁹ Public Knowledge (April 2009), Fares and Ticketing Research (Qualitative Report)

⁵⁰ MVA (2012) What the Public want; Value for Money for Bus Users

⁵¹ Public Knowledge (2009), Fares and Ticketing Research (Qualitative Report)

⁵² Nexus Informal Stakeholder Consultation (January/February 2012)

⁵³ including main bus operators, Metro, Ferry and local rail line from Blaydon to the MetroCentre

⁵⁴ Public Knowledge (2009), Perceptions of Fares and Ticketing on Public Transport in Tyne and Wear

were involved in external focus group research were aware of multi-modal, multi-operator tickets.⁵⁵

- 2.2.15 Over recent months a promotion has been taking place in which Network One has reduced the price of its multi-modal day ticket from £6.80 to £5.50 (a 19% price reduction). The price reduction has been backed by a significant marketing campaign. Whilst the promotion is still running, sales of this ticket type have more than doubled over the period of the campaign.
- 2.2.16 Research has found that public transport users generally rate interchange facilities in Tyne and Wear highly⁵⁶. Customers are generally found to be accepting of interchange, if it works well. However, the lack of integrated ticketing has been cited as a barrier to use⁵⁷; as has poor planning of interchange services which leads to connections being missed.
- 2.2.17 Customers have stated that more flexible ticketing products, which permit travel on more than one mode, would make interchange more appealing⁵⁸. Customers feel that they are penalised for interchanging between bus services as this can often mean that the services of two different operators are required, leading to the purchase of two separate tickets⁵⁹.
- 2.2.18 There are also several different zoning systems in operation. Market research has indicated that the use of different zoning structures creates an inconsistent attitude towards ticket pricing⁶⁰ and is often considered to be unclear⁶¹.
- 2.2.19 Overall there is a perception that bus travel is expensive and complex when compared to other modes of travel, particularly the car. This causes the travelling public to turn away from bus to car if they have the opportunity.

2.3 Competition

- 2.3.1 The Tyne and Wear bus network is provided by a range of different operators of differing sizes, but principally by three operators – Arriva, Go North East and Stagecoach. The network consists of approximately 220 different bus routes⁶².

⁵⁵ Public Knowledge (2009), Perceptions of Fares and Ticketing on Public Transport in Tyne and Wear

⁵⁶ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

⁵⁷ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

⁵⁸ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

⁵⁹ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

⁶⁰ SMS (2010), Customer Service Strategy SMS Report

⁶¹ Public Knowledge (2009), Fares and Ticketing Research (Qualitative Report)

⁶² Figure excludes scholar and work services

- 2.3.2 In January 2011, the Office of Fair Trading (OFT) referred local bus services to the Competition Commission (CC) following a consultation on the results of a market study into the industry. The investigation specifically examined the economic effectiveness of competition within the local bus service sector.
- 2.3.3 Whilst conducting their investigation, the CC identified a number of issues which could prevent and/or restrict competition. The study also found that fares tend to be higher in areas where operators with a strong market position are not challenged by a large well-resourced rival.
- 2.3.4 The CC's provisional results, which were published in May 2011, concluded that in many local areas, *'the largest operator has consistently faced little or no competition'*⁶³. Many passengers can therefore *'expect less frequent services and, in some cases, higher fares than when there is more competition'*.
- 2.3.5 Additional evidence published by the CC to complement its provisional findings found that the three largest operators account for 97.1% of local bus services in Newcastle, and that *'small competitors do not appear to have a significant presence in the supply of commercial services in Newcastle and the surrounding area'*⁶⁴.
- 2.3.6 The CC's final report built on this analysis to note that some operators avoid competing with other operators in the same area. The CC *'found that this conduct has taken place in relation to two operators in parts of the North East of England'*⁶⁵ and that *'we expect that detriment to consumers will have arisen from this conduct'*.
- 2.3.7 The CC's final report also proposed remedies focused on three main areas – an increase in multi-operator ticketing, new limitations on operator behaviour in response to new market entrants, and measures to ensure fair access to bus stations⁶⁶.
- 2.3.8 If the CC's recommendations are taken forward in full, it is not expected that there will be a significant impact on levels of competition in Tyne and Wear. This is because there is already a long-established multi-operator ticketing scheme in existence, incumbents are rarely challenged by new entrants and so limitations on their competitive response do not tackle the root of the problem, and Nexus is not aware of any significant difficulties for operators to gain access to privately-

⁶³ Competition Commission News Release, 6 May 2011

⁶⁴ Competition Commission (May 2011), Local Bus Services Market Investigation, Appendix 6.4 to Provisional Findings Report

⁶⁵ Competition Commission (December 2011), Local Bus Services Market Investigation: A Report on the Supply of Local Bus Services in the UK

⁶⁶ Competition Commission (December 2011), Local Bus Services Market Investigation: A Report on the Supply of Local Bus Services in the UK

managed bus stations. Therefore, there will be little change to the conditions governing the local bus market, and there is no reason to expect that the high levels of concentration, and the identified detriment to customers, will recede.

2.4 Punctuality and reliability

- 2.4.1 Market research has found that customers can consider bus punctuality to be poor, although actual recorded punctuality is much better than that perceived by customers. Only 64% of customers consider buses to be on time⁶⁷, whereas in reality, 90% of non-frequent services are punctual and the average excess waiting time for frequent services is 0.81 minutes⁶⁸, which is significantly lower than the Traffic Commissioner's target of 1.25 minutes
- 2.4.2 However this still means that of non-frequent services 1 in 10 journeys are not on time ('on time' is defined by the Traffic Commissioner as no more than 1 minute early or 5 minutes late; this is well below the Traffic Commissioner's target of 95%.
- 2.4.3 The belief held by customers and non-users that buses are unpunctual and unreliable is likely to be a significant barrier to use.⁶⁹
- 2.4.4 When asked about which aspects of their local bus services they would wish to see improved, passengers tended to focus on the fundamentals of the service – punctuality and reliability⁷⁰. Detailed information relating to the cause of delay to bus services is not published in Tyne and Wear as a matter of course; however causal factors are generally a mixture of traffic congestion, constraints relating to the operation of the highways, and operational issues within the operator's control.
- 2.4.5 Passenger Focus also ask customers about their perceptions of punctuality in their Bus User Survey. Although their methodology differs slightly from Nexus's own surveys and therefore the actual reported figures are different, they also highlight the fact that improvements to punctuality were important to customers.⁷¹

⁶⁷ Nexus Business Intelligence (May 2012)

⁶⁸ Nexus Continuous Monitoring

⁶⁹ MVA (June 2012), What the Public Want; value for Money for Bus Users

⁷⁰ MVA (June 2012), What the Public Want: Value for Money for Bus Users

⁷¹ <http://www.passengerfocus.org.uk/research/publications/bus-passenger-survey-results-for-areas-and-operators-in-the-north-east-march-2012>

2.5 Accessibility

- 2.5.1 In 2011, 33.5% of households in Tyne and Wear did not have a car⁷² – those without access to a car tend to be reliant on public transport. Yet research has found that the amenities people can reach by public transport are not always the best services, or those they would use if they had the choice⁷³.
- 2.5.2 Bus Kilometres operated in PTE areas fell on average by 13% between 1997/8 and 2007/8.⁷⁴ In the three years from 2009 to 2011, commercial bus mileage reduced by 3.8 million kilometres within Tyne and Wear⁷⁵. A number of changes to bus services took place between August 2011 and March 2012, and as a result, there was a 2.8% decrease in the number of households with access to bus services operating to a 10 minute frequency⁷⁶. Network changes have also seen increased journey times to employment and major centres. This is supported by DfT regional transport statistics which show bus mileage in Tyne and Wear down by 31% since 1997/8; one of the largest declines of any PTE area.⁷⁷
- 2.5.3 As well as the decrease in peoples' ability to access frequent bus services, there have been further commercial service withdrawals elsewhere. The withdrawal of such services can isolate those reliant on bus services thereby increasing levels of social exclusion, unless additional public funding can be found to maintain them as secured services.
- 2.5.4 Service withdrawals hit those on a low income particularly hard as they often have no alternative to travelling by bus.⁷⁸ Withdrawal of bus services can significantly reduce access to shops, healthcare facilities and employment opportunities and, as informal research conducted by Nexus found, the withdrawal of services, particularly in rural areas and at night, is of great concern to many public transport users⁷⁹. This is discussed in more detail in Section 2.2 above.
- 2.5.5 Focus group research commissioned in March 2011 found that the majority of participants felt that they were not consulted about service changes and only learned about the changes after they had been implemented⁸⁰. Bus operators are under no obligation to consult with

⁷² DfT (2012), Temprow website

⁷³ Pteg (2010), Transport and Social Inclusion: Have We Made the Connection in our Cities?

⁷⁴ Dft (2008) Public Transport Statistics bulletin

⁷⁵ Outputs from Tyne and Wear Accessibility Model (May 2012)

⁷⁶ Outputs from Tyne and Wear Accessibility Model (May 2012)

⁷⁷ DfT Regional transport statistics (2008), cited in Pteg (2010), Transport and Social Inclusion: Have We Made the Connection in our Cities?

⁷⁸ Pteg (2010), Transport and Social Inclusion: Have We Made the Connection in our Cities?

⁷⁹ Nexus Informal Stakeholder Engagement (January/February 2012)

⁸⁰ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

customers before implementing service changes, although there are some local examples of good practice when it comes to customer consultation.

2.5.6 When commercial bus services are withdrawn, there is normally an immediate pressure to use public funding to secure the service if essential links to services will be lost as a result. However, if more commercial de-registrations occur and pressure on public funding grows, this will become increasingly harder to achieve.

2.5.7 The key issue to address, therefore, is what a long term sustainable bus network in Tyne and Wear would look like, acknowledging that, for some communities, a traditional bus service is not a viable option.

2.6 Value for money for the taxpayer

2.6.1 As discussed in 2.2 above, 1 in 7 passengers in Tyne and Wear feel that bus services do not offer value for money.⁸¹ However bus services are also underpinned by the taxpayer through a variety of sources.

2.6.2 In 2009/10 bus industry revenue in England came in almost equal parts from fare paying passengers and from public funding⁸², although the make-up of this varied between regions.

2.6.3 Generally across the country public support for bus services came from three sources:

- General Network support and subsidy (normally from the Local Transport Authority)
- Concessionary travel payments (normally from the Local Concessionary Travel Authority)
- BSOG (direct from government)

2.6.4 Total operating costs for the industry, as shown in section 2.2.1, and public support for services has risen sharply between 2004/05 – 2006/07 and again in 2009/10.⁸³

2.6.5 In Tyne and Wear public financial support for bus services is estimated to account for approximately 42% of bus operator income (£62 million per annum); this equates to £40m on Concessionary Travel payments; £10m on Secured services and £12m on BSOG payments. The amount of money spent on securing services over the last 10 years has grown significantly.

2.6.6 Whilst financial support has in general risen in metropolitan areas the financial support in London, which is perceived to have high levels of

⁸¹ MVA (2012) What the Public What; Value for money for bus users.

⁸² MVA (2001) underpinning policy; modelling bus subsidy in English Metropolitan Areas, a report for Pteg

⁸³ DfT (2012) Transport Statistics Table BUS0503b

public subsidy for its regulated bus market, has in fact fallen over recent years⁸⁴

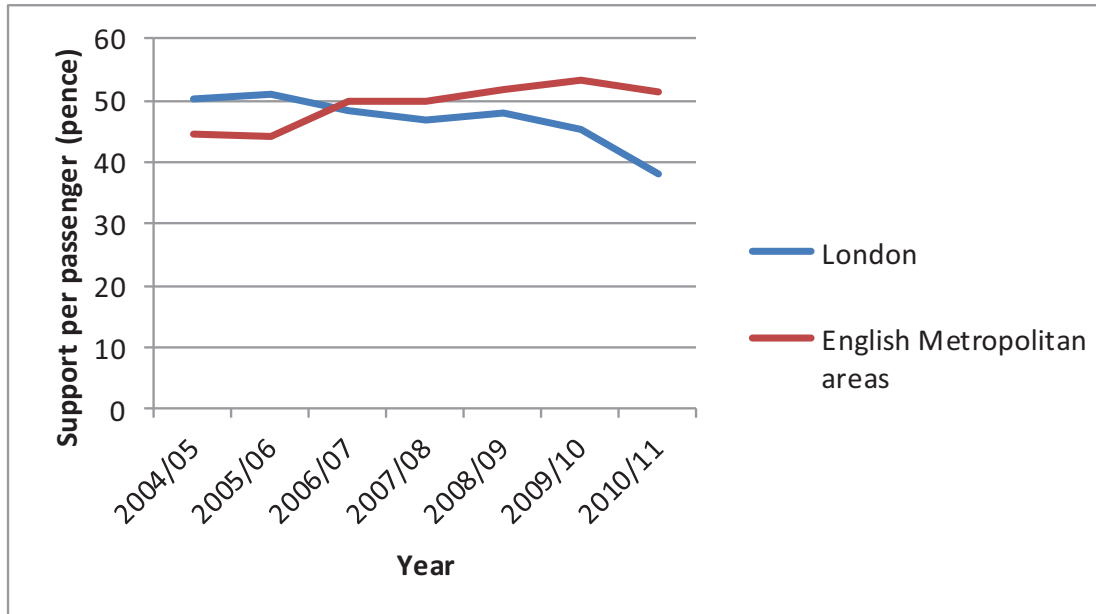


Figure 7: Total Government Support per passenger Journey (Pence) at 2010/11 prices

2.7 What does this mean for the Strategy?

- 2.7.1 The preceding analysis demonstrates that current trends and issues affecting local bus services in Tyne and Wear are similar to those recognised by the DfT as facing the industry as a whole.
- 2.7.2 The continued pressure on public finances means that, to deliver an efficient and affordable bus network in Tyne and Wear requires a focused strategy and prioritised interventions.
- 2.7.3 With this in mind doing nothing is not an option. The bus market in Tyne and Wear is faced with four clear trends:
- Falling patronage;
 - Rising fares;
 - Increasing reliance on public funding which is unsustainable;
 - Contracting network.

⁸⁴ DfT (2012) Transport Statistics Table BUS0503b

2.7.4

Therefore three key objectives have been set for this Bus Strategy. These are:

- Arrest the decline in bus patronage;
- Maintain (and preferably grow) accessibility; and
- Deliver better value for public money.

The remainder of this Strategy takes each of these objectives in turn and identifies what has been done, and what needs to be done, to achieve them. It should be noted that some of the proposed interventions overlap in terms of which objectives they aim to deliver.



3. Arresting patronage decline

- 3.0.1 The analysis in the preceding section shows that bus patronage is influenced by a range of factors, one of the principal ones being the economic climate which in recent times, has had an adverse impact on patronage by reducing the overall demand for travel.
- 3.0.2 However, the graph in Figure 1 also shows a steady decline throughout the 2000s, particularly amongst fare paying passengers, when economic conditions were more favourable, so although the overall economy does influence travel demand, it is clearly only one of the factors affecting bus patronage. Therefore, this Strategy cannot assume patronage decline will be reversed solely as a result of economic recovery in the future, although it could help arrest decline.
- 3.0.3 The challenge of reversing patronage decline falls in two main areas: maintaining current patronage levels and attracting new users. The rise in car ownership as described in the section 2.1 above is clearly a threat to both of these areas. Therefore, it is crucial to understand what improvements current and future users will want to see to maintain, or change, their behaviour.
- 3.0.4 Recent research in Tyne and Wear⁸⁵ identified that the three priorities for improvement for existing bus users were increased frequency, improved punctuality/reliability, and better value for money.
- 3.0.5 Overall the research indicated that passengers would be willing to pay for some service improvement. On average this was between 4p and 10p per journey for significant improvements in service headways, on-board service quality, improved reliability, increased hours of operation and improved journey time reliability.⁸⁶
- 3.0.6 The aspects of service to which respondents were most willing to accept a deterioration were responses to litter and graffiti, and space for wheelchairs and buggies.⁸⁷
- 3.0.7 Bus service reliability and punctuality were rated more important than journey time, and participants indicated they would find it acceptable for journey times to increase if these aspects of service quality improved.⁸⁸
- 3.0.8 For existing passengers, therefore, improvements should be targeted at on increasing the number of high frequency services, improving punctuality and reliability and increasing perception of value for money.

⁸⁵ MVA (June 2012), What The Public Want, Value for Money for Bus Users

⁸⁶ MVA (June 2012), What The Public Want, Value for Money for Bus Users

⁸⁷ MVA (June 2012), What The Public Want, Value for Money for Bus Users

⁸⁸ MVA (June 2012), What The Public Want, Value for Money for Bus Users

- 3.0.9 For potential bus passengers, the research⁸⁹ examined the barriers to bus use for those who could in theory have used a bus, but who chose not to. The top three reasons given were: the need to interchange; a feeling that the bus took too long to reach the desired destination; and a view that buses were too expensive. This research is supported by Passenger Focus as being the key barriers to bus use.⁹⁰
- 3.0.10 When asked what service improvements were more likely to encourage them to use a bus, potential users ranked punctuality/reliability, lack of interchange and better value for money as the top three priorities.
- 3.0.11 There is a correlation between value for money and distance travelled, with journeys covering greater distances generally being regarded as providing better value for money than shorter trips.⁹¹
- 3.0.12 Frequent users are more likely to purchase season tickets, which provide a discount, whereas those who travel infrequently and potential bus users are often unaware of the costs of a journey by bus and therefore tend to be less able to make accurate judgements about value for money.⁹² However the perception is still that buses are expensive.⁹³
- 3.0.13 When a journey requires the services of more than one operator, many customers perceive that they are unable to buy a single ticket covering the whole journey, thus in their mind making the journey more expensive. If an integrated network is an aspiration, as discussed in section 4, integrated ticketing that does not penalise interchange through overall cost is a major part of making that aspiration a reality.
- 3.0.14 In terms of interchange, it is clearly an unrealistic proposition to provide a network that has no interchange at all – this would be not only uneconomic, but potentially even more confusing. The perceived barriers to interchange are: waiting time, network instability and ticketing (which relates to both cost and the perceived need to buy several tickets in order to complete a single journey).
- 3.0.15 If the network is focused around a number of high frequency core routes, then waiting time penalties should be minimised, and if there is a level of stability in such a network, then users are less likely to perceive interchange as a barrier to the same degree. The need to examine further integrated ticketing products is discussed in detail in section 5,

⁸⁹ MVA (June 2012), What The Public Want, Value for Money for Bus Users

⁹⁰ <http://www.passengerfocus.org.uk/research/publications/bus-passenger-survey-results-for-areas-and-operators-in-the-north-east-march-2012>

⁹¹ SMS (2010) Customer Service Strategy Research Report

⁹² Woodholmes (2011) Research into Information Provision at Bus Stops

⁹³ MVA (June 2012) What the Public Want, Value for Money for Bus Users

and it will remain a crucial barrier to gaining new users if it is not tackled.

- 3.0.16 Translating these findings into this Strategy suggests that focused investment on high frequency routes, improved punctuality and improving users' perception of value for money, supplemented by enhanced information is required. This will ensure that existing and future customers' needs and expectations are met as much as possible in order to arrest the trend of declining bus patronage.
- 3.0.17 An ideal public transport service should be accessible to all, without discrimination. The ITA has worked with Nexus and its local authority partners over many years to improve physical accessibility to the bus network through the provision of infrastructure to aid level boarding, better access to bus stops and enhanced features across the network.
- 3.0.18 This improvement has been matched by complementary investment by bus operators in low floor vehicles. The continuation of this type of investment in infrastructure, principally through the Local Transport Plan, will ensure potential users are not deterred from taking the bus because of concerns over physical accessibility.
- 3.0.19 Personal safety and security impacts on customers' willingness to travel; particularly at night. Respondents stated they would like to see more on-board CCTV, better lighting at stops and for the driver to be more selective about who they let on board.

3.1 Where the ITA would like to be

- 3.1.1 Centre for Cities classifies Integrated Urban Transport as '*the organisational process through which the planning and delivery of elements of the transport system are brought together, across modes, sectors, operators and institutions, with the aim of increasing economic and social benefits*⁹⁴.
- 3.1.2 This definition captures what the ITA is trying to achieve – that public transport in Tyne and Wear is truly integrated in order to increase economic and social benefits. An integrated system will improve social mobility, making it easier for passengers to travel around the region, accessing jobs and services and thus contributing to growth in the local economy.
- 3.1.3 The ITA would like to promote the development of a network that is designed such that all public transport modes link with one another. In this way, multi-modal and multi-operator journeys will become simpler and easier and, as a result, patronage will increase as the identified barriers to use are addressed. The ITA is also looking to ensure that information promotes travel by bus by being simple and easy to use,

⁹⁴ Centres for Cities (2008), *On the Move: Delivering Integrated Transport in Britain's Cities*

rather than potentially acting as a barrier by being complex or confusing.

- 3.1.4 The ITA wishes to change the view of those passengers who consider customer service on public transport to be poor by making sure that bus services in Tyne and Wear are of a high standard and well used, in order to grow bus patronage.
- 3.1.5 In recent years, the bus network in Tyne and Wear has undergone a number of significant changes. Although bus service changes are almost always undertaken in compliance with the Transport Act 1985, a perceived lack of prior consultation can lead to dissatisfaction amongst customers. Wherever possible Nexus undertakes consultation on service and network changes on its secured bus services, and the ITA would like to see this process expanded to include all commercial bus services in line with customer expectation⁹⁵. It is worthy of note that there are already some examples of good practice locally, where bus operators do consult with existing customers before making changes. Where a Partnership exists, consultation also takes place with the relevant Local Authority and with the ITA. However there is no standard process of consultation in place across Tyne and Wear. The ITA wishes to see a standard process developed, regardless of operator.
- 3.1.6 Passenger Focus have said that in their view it is “important that there is extensive local consultation – the people best able to judge and comment on service being those who use them”.⁹⁶
- 3.1.7 The ITA wants the bus network to be transparent, simple to understand and to meet the needs of Tyne and Wear residents. Therefore, the ITA believes that the general public should be fully consulted on changes to bus services in their area, giving residents the opportunity to have their say and express their views.
- 3.1.8 The ITA would like to continue the roll-out of bus stop infrastructure improvements across Tyne and Wear in partnership with the Local Authorities.
- 3.1.9 The ITA would like to move towards a situation where ‘better’ value for money is not perceived to be one of the top three issues for bus users. This would be achieved if what people are getting for their fare is clear and in line with their expectation.
- 3.1.10 In the current environment, due to competition law, the prices of operator-only ticket must necessarily remain the preserve of each

⁹⁵ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

⁹⁶ <http://www.passengerfocus.org.uk/research/publications/passenger-focus-response-to-nexus-tyne-and-wear-region-draft-bus-strategy-consultation-october-2012>

operator. However the ITA would like to see a general commitment that fare increases will be more aligned to the general cost of living, and moves to address the issues perceived by customers who undertake multi-leg or multi-operator journeys. Measures to promote the easy understanding of fare structures are also needed to overcome those barriers identified by potential users.

3.1.11 Passenger Focus have said that in their view fare increases should be more closely aligned with the rate of inflation / cost of living⁹⁷

3.1.12 The ITA wishes to improve perceptions of safety and security on bus and on bus infrastructure, through increasing safety measures that are built into the design of bus infrastructure, and by working with partners on training for staff.

3.2 What the ITA has done

3.2.1 The ITA has already been working with partners to address the factors that contribute to increasing patronage. Deliverables include:

- Worked with bus operators and local authorities to address causes of service delays by means of targeted bus priority measures and effective highway enforcement;
- Secured Better Bus Area Fund resources in partnership with local authorities and bus operators to deliver measures that will improve service punctuality and passenger security;
- Ensured a contract compliance and resultant service reliability through proactive monitoring of secured services; and
- Raised awareness across Tyne and Wear through high-profile campaigns such as the “Buses are getting...” to highlight specific improvements to bus services.
- Investment in passenger facilities such as recent investment in facilities at Haymarket and Eldon square bus station have improved passenger perception.⁹⁸ 78% of respondents stated they felt public transport use would increase as a result of the investment at Eldon Square⁹⁹
- Additionally investment in bus priority, such as the Felling Bus priority scheme has improved journey time reliability for services using it.

⁹⁷ <http://www.passengerfocus.org.uk/research/publications/passenger-focus-response-to-nexus-tyne-and-wear-region-draft-bus-strategy-consultation-october-2012>

⁹⁸ Nexus Market Research – customer perception scores at Haymarket and Chillingham Road

⁹⁹ Next Market Research 2007

3.2.2 When there are increasing pressures on public funding, however, there is a need to focus future investment on those areas that are likely to have the biggest impact.

3.3 What the ITA will do

3.3.1 Based on the preceding discussion, the ITA has identified four deliverables that will address the decline in patronage. The ITA and Passenger Focus¹⁰⁰ believe perception of users and non-users is equally valid as actual performance; hence this strategy aims to address both.

These are:

- Introduce a fully integrated, multi-modal Tyne and Wear public transport network, built around a high frequency core strategic network;
- Provide a unified and consistent customer offer and guarantee standards of customer service through the implementation of a 'Customer Charter';
- Ensure that bus users are fully consulted prior to network changes;
- Ensure that all infrastructure is accessible and of a high standard and includes measures to improve safety.

3.3.2 Investment in infrastructure across the core strategic network should be focused on maintaining, and preferably increasing, punctuality and reliability, as these are key drivers of customer satisfaction. Wherever appropriate bus operators, Nexus and relevant Local Authorities should develop Punctuality Improvement Partnerships (PIPs), following DfT guidance, which will include the setting of punctuality and reliability targets, an agreed set of actions and interventions to meet those targets, and the publication of progress towards them.

3.3.3 The ITA expects that Nexus will work with bus operators to attempt overcome often inaccurate perceptions of punctuality and reliability, and will seek to introduce Real Time Information (RTI) across the local bus network to provide passengers with accurate departure information.

3.3.4 As part of the PIPs, Nexus should work with Local Authority partners and bus operators to monitor performance more closely to identify issues with specific corridors/areas and on a more frequent basis, to identify

¹⁰⁰ <http://www.passengerfocus.org.uk/research/publications/passenger-focus-response-to-nexus-tyne-and-wear-region-draft-bus-strategy-consultation-october-2012>

congestion pinch points, and to implement congestion reduction measures. The ITA will also seek commitments to improving punctuality from operators in line with the targets for punctuality as established by the Traffic Commissioner.

- 3.3.5 In order to move towards a more integrated public transport network, the ITA will require that Nexus works with bus operators to produce timetables which complement each other and facilitate transfer, enabling passengers to make easier journeys where services provided by more than one operator and/or on different modes.
- 3.3.6 To support this, the ITA will require Nexus to ensure that passengers are able to access information easily and in a variety of appropriate formats.
- 3.3.7 Customers must find it easier to obtain information, and in order to achieve this Nexus will need to exploit new technologies including the internet, mobile and near field communication (NFC) and social media. In particular, Nexus will expand the availability of real time bus data to passengers who have mobile devices through the dissemination of on-bus location data sent from electronic ticketing machines. Nexus has seen a year on year decrease in enquiries by phone and through Travelshops of over 10% whilst access to information via the Nexus website and via mobile phone has grown significantly.
- 3.3.8 Nexus should nevertheless maintain adequate provision of information for customers who do not have access to the internet, or whose preference is to use paper or voice-based formats.
- 3.3.9 The ITA wants all customers to receive an exceptionally high standard of customer service and recommends the implementation of a Customer Charter to act as a guarantee, outlining operators' commitments to customers. The Customer Charter should make sure that customers know what they can expect, how current performance levels match those commitments, and should also ensure that those who wish to contact Nexus know how to do so.
- 3.3.10 Targets for customer satisfaction and perception of safety will be published in the Customer Charter and made available to the public. Performance against these targets should be published periodically, at least once per quarter. Charter updates should be displayed in locations where they can be easily accessed such as the Nexus website, bus stations, interchanges and Nexus Travelshops in Tyne and Wear. Customer Charters are used widely on the Heavy Rail network and have been a feature of Metro since 1999. Passenger Focus believes that a Customer Charter which publishes performance information "could

empower customers to ask questions of operators and local authorities".¹⁰¹

- 3.3.11 The ITA wishes to see a consistent and high level of customer care provided by bus operators and Nexus, and will measure this by recording levels of customer satisfaction. In consultation with bus operators, a customer complaint handling process should be developed, with the aim of providing a single point of contact for customer complaints and feedback (including the reporting of lost property).
- 3.3.12 The ITA will work with bus operators and Nexus to enhance the consultation process over bus service changes. The ITA expects that consultations will be planned well in advance of proposals being finalised, in order to ensure that stakeholders' views are taken into account before changes are made. Consultations involving the affected customers and local residents, including the relevant Local Authority and Nexus, should be open for a sufficient length of time to allow for those affected by the proposals to view them and provide their feedback. The ITA believes that this will result in an increase in community engagement in the planning of bus services, and thus will contribute to greater customer satisfaction and thus bus usage.
- 3.3.13 Bus stops/stands and stations should be designed and improved to be accessible in line with "Bus and Coach Station Design and Operation: Guidance for safe design & operation of Bus Stations & Interchanges June 2011", produced by industry and government stakeholders. The ITA will work with partners to promote the continued rollout of safety features at bus waiting facilities, including improved CCTV coverage.
- 3.3.14 Members of the public believe that more should be done to offer value for money local travel, and research conducted in 2009 found that 68% of participants agreed, or strongly agreed with this statement¹⁰². The preceding discussions would suggest that the best way to improve the perception of value for money is to invest in those that the research shows should have the greatest impact on patronage.
- 3.3.15 The ITA expects that bus operators and Nexus will explore ways to improve the current ticketing offer for young people between the ages of 16 and 21. The school leaving age will increase to 18 in 2013, and although some attractive operator-only ticket products exist for young people, the ITA believes that the current multi-modal offering is inadequate, particularly for those aged between 16-18 and people in vocational training. After 16 there are some operator specific products

¹⁰¹ <http://www.passengerfocus.org.uk/research/publications/passenger-focus-response-to-nexus-tyne-and-wear-region-draft-bus-strategy-consultation-october-2012>

¹⁰² Public Knowledge (April 2009), Fares and Ticketing Research (Qualitative Report)

available offering a discount for those in full time education. However for the majority the only product is a full adult fare for bus and multi-modal journeys.

3.3.16 Simplified ticketing and integrated products

The ITA has an aspiration for a simpler, more easily understood fare structure which is easy for customers to understand regardless of which operator's services they will use. A through journey made by public transport using two or more separate services should not require the purchase of more than one ticket. (ref Market research in 2.2.4)

3.3.17 To contribute to better clarity over fares and ticketing, the ITA suggests that a common naming standard could be adopted for operator-own products (e.g. 'single', 'day ticket', etc) and to replace (or be used alongside) any operator-specific brand names.

3.3.18 The ITA expects that smart ticketing will be expanded to make it easier to pay in advance, and to reward regular loyal customers through incentives and offers on other products.

3.3.19 The ITA, along with other Transport Authorities in the North East, has invested heavily in the NESTI project to allow ITSO smart ticketing to be introduced. The ITA would like to see further development of smart ticketing in Tyne and Wear, including the introduction of multi-operator smart products, widespread use of multi-operator 'pay as you go' products (including fare capping), and integration of transport smartcards with wider non-transport uses. The ITA considers that such measures will increase the attractiveness of public transport, and so promote growth in bus patronage.

4. Maintaining accessibility

- 4.0.1 As shown in 2.5.2 DfT figures show that the network in Tyne and Wear has decreased in size (measured by kilometres operated) by 31% since 1997/8.¹⁰³ In that period patronage has fallen by 19%. Secured bus mileage has increase by 28% since 2001.
- 4.0.2 The bus network should aim to focus on providing good and consistent access to those services needed by the majority of Tyne and Wear residents. It should incorporate the high frequency core network described in section 2, but also a secondary network that feeds into the core routes and improves accessibility over a wider area. However accessibility in Tyne and Wear has declined over time.
- 4.0.2 The mechanism by which such feeder services interact with the main corridors will also be important – for example there is little point in a high frequency service arriving at an interchange point just after a lower frequency service has departed. To achieve the best outcome for passengers the overall network operation must be considered and integration within this, as well as the impact of any changes.
- 4.0.3 ‘Freezing’ a network indefinitely with no changes is neither logical nor practical, given the need to react to changes in demand as travel patterns alter, particularly with new developments, as well as prevailing economic conditions.
- 4.0.4 What the research shows, however, is that the present frequency of changes is disruptive to passengers¹⁰⁴, and adds to the perception that the public is not consulted. Agreeing a schedule that minimises network changes and allows more widespread consultation should address this issue.
- 4.0.5 Ideally the bus network should be considered as a whole to ensure the most effective distribution of resources to both meet demand and satisfy local accessibility requirements. However competition law restrictions normally prevent network or timetable co-ordination. Provisions under the Local Transport Act 2008 allow for the ITA to facilitate network co-ordination under certain circumstances, and precedents exist elsewhere in the UK of this legislation being used successfully.

¹⁰³ DfT Regional transport statistic (2008), cited in Pteg (2010), transport and Social Inclusion: have we made the connection in our citites

¹⁰⁴ MVA (March 2011), Evaluation Performance, Nexus, Market Research, Bus priorities Research

4.1 Where the ITA would like to be

- 4.1.1 The ITA would like to maintain accessibility in Tyne and Wear, ensuring that as many residents as possible are able to reach employment sites, and essential services and facilities by public transport within 30 minutes. Where possible the ITA would look to grow this provision. A network that is designed to promote accessibility will support economic growth and help to reduce social exclusion.
- 4.1.2 The ITA has set out a series of targets for accessibility. These include major and local centres, places of employment and key services and facilities. The targets are set out in section 7 and progress towards these targets will be measured by using the Tyne and Wear Accessibility Model.
- 4.1.3 The ITA wishes to see the development of an agreed protocol for planned network changes taking place only once per year in each part of Tyne and Wear (with a separate process to deal with changes arising from exceptional circumstances). This is intended to address customer feedback about the frequency of changes.

4.2 What the ITA has done

- 4.2.1 The ITA has already been working with partners to address the factors that contribute to maintaining accessibility. Deliverables include:
- Changes to the secured service network to deliver a more flexible approach to maintaining accessibility in Tyne and Wear;
 - Listened to local needs and altered secured services to more closely match identified requirements, taking account of local circumstances and passenger feedback;
 - Developing a system of fixed change dates at a district level to minimise customer confusion;
 - Adopt a uniform bus livery across many secured services to raise awareness of the secured network and reduce levels of customer confusion;
 - Develop a shopper and group travel service to meet specific transport needs.
- 4.2.2 Maintaining (and preferably increasing) accessibility to the Tyne and Wear bus network will require on-going action, however, focused on the issues emerging from the research with passengers the ITA aims to achieve the accessibility targets set out in section 7.

4.3 What the ITA will do

4.3.1 Based on the preceding discussion the ITA has identified the following deliverables that will help to achieve the accessibility targets set out in section 7.

- **Adopt accessibility standards and targets across the Tyne and Wear Network;**
- **Introduce a common brand and accessible high quality buses;**
- **Work with bus operators to create a more integrated network through timetabling and ticketing initiatives.**

4.3.2 The ITA will also work to promote dialogue with the health and education sectors. The centralisation of many health and education facilities throughout Tyne and Wear has led to an increasing need for new public transport links. The ITA needs to ensure that health and education providers give transport due consideration at an early stage in their development of their plans, ensuring that sustainable travel is a viable option for users of their facilities.

4.3.3 The ITA will work closely with Local Authorities to ensure that the transport network aligns to and supports land use planning policies.

4.3.4 The ITA expects that bus operators and Nexus will work together to ensure that a unifying network brand is developed and adopted to simplify public transport for customers, and to instil a high level of confidence. Such a brand is also intended to promote the bus system to current non-users.

4.3.5 Common branding can take a number of forms, from a full common livery through to common identifiers on locations on bus. The ITA's preference is for branding to be used in such a way as to help with customer confidence in standards and quality.

4.3.6 Finally the ITA will closely monitor progress made towards achieving the accessibility targets set out in this document.

4.3.7 Common branding, combined with simpler ticketing, and easy access to information aim to help overcome perception barriers which stop people from using bus services.

5. Improving value for public money

- 5.0.1 As discussed in section 2.6 above it is estimated that at present, 42% of the income received by bus operators in Tyne and Wear comes from public sources. Nevertheless the pressure to use diminishing resources to step in where commercial operations have ceased continues to increase. At the same time, patronage continues to decline.
- 5.0.2 Nexus generally calculates subsidy as:
- $$(\text{Contract costs} + \text{Direct contract Management}) - \text{Income} / \text{Patronage}$$
- 5.0.3 The ITA's stakeholders rightly expect that it will examine where it will get the greatest return for its investment before allocating resources. At present, a significant amount of the ITA's resources are allocated to Concessionary Travel reimbursement (approx. 40 million in 2012/13). In accordance with current legislation this funding is used to reimburse bus operators such that they are 'no better and no worse off' as a result of carrying eligible passengers without charge. In order to provide budgetary certainty to both Nexus and bus operators, this can often result in a negotiated settlement. As customer research has shown passenger report a lack of consultation on service design. Bus operators receive 42% of their income from public sources, but often commercial decisions, such as withdrawing service from isolated estates, runs contrary to ITA objectives.
- 5.0.4 Concessionary Travel reimbursement accounts for a large proportion of local bus operator income; however reimbursement is compliant with current legislation and therefore the structure of the industry prevents any form of competitive test being applied to it, despite its size.
- 5.0.5 At the same time, the ITA like all public authorities is under considerable financial pressure. In these circumstances the ITA is bound to seek to achieve 'more for less', in other words the achievement of its objectives for less public funding than has previously been the case.
- 5.0.6 Reducing carbon emissions generated by transport is a priority both nationally and locally. Increasing modal shift from car to bus has been shown to reduce transport's contribution to carbon emissions as does improving the quality of the bus fleet.

5.1 Where the ITA would like to be

- 5.1.1 Just as the ITA wishes to end the spiral of decline between the network and accessibility, so too it wishes to ensure that any future investment in the network is getting the desired results. The local bus network will continue to require support, but it should be targeted support to underpin other parts of this Strategy and its overarching objectives.

5.1.2 The ITA wishes to reduce the level of per passenger support whilst achieving an end to declining patronage, and meeting its accessibility targets.

5.1.3 Additionally the ITA wishes to reduce the amount of carbon from the transport network and has set a target for carbon emissions.

5.2 What the ITA has done

5.2.1 The ITA has already been working with partners to address the factors that underpin the perception of value for money. Deliverables include:

- Co-ordinated the introduction of the North East Smart Ticketing Initiative to provide a framework for the delivery of smart ticketing products;
- Reviewed the provision of secured bus services through the Accessible Bus Network Design Project, to grow accessibility within a constrained resource;
- Upgraded and modernised bus interchanges and increased staffing levels to benefit users;
- Set environmental standards for secured bus services;
- Bid for funding from the Green Bus Fund.

5.3 What the ITA will do

5.3.1 Based on the preceding discussion, the ITA has identified three deliverables that will improved the perception that local bus services are providing better value for money. These are:

- **Ensure affordability for both the customer and the taxpayer;**
- **Simplify fares and ticketing and improve integrated ticket products;**
- **Set improved environmental standards for the bus fleet.**

5.3.2 The ITA will continue to require that Nexus' budget for secured services is expended in such a way that the greatest level of accessibility is provided for the resources provided.

5.3.3 The ITA intends to monitor and contribute to the government's various reviews of bus subsidies, in particular changes to the way in which BSOG is calculated and distributed, and alterations to way in which Concessionary Travel is funded and distributed.

5.3.4 Where services are tendered, The ITA will require that Nexus continues to achieve best value for money through competition in contract award. The ITA also expects that Nexus will seek to align its secured services with the objectives deliverables set out in this Strategy.

6. Bus Strategy deliverables

6.0.1 The following is a consolidated list of the deliverables that are set out in preceding sections:

1. Introduce a fully integrated, multi-modal Tyne and Wear public transport network, built around a high frequency core strategic network
2. Provide a unified and consistent customer offer and guarantee standards of customer service through the implementation of a 'Customer Charter'
3. Ensure that bus users are fully consulted prior to network changes
4. Ensure that all infrastructure is accessible and of a high standard and includes measures to improve safety
5. Adopt accessibility standards and targets across the Tyne and Wear Network
6. Introduce a common brand and accessible high quality buses
7. Work with operators to create a more integrated network through timetabling and ticketing initiatives.
8. Ensure affordability for both the customer and the taxpayer
9. Simplify fares and ticketing and improve integrated ticket products
10. Set improved environmental standards for the bus fleet

6.0.2 To achieve these deliverables the ITA will consider all options available to it, in order to identify which of them stand the best chance of supporting successful delivery. Since November 2011, Nexus, on behalf of the ITA has been examining the preferred delivery options under the Bus Strategy Delivery Project.

6.0.3 The project includes an examination of delivery options such as Voluntary Partnership Agreements, Quality Partnership Schemes and a Quality Contract Scheme. A more detailed description of what each of these options entails is contained in Appendix A. However, one of the main criteria when examining delivery options will be the contribution

each makes to achieving the vision, objectives and deliverables set out within this Strategy.

- 6.0.4 The ITA has already made good use of some of the opportunities this presents by developing a series of partnership agreements that cover selected bus services in Tyne and Wear. However, research has found that residents are generally unaware of these partnerships¹⁰⁵. Participants have also queried why partnerships are necessary, stating that all partners should automatically strive to provide the best possible service¹⁰⁶.
- 6.0.5 This Strategy acknowledges the importance of on-going engagement with customers, whether it be asking for their opinion or informing them of service changes.

¹⁰⁵ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research
¹⁰⁶ MVA (March 2011), Evaluation Performance: Nexus Market Research Services, Bus Priorities Research

7. Targets and Monitoring

7.0.1 The approach taken throughout this document has been to identify a small number of objectives that are grounded in evidence, and from that develop a set of key deliverables. To judge how effective these deliverables will be (and have been) requires setting targets that relate to the higher level objectives.

7.0.2 Therefore, three targets have been set for the Bus Strategy, namely:

- **Increase total bus passenger journeys in Tyne and Wear from a baseline of 139 million to 149 million by 2022**
- **Maintain or increase the percentage of the Tyne and Wear population within 400m of a frequent (10 minute) daytime service at 56.8% by 2022**
- **Reduce the reliance of the Bus Network on public sector support from the benchmark of £0.49 in 2012**

7.0.3 These targets will be supported by a number of other targets monitored across Tyne and Wear as shown in the table overleaf, together with on-going market research conducted both locally and nationally.

7.0.4 The supporting targets have been chosen to underpin the principal targets by allowing a more detailed examination of the influencing factors when reviewing delivery options and action plans. For example, they include customer satisfaction with fares and ticketing, as research¹⁰⁷ shows that within the current Tyne and Wear market simplifying fares could increase demand by 2.7% and developing a Customer Charter could increase demand by 1.7%.

7.0.5 They also include measures of both actual and perceived punctuality and reliability, as the preceding discussion noted that there is a gap between them at present, but that both are important to increase patronage.

7.0.6 Reporting on progress towards these targets will take place on an annual basis, allowing a review of the effectiveness of the deliverables, as well as any changes. The Bus Strategy itself will also be refreshed annually to take account of changing circumstances.

¹⁰⁷ Department for Transport (2009), The Role of Soft Measures in Influencing Patronage Growth and Modal Split in the Bus Market in England

Measure¹⁰⁸	Benchmark	Target 2022
Improve perception of punctuality	68%	78%
Improve actual punctuality of non-frequent services	90%	95% ¹⁰⁹
Ensure that excess waiting time for frequent services is never more than Traffic Commissioner target of 1.25 minutes	0.81	1.25 (minutes) ¹¹⁰
Improve perception of reliability	65%	70% ¹¹¹
Improve actual reliability	99%	99.5%
Improve overall customer satisfaction	80%	85%
Improve satisfaction with cost of fares	58%	68%
Improve customer satisfaction with the range of available tickets	76%	85%
Decrease CO ₂ emissions	88.4 grams per passenger kilometre	80.1 grams per passenger kilometre
Maintain access to main centres within 30mins (% of Households in T&W) Day time (10am)	57.1%	57.1%
Maintain access to main centres within 30 minutes (% of Households in T&W) Evening (8pm)	52.1%	52.1%
Maintain access to local Centres within 30 minutes (% of households in T&W) Day time (10 am)	97.7%	97.7%
Maintain access to local Centres within 30 minutes (% of households in T&W) Evening (8pm)	95.5%	95.5%
Maintain access to key employment sites within 30 minutes (% of Households in T&W) Day time (10 am)	62.2%	62.2%
Maintain access to key employment sites within 30 minutes (% of Households in T&W) Evening (8pm)	41%	41%
Maintain access to a General hospital within 30 minutes (% of households in T&W) day Time (10am)	67.5%	67.5%
Maintain access to a General hospital within 30 minutes (% of households in T&W) Evening (8pm)	57.6%	57.6%
Maintain access (within 400m) to frequent (10 minute) Service Day time (10am)	56.8%	56.8%
Maintain access (within 400m) to frequent (10 minute) Service Evening (8pm)	0.2%	0.2%
Maintain access (within 400m) of a 15 minute Service Day time (10am)	77.7%	77.7%
Maintain access (within 400m) of a 15 minute Service Evening (8pm)	17.5%	17.5%

¹⁰⁸ Accessibility measured as of March 2012.

¹⁰⁹ Target set nationally by Traffic Commissioner

¹¹⁰ Target set nationally by Traffic Commissioner

¹¹¹ Target set nationally by Traffic Commissioner

NB. Overall customer satisfaction score is made up from a number of indicators
These are:

- Reliability of bus services
- Punctuality of bus services
- Speed of bus journeys
- Cost of tickets
- Range of tickets
- Cleanliness of buses
- Overall comfort on buses
- Behaviour other passengers
- Helpfulness of bus driver
- Provision of shelter
- Condition of shelters
- Lighting at bus stops
- Cleanliness of shelters
- Bus numbers on bus stop plates
- Information at stops

8. Concluding Remarks

- 8.0.1 The government's¹¹² vision is *'for a 'better bus' with more of the attributes that we know passengers want: more punctual, inter-connected services, an even greener and more fully wheelchair and buggy-accessible fleet and the widespread availability of smart ticketing'*.
- 8.0.2 The crucial role that local bus services play in influencing quality of life, economic growth and environmental improvements is well understood and recognised. The challenge for all parties is to promote and deliver a 'better bus' at a time of increasing pressure on available funding.
- 8.0.3 In developing this Strategy, the ITA has examined current trends and issues with local bus services across Tyne and Wear, to develop the three clear Strategy objectives and a series of deliverables. The task now is to work with all parties to turn this Strategy into tangible outputs that help create a 'better bus'.
- 8.0.4 How the vision and objectives within this Strategy are achieved is probably the next most important task, to be taken forward through the Bus Strategy Delivery Project. This will undoubtedly uncover different perspectives and views on delivery, but all parties cannot let this debate cloud what all of those involved in local bus services in Tyne and Wear wish to see.
- 8.0.5 The government's vision is the same for the ITA, Nexus, the Tyne and Wear local transport authorities, the bus operators, and most importantly, bus passengers. Through implementing this Strategy, that must be our common goal.

¹¹² Department for Transport (2012), Green Light for Better Buses

Glossary

Bus corridors- routes with frequent services, normally used by more than one bus service

Bus Service Operators Grant (BSOG)- the support given to bus companies from central government, currently paid in the form of a partial rebate on the fuel duty paid by operators for fuel used operating scheduled bus services

Commercial bus network- the bus network that is provided by operators at their own risk with no financial support from Nexus

Deregulation- the deregulation of buses took place in 1986. Deregulation removed council controls over routes, services and fares and allowed bus companies to determine their own routes, services and fares.

Frequent Services- those where the interval between services is 10 minutes or less

Governance- relates to decisions that define expectations, grant power or verify performance. Typically administered by a government

Integrated Transport System- a public transport network where timetables and services are co-ordinated as much as possible to make it easier to change between bus services and between bus and Metro

Local Transport Authority- in Tyne and Wear this is the Integrated Transport Authority (ITA)

Niche Transport- specialist transport services for those unable to access mainstream public transport services

Pteg (the Passenger Transport Executives Group)- The association of PTEs that are responsible for public transport planning in former English metropolitan county areas outside London.

Quality Contract- A contract let to a bus operator to run specified local bus services under a Quality Contract Scheme

Quality Contract Scheme (QCS)- A scheme under which an Local Transport Authority determines what local bus services should be provided in the scheme area and any additional facilities or services which should be provided. Local bus services may only be provided in that area in accordance with Quality Contracts. Note the distinction between a QCS and a QC. A QCS is the overarching scheme and the QC the individual contracts with operators.

Quality Partnership Scheme (QPS)- Local councils agree to invest in improved facilities and operators who wish to use those facilities undertake to provide services of a particular standard (e.g. new buses, driver training standards, frequencies, timings or maximum fares). Only those operators prepared to provide services to the standards specified in the scheme are permitted to use the facilities.

Real Time Information- information that is relayed to passengers that tells them how their bus service is running in 'real time' thus alerting passengers when buses are running late

Smartcards- a technologically advanced form of ticketing that can be adapted to allow a variety of different ticketing options e.g. multi-modal, single operator, off peak only etc.

Voluntary Partnership Agreement (VPA)- is a particular type of voluntary agreement defined by the local transport Act as and is defined in the Act as a voluntary agreement under which:

- A local transport authority, or two or more local transport authorities, undertake to provide particular facilities, or to do anything else for the purpose of bringing benefits to persons using local services, in the whole or part of their area, or combined area, and
- One or more operators of local services undertake to provide services of a particular standard

Appendix A. Delivery Options

- A.0.1 The Local Transport Act (2008) has brought about new and improved opportunities for the key private and public sector bodies to work together. Nexus has already made good use of some of the opportunities this presents by developing a series of quality partnership agreements that cover selected bus services in Tyne and Wear. However, research has found that passengers query why partnerships are necessary, stating that all partners should automatically strive to provide the best possible service¹¹³.
- A.0.2 There are four delivery options for consideration when implementing this Strategy: 'do nothing', Voluntary Partnership Agreement, Quality Partnership Scheme and Quality Contract Scheme. This appendix explores the contribution each option could make to achieving the Strategy objectives. The analysis of each delivery option takes in to account the customer's perspective and financial sustainability.

A.1 Do Nothing

- A.1.1 Under a 'do nothing' scenario, local bus services would operate as at present – operators would continue to run a network of commercial services, and determine fares, and Nexus would still be required to subsidise socially necessary services which cannot be operated on a commercial basis.
- A.1.2 Given the analysis of current trends within this Strategy, it is likely that the network will continue to decline as on-going budget reductions make the current level of service provision financially unsustainable.
- A.1.3 The Tyne and Wear version of the National Bus Model¹¹⁴, which is used for patronage forecasting, predicts that, under the 'do nothing' scenario, bus patronage will continue to decline over the next ten years.
- A.1.4 Therefore, none of the three objectives of this Strategy would be achieved through a 'do nothing' approach, and it cannot be advocated as being in the best interests of Tyne and Wear's bus passengers.

A.2 Voluntary Partnership Agreements

- A.2.1 A voluntary agreement is a non-statutory term used to describe agreements entered into by one or more bus companies and at least

¹¹³ MVA (March 2011), Evaluation Performance: Nexus, Market Research Services, Bus Priorities Research

¹¹⁴ The National Bus Model is a demand forecasting model for the bus industry that uses data from a wide variety of sources including patronage, revenue, costs and demographics, and uses this data to project their influence on demand by applying a series of elasticities. The model also provides the functionality to model the effect of applying different interventions to the bus market with regards to estimating the impact on demand, costs and revenue.

one local transport authority, on a voluntary basis. A voluntary agreement can cover any matters on which the parties involved are able to reach agreement, so long as it is within each party's powers to deliver its side of the agreement.

A.2.2 The Local Transport Act creates the statutory concept of a Voluntary Partnership Agreement (VPA). A VPA is a particular type of voluntary agreement, and is defined in the Act as a voluntary agreement under which:

- A local transport authority, or two or more local transport authorities, undertake to provide particular facilities, or to do anything else for the purpose of bringing benefits to persons using local services, in the whole or part of their area, or combined area, and
- One or more operators of local services undertake to provide services of a particular standard.

A.2.3 In order to satisfy the definition of a VPA, an agreement must involve at least one local transport authority.

A.2.4 As implied by the name of the agreement, this is a voluntary arrangement, and even a VPA will often involve the goodwill of the various parties to ensure delivery – typically, VPAs do not include penalty clauses.

A.3 Quality Partnership Scheme

A.3.1 A Quality Partnership Scheme (QPS) extends the principles of a VPA somewhat, in that Nexus and/or local transport authorities agree to invest in improved facilities at specific locations along bus routes (such as bus stops or bus lanes) and operators who wish to use those facilities undertake to provide services of a particular standard (such as new buses, driver training standards, frequencies, timings or maximum fares).

A.3.2 Only those operators prepared to provide services to the standards specified in the QPS are permitted to use the facilities. Whilst other operators are not generally prevented from providing local services in the area covered by the QPS, they cannot use the facilities provided. To that extent, it provides a greater degree of certainty of delivery for all parties than a VPA. Indeed, the DfT envisages that one of the strongest arguments for a QPS in a particular area is to strengthen and reinforce voluntary agreements between authorities and operators, with agreed objectives and outputs on both sides.

A.3.3 A QPS is a statutory scheme – unlike a VPA, it is 'made' by Nexus and/or the local transport authorities. Once the scheme is made, Nexus

and/or the local transport authorities are under a statutory duty to provide the facilities identified in the scheme from the dates specified, and to maintain those facilities for as long as the scheme is in operation.

- A.3.4 Also once the scheme has been made, any operator providing local services in the relevant area may use the facilities provided under the scheme, so long as they have given written undertaking to the Traffic Commissioner that they will provide services to the standards specified in the scheme. The Traffic Commissioner can take enforcement action against any operator who uses the facilities but has not given the necessary undertaking, or against an operator who has given such an undertaking but who fails to provide services to the specified standards.
- A.3.5 The Local Transport Act contains safeguards to ensure that unrealistic conditions are not imposed on operators, and that their legitimate right to a fair rate of return is not undermined. The process set out in primary and secondary legislation by which an operator can object to particular standards included in a scheme, is an important feature of this. But at the same time it places a responsibility on operators to justify the grounds for their objection, thus minimising the scope for vexatious or frivolous objections.
- A.3.6 A QPS can be supplemented by Qualifying Agreement, which is an agreement reached solely between the bus operators, but one which must not infringe on competition laws. For example, a QPS may include requirements about frequencies or timings on a route (or in an area) where services are provided by two or more operators, and those operators may need to reach an agreement about which operator will run which services at a certain time.¹¹⁵
- A.3.7 A Qualifying Agreement may come about as a result of a mutual discussion or as a requirement from a QPS. There is no requirement for a local transport authority to be part of any formal discussions. However, the DfT does encourage bus operators to discuss their proposals with their local transport authorities, and any agreement needs to be endorsed and certified by the local transport authorities.
- A.3.8 As described, a QPS (and any supporting qualifying agreements) has the ability to address the objectives of this Strategy, given the incentives for delivery for all parties that a statutory scheme would deliver. To date in the UK, a QPS has typically covered a particular bus corridor or area of operation, because of the legislative process and the safeguards on unrealistic expectations contained within the Local Transport Act.

A.4 Quality Contract Scheme

¹¹⁵ Department for Transport (2008), Local Transport Act 2008, Improving Local Bus Services: Guidance on Voluntary Partnerships

- A.4.1 A Quality Contract Scheme (QCS) is an arrangement which allows local bus services to be specified and operated on a franchise basis. A QCS is more likely to cover a wider area of operation, and all services within it.
- A.4.2 Under a QCS, Nexus would determine the standards and network to be provided and would let contracts to bus operators granting them exclusive rights to the specified services. A QCS may consider all areas of the service, including routing, quality, frequency, price and interchange efficiency with other modes.
- A.4.3 There is no QCS in operation anywhere in the UK at the present time, although the legislation has been available for some time. The 2008 Act included some changes, ensuring that the process of assessing a QCS proposal is a more transparent, rigorous and appropriate process, and setting out five tests that need to be met for a QCS to be made. These five tests cover the objectives of this Strategy, including value for money.
- A.4.4 As well as having the greatest degree of specification of service coverage and quality at the outset, a QCS also has the greatest level of sanction on non-delivery, as repeated failure to adhere to the terms of the QCS would result in the incumbent operator losing the right to operate services under that contract.
- A.4.5 As mentioned within the Strategy, the preferred option for implementation should be the one which is expected to make the greatest contribution to achieving the vision, objectives and deliverables set out within this Strategy. If appropriate, a combination of more than one delivery option could be explored and implemented in Tyne and Wear.

Bus Strategy Consultation responses.

Organisation	Comment	Response
Passenger Focus	[In Passenger Focus's research] It is noticeable that the concept of the 'core product' scores heavily in all categories – passengers want a reliable, frequent service. Value for money also scores highly with, in particular, a desire for a multi-operator ticket allowing travel on the next bus irrespective of who runs it.	This comment is supportive of Market research outlined in the Bus Strategy, and the proposed deliverable to improve integrated ticket products
Passenger Focus	As part of the survey we [Passenger Focus] also gather comments from passengers about what they feel could be improved. The results tend to emphasise punctuality (especially the consequences of delay), a desire for more frequent services and a better attitude from some drivers.	This comment is supportive of Market research outlined in the Bus Strategy. The Bus Strategy proposes to set targets for punctuality (95% for non-frequent services), and to improve the perceptions of punctuality (to 78%) and reliability (to 70%). Driver attitude is referred to in 3.3.1.1: 'The ITA wishes to see a consistent and high level of customer care...', and would be expected to form part of a customer charter. It is noted that this could be addressed in a partnership (see A3.1). Helpfulness of driver is one of the indices that contributes to the overall customer

	<p>Passenger Focus</p> <p>As its name implies the Bus Passenger Survey targets actual passengers on board buses. It was not designed to cover non users of services. Experience suggests that non users of a service typically have a lower opinion /perception of services than do actual passengers. This could be caused by a number of issues – e.g. the lack of a service in the first place, a previous poor experience when travelling (even if years ago) or negative publicity - people being far more likely to remember and talk about a poor journey than a good one.</p>	<p>satisfaction target.</p> <p>This comments is supportive of Market research outlined in the Bus Strategy. The strategy contains measures, such as marketing, branding and customer charter which aim to give confidence in the quality of bus services and thus help to overcome negative perceptions.</p>
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<p>Passenger Focus</p>	<p>To better understand this issue we carried out research into barriers to bus use in Milton Keynes in 2010 . This found that: Participants would be more likely to use buses if they could be relied on to turn up on time, particularly when making time-critical journeys. Services on some routes were thought to be too infrequent to use to get to work, or to return from a night out. In particular, some said they would consider using buses instead of taking taxis if there were more buses after 8pm or if night buses were available. In the longer term, more could be done to raise awareness of bus services and promote their use. Many non-users had negative perceptions of bus travel. Some also found it hard to know where to start - i.e. to find out about bus times and services in the first place. Participants welcomed the introduction of newer, modern buses, but felt that this would not be enough on its own to overcome the negative perceptions created by other barriers</p>	<p>This comment is supportive of Market research outlined in the Bus Strategy</p> <p>The Strategy encompasses a range of initiatives including frequency and references vehicles standards.</p> <p>The Strategy aims to cover issues which will help with non-user perception including the customer charter, information and branding which help to give visible cues of quality standards to reassure users and non-users alike.</p>
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<p>Passenger Focus</p>	<p>We note that the strategy envisages a fully integrated, multi-modal Tyne and Wear public transport network but only sets out the bus strategy element of this. Bus policy / initiatives will clearly have an impact on (and be influenced by) developments on the Metro. It is, therefore difficult to comment fully on bus without seeing this wider context. Our comments below need to be seen in this context. The consultation discusses in depth the decline in bus use and advances a number of explanations and arguments why this is so. As part of this analysis we believe it would also be useful to factor in efforts made by the ITA over the years to increase usage. For instance, there has been a large investment in bus-based infrastructure (new stations and interchanges), bus priority schemes and low-floor buses over the last decade. In particular there was the Superoute initiative in 2003 that focused investment on certain services. What has been the impact of these initiatives in terms of passenger numbers? Have some been more successful than others in growing the market or arresting the decline in patronage? Lessons from previous experience can be invaluable in shaping future initiatives.</p>	<p>Section 3.2 has been enhanced to include appropriate examples</p>
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<p>Passenger Focus</p>	<p>Equally it would be useful to know how the network has contracted over the last 15 years and whether the ratio of commercial mileage to publicly funded mileage has changed. To what extent is the decline in numbers attributable to a decline in the size/extent of the network?</p>	<p>The network has contracted by 31% since 1997, and bus patronage has fallen by 19% over the same period. Secured bus mileage has increased by 28% since 2001.</p>
<p>Passenger Focus</p>	<p>These points notwithstanding we agree with the broad conclusion reached in paragraph 3.0.8 that efforts to arrest the decline in bus passenger patronage should be targeted at increasing the number of high frequency services, improving punctuality and reliability and increasing perception of value for money. In a time of increasing budgetary constraints it is right to focus management attention and investment on the things that passengers most care about.</p>	<p>This comment is supportive of Market research outlined in the Bus Strategy and the priorities set.</p>

<p>Passenger Focus</p>	<p>Our research (outlined above) reinforces the importance of the core product, with punctuality, seats/capacity and frequency of service being the top three priorities for improvement. The better these are the more chance of growing passenger numbers. We also agree with the broad assessment of the barriers to potential users of bus services (paragraph 3.0.9): the need to interchange; a feeling that the bus took too long to reach the desired destination; and a view that buses were too expensive. We also believe that the area in which passengers wait between buses is an important consideration and one that we suggest is also included. Perceptions of personal security do have an impact on passengers' actual travel patterns.</p>	<p>This comment is supportive of Market research outlined in the Bus Strategy, and the proposed deliverables.</p>
<p>Passenger Focus</p>	<p>Simplicity and ease of use are also important – for users and potential users alike. A prime example exists right outside Newcastle Central railway station where are two bus routes operated by different companies but possessing the same route number (no.10). This is confusing enough for existing passengers but must be baffling for new or occasional travellers.</p>	<p>This comment is supportive of the concepts of branding outlined in the bus strategy to reduce confusion.</p>

<p>Passenger Focus</p>	<p>Our research in Milton Keynes emphasises the importance of perceptions for non-users. When we challenged people to make journeys by bus as part of our research many were pleasantly surprised that the bus journey was better than they had expected – perceptions deferred use. Addressing barriers to use will clearly be important to the strategy of improving access and, as mentioned, we would urge that this extends to the perceptions of barriers as well as their physical reality. It may not be enough simply to make things better, some will still need persuading to ‘give it a go’.</p>	<p>Proposals included in the strategy to improve the visible cues to non-users around guarantee of service quality including customer charter, branding and information. As well as addressing issues of punctuality and reliability both perceived and actual and setting clear standards for these, stated as important by non-users to encourage bus use.</p>
<p>Passenger Focus</p>	<p>Better value for money is the seventh highest priority in our survey for the ITA areas as a whole. However, it must be noted that this survey also includes passengers in receipt of concessionary travel arrangements which is bound to have an impact on value for money assessments. In fact, when we remove concession pass holders from the results we see value for money coming in as the second highest priority across England (excluding London). Cost and value are clearly a core issue for fare-paying passengers. We agree therefore with the desire expressed in paragraph 3.1.9 that fare increases be more closely aligned with the rate of</p>	<p>This comment is supportive of our proposals around VFM: ensuring affordability for the customer; and simplifying fares and ticketing and improving integrated ticket products.</p>

inflation/cost of living rather than being above this rate. We also support the use of multi-operator tickets – sixth highest priority in our survey. The benefits of having a walk-up-and-go service frequency are lost to some extent if your ticket only allows you to travel on some of those services. We note that there is already a multi-operator ticket of sorts in the form of a 'Transfare'. This allows a ticket purchased from one bus driver to be used on another route operated by a different operator or the Metro within 90 minutes of buying the ticket. However, this does not seem to have been widely promoted. We are also aware that the 'Network One' fare offers a multi-modal travel option in the Tyne and Wear area but that sales are relatively low – presumably because the price set by the participating operators makes it more expensive than single-operator day ticket prices. Hence, to be successful, it is clear that any new multi-modal or multi-operator ticket must be competitively priced. Without this important element there is a danger that history will simply repeat itself.

<p>Passenger Focus</p>	<p>We also agree with the desire in the strategy to guarantee standards of customer service through the publication of a 'customer charter' – though we recollect a bus passenger charter being introduced previously in the 1990s. Such documents are common place on the railway (in the form of Passengers Charters) and are useful in setting out, in one place, the standards of service that a passenger can expect and their entitlements should this not be received. We believe that a key part of any charter is the provision of punctuality and reliability figures. Notwithstanding government's annual publication of overall punctuality figures, there is little or no performance information in the public domain. Passenger Focus is currently running a pilot programme with operators and local authorities aimed at capturing bus punctuality data and using this to gain a better understanding of what causes delays to buses and the most effective ways of tackling these delays. We believe that making performance information more readily available could also empower passengers to ask questions of operators and local authorities. Our research in the rail sector shows that rail passengers value the publication of performance data, believing that greater transparency generates</p>	<p>Supportive of our proposals to implement a customer charter</p>
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greater accountability on the part of the service provider. Providing this for bus services could also help address the perception that services are less punctual than they actually are. We see from the consultation that such perceptions are an issue in the Nexus area. It is important, however, that any performance figures are made as relevant to an individual as possible. The use of region-wide averages that mask poorer performing routes does not give a true perspective. It will be important to disaggregate the figures by service group or route to ensure that they remain relevant to passengers. It is not clear from the strategy whether the 'unified and consistent customer offer' extends to Metro services as well as bus services. Metro already has a Passengers Charter which compensates passengers for delays in excess of 15 minutes. Naturally we would not wish to see standards/commitments for Metro passengers to worsen so we would be interested to learn whether there are proposals to introduce such a mechanism for bus passengers. We would be more than happy to discuss the development of the customer charter with the ITA in more detail.

<p>Passenger Focus</p>	<p>We also endorse the commitment to consult bus users prior to network changes (paragraph 4.1.3). Improvements to frequency and service patterns are clearly important to passengers. However, in any substantial change there will inevitably be winners and losers. This makes it all the more important that there is extensive local consultation – the people best able to judge and comment on services being those who use them. Following the consultation it will be important to identify any areas that will receive a worse service and to see what can be provided in mitigation – for example in terms of demand responsive transport. Passengers value stability of service. As part of our Bus Passenger Survey we ask passengers for the main reason they chose the bus – some 30% of respondents in the Nexus area said that it was because they had no other option. Passengers rely on bus services for work and to access local services – for many people it is an essential part of their lives – and so stability of service is important. This message is further reinforced in our research into the impact of bus service reductions on passengers. This found that even though small changes may not have a major impact on an individual passenger, when viewed cumulatively they can have an adverse impact on overall quality</p>	<p>This comment is supportive of our proposals to improve consultation</p>
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	<p>of life. Hence we support the aim in the strategy to add more stability to service planning. We wonder, however, whether only allowing changes once a year is too infrequent. Will it, for instance, prevent operators adjusting according to seasonal factors or reacting to changes from other modes – e.g. a change in rail services which breaks an established connection. Allowing for two timetables a year (as per rail) may enable a little more flexibility</p>	
<p>Passenger Focus</p>	<p>We note the range of targets and measures set out on page 43. While there is a difference between the 2022 targets and the benchmarks for measures of punctuality, customer satisfaction and CO2 emissions it is noticeable that those covering access do not differ. We would be interested in knowing more about these targets, including the equivalent scores today. It might be asked, for instance, why, despite the range of initiatives outlined within the draft strategy, only just over half (56.8%) of households within the Tyne and Wear area are expected to be within 400m of a frequent day time service by 2022. Having access to existing performance would help to put these targets into context. We welcome, however, the inclusion of passenger satisfaction targets within the strategy.</p>	<p>Overall customer satisfaction score includes a variety of measure. What this includes will be spelt out more clearly in section 7.0.6:</p> <p>The customer satisfaction score is built up from scores on satisfaction with:</p> <ul style="list-style-type: none"> • Reliability of bus services • Punctuality of bus services • Speed of bus journeys • Cost of tickets • Range of tickets • Cleanliness of buses • Overall comfort on buses • Behaviour other passengers

	<p>'Hard' measures of punctuality and service frequency are very important but there is also a need to keep one eye on service quality. Our strong preference is for targets based on what passengers think – the best judge of quality being those who have used the services in question. This could encompass driver attitude (the fourth highest priority of improvement in our research) and also such things as personal security, the condition and upkeep of the bus stop and the provision of information. As you are aware Passenger Focus conducts the Bus Passenger Survey and we would be pleased to discuss how this might play a role in monitoring performance going forward.</p>	<ul style="list-style-type: none"> • Helpfulness of bus driver • Provision of shelter • Condition of shelters • Lighting at bus stops • Cleanliness of shelters • Bus numbers on bus stop plates • Information at stops
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<p>Passenger Focus</p>	<p>The debate over delivery options is clearly a sensitive one: there has been much written about the pros and cons of a voluntary partnership versus a quality contractual approach. We are keen that the issue over structure does not dominate the debate – the key focus must be on what is to be delivered. Form must follow function and not vice versa. We agree, therefore, with the concluding remark in the draft strategy, “the preferred option for implementation should be the one which is expected to make the greatest contribution to achieving the vision, objectives and deliverables set out within the strategy.” For us the best option will be the one that delivers the best service to passengers.</p>	<p>The Bus Strategy does not specify a delivery mechanism and has focused on those elements of bus services which we believe could be delivered through any of the options outlined within the legislation.</p>
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<p>Bus Operator</p>	<p>That informal consultation with stakeholders was 'little if any significance' as just 111 responses were submitted, 8 of which - section 1.3.4 were positive</p>	<p>Informal engagement was not intended to be a full public consultation, but engagement with key stakeholders at an early stage. Approximately 400 key stakeholders across the five districts were contacted (mainly by email) – many of these are 'umbrella' organisations which cascaded the email to their members (eg South Tyneside Business Forum, Cobalt Travel Coordinator, Team Valley Travel Coordinator). In addition, some major employers cascaded the email to all staff (eg HMRC, DWP) which elicited responses from individuals within those organisations. Face to face engagement took place across a wide range of stakeholders. 111 refers only to the written responses received of which 8 could be considered positive – in that they were happy with the current situation; these were mainly from individuals rather than representatives of organisations or stakeholder groups</p>
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<p>Bus Operator</p>	<p>Reference to high satisfaction in T&W and for stagecoach from passenger focus research</p>	<p>We acknowledge high levels of customer satisfaction in T&W and recognise this in the Bus Strategy, however despite this fare-paying patronage continues to decline. Growth in the bus market needs to come from attracting non-users, who have a significantly worse perception of bus services - Passenger Focus research recognises this. Overall despite some variations in actual figures Passenger Focus research is highly reflective of the research conducted for the Bus Strategy and highlights many of the same priorities for improvements. Passenger Focus satisfaction figures are included in the Bus Strategy.</p>
<p>Bus Operator</p>	<p>Context is within a population decline in Tyne and Wear</p>	<p>ONS suggests a small, but positive population rise of the life of the strategy</p>
<p>Bus Operator</p>	<p>No comparison made with Metro which has shown the same patronage decline further analysis required of the trend of public transport - which for bus has been upwards rather than downwards in recent years Oxera report section 2.1 growth in bus since 2005/06</p>	<p>Metro patronage will be reported as a comparison over the same time period. This is now included in the Bus Strategy.</p>

<p>Bus Operator</p>	<p>DfT report The role of soft measure in influencing patronage growth and modal split in the bus market in England (Oct 2009) customer charter has no impact on passenger demand for buses</p>	<p>Passenger Focus response states Customer Charter is important and empowers customers. (see Passenger Focus response to the consultation.) section 7.0.4 amended to show correct figures. We believe a Customer Charter is evidence of performance quality and is used on Metro as well as widely in the National Rail network</p>
<p>Bus Operator</p>	<p>MVA research found that ticketing was not a priority for bus users or potential users</p>	<p>Whilst in this research ticketing was not highlighted as a priority for improvement over other service elements in a stated preference survey, ticketing as a barrier to interchange, lack of understanding of the ticketing systems and buses being overly expensive were raised in all focus groups. Buses considered as being too expensive was identified as the highest factor deterring respondents from travelling by bus more often. The Bus Strategy considers evidence on fares and ticketing from a number of sources in addition to the MVA report.</p>

<p>Bus Operator</p>	<p>difference in perception of punctuality and reliability - between Nexus survey and Passenger Focus survey</p>	<p>Methodological differences between the studies are likely to produce different results. However the fact remains that perception of punctuality is significantly lower in both surveys than actual recorded punctuality would suggest, and the ITA aspires to improve this. Passenger Focus' response supporting the Bus Strategy's assertion that improving punctuality is important to customers</p>
<p>Bus Operator</p>	<p>regarding PTE areas seeing the greatest increases in the cost of bus travel price in PTE areas at the time of privatisation may not be the correct price level to use ... it may be inappropriately low. Or prior to privatisation PTEs operated a low cost - low quality model</p>	<p>CPT data on bus industry costs since 2004 will be used to ascertain what fare levels would be in T&W if they had risen at this rate, and this will be included in the Bus Strategy. However Passenger Focus in its response to the consultation is supportive of the notion that fare rises should be closer to the RPI/cost of living. It is not possible to comment as to whether fares at the time of deregulation were appropriate or not, but it is possible to monitor a trend in price changes since then.</p>

<p>Bus Operator</p>	<p>Online information - MVA Evaluating Performance report indicates that the provision on bus information over the internet is not a priority for users</p>	<p>3.3.8 states that Nexus is committed to maintaining adequate provision of information for those who do not have access to internet or whose preference is to use paper or voice based formats. Reference has been made to the changes in how customers are choosing to access information in section 3.3.7</p>
<p>Bus Operator</p>	<p>Bus strategy para 7.0.4 simplifying fares could increase demand for bus travel by 1.6% - QCS VFM model simplified ticketing is estimated to increase demand by 2.7%</p>	<p>Section 7.0.4 amended to show correct figures</p>
<p>Bus Operator</p>	<p>MVA study consistently found that ticketing was not a priority for bus users</p>	<p>Ticketing is also a tool to overcome some other barriers stated by respondents – e.g. interchange penalty and non-frequent users who tend to be less able to make accurate judgements to get value for money. The Bus Strategy does not only rely on this research report to draw its conclusions on ticketing</p>

<p>Bus Operator</p>	<p>Link between fare rises and the cost of fuel is glossed over</p>	<p>Section 2.6.4 refers to rising operator costs, this and section 2.2.1 have been amended to include CPT figures also. However the Bus Strategy also shows that financial support for bus services in metropolitan areas has risen whilst in London, which has perceived high levels of public support has fallen (DFT 2012) in the same cost context. ref section 2.6.6 Bus Strategy</p>
<p>Bus Operator</p>	<p>The MVA research on VFM shows majority of passengers are positive about the current bus services with 61% considering it fairly good or very good vfm</p>	<p>Passengers however generally report bus costs as being expensive and a barrier to bus use (MVA report Evaluating Performance) Passenger Focus also report that, once CT passengers are removed VFM is nationally the 2nd priority for improvement. The Bus Strategy does not rely only on this report to draw its conclusions on VFM</p>
<p>Bus Operator</p>	<p>MVA survey asked passengers which service features they would most like to see improved. (It is worth noting that, when the question is asked in this way, it is inevitable that responses will show passengers desiring improvements in some aspect of service</p>	<p>The MVA Research included a stated preference exercise where participants were also asked to rank service area where they would be happy to see a deterioration (3.0.6). Respondents were also asked to indicate what they would be prepared to pay for services improvements (3.0.5)</p>

<p>Bus Operator</p>	<p>The Passenger Focus Bus Passenger Survey does not identify VFM as being part of the three main criteria the Tyne and Wear PTE passengers said could be improved</p>	<p>Once CT pass holder responses are stripped out Passenger Focus state that VFM is 2nd (nationally). See Passenger Focus's response to consultation</p>
<p>Bus Operator</p>	<p>Figures appear to show that for four years from 2007/08 to 2010-11 the number of bus passengers was stable until the recessionary effects on adult fare paying passengers in 2011/12</p>	<p>Further analysis on the figures will be included in section 2.1</p>
<p>Bus Operator</p>	<p>.. Consultation process is unlikely to be effective due to biases in how people usually respond to surveys and consultation.</p>	<p>Research shows that passengers feel unconsulted and uninformed on service changes. Good, well designed consultation will overcome these limitations. Passenger Focus response support the need for better consultation</p>

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REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: Cycling in Tyne and Wear

REPORT OF: Acting Clerk and Treasurer to the ITA and Director General, Nexus

PURPOSE OF REPORT

To inform Members of the work undertaken by Plan Partners across Tyne and Wear to support and promote cycling.

RECOMMENDATIONS

That the actions and initiatives undertaken on behalf of the ITA be noted.

BACKGROUND DOCUMENTS

Keep Tyne and Wear Moving LTP3: The Third Local Transport Plan for Tyne and Wear

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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



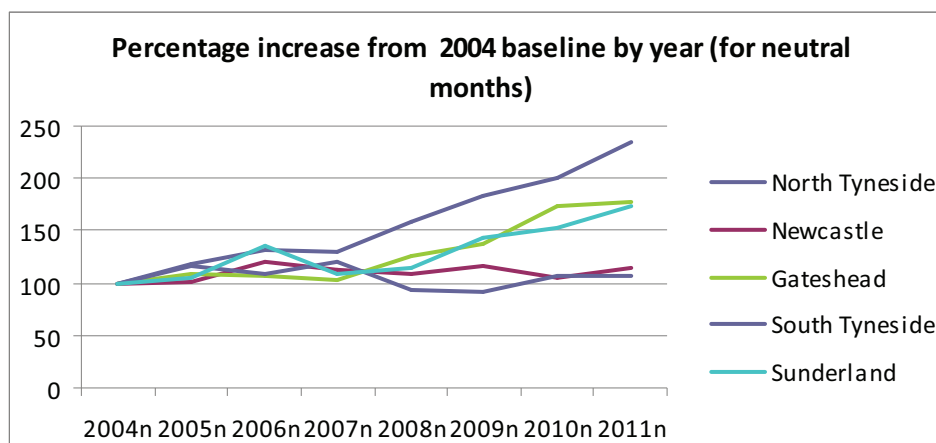
1 Executive Summary

1.1 The ITA’s role in providing a strategic lead to Plan Partners for cycling will be tested in the coming months when Members are asked to set targets in respect of cycling for the LTP3. This report provides members with a brief background to cycling in the sub-region and outlines the projects and interventions being undertaken by Plan Partners on behalf of the ITA in advance of this target setting.

2 Introduction and Background

2.1 The importance of cycling is outlined by the ITA in its adopted ten-year strategy to 2021, LTP3. In it, the ITA recognises that “cycling is one of the most sustainable transport modes and offers tremendous potential for improving our society’s health, environment, economic efficiency and mobility.” Within LTP3 the ITA commits itself and constituent delivery partners to “growing the proportion of daily cycling journeys in Tyne and Wear and emphasising that cycling is not a specialist activity for the very fit; we wish to assert that, in common with other parts of Europe, cycling is for everyone and can be a routine part of everyday life, catering for journeys to work, education, shopping or leisure (around 2/3 of the journeys the public makes are under two miles).”

2.2 Nationally, the popularity of cycling has grown over recent years. This is also clear from statistics and monitoring in the sub-region:



These statistics are collected from those routes where there are cycle counters across the sub-region. However officers are confident that these counters do not fully reflect the scale of growth seen in cycling in the sub-region over this time period – and have asked the LTP Monitoring Group to consider ways of more accurately recording growth. A further illustration of the range of growth cycling



	<p>has seen is illustrated in the range of additional cycle parking facilities installed across the sub-region to cater for demand.</p>
2.3	<p>The resurgence of cycling nationally is likely related to various factors including:</p> <ul style="list-style-type: none">- The expansion of the National Cycle Network to over 13,500 miles;- More dedicated cycle lanes in urban and city areas – borne from investment by local highway authorities;- The impact of the economic downturn and the comparative cost of other travel modes;- Individual concerns about the environment (and the impact of travel choices on the environment);- Greater consideration to the beneficial effects of cycling on health;- An increase in the numbers of large organised cycling events across the UK;- Funding opportunities from government for cycling improvements (including the Local Sustainable Transport Fund (LSTF) and the Cycle Safety Improvement Fund) and the long term results from previous smarter choices / sustainable travel town funding programmes;- British successes at elite level acting as a motivator, through, for example, Olympic success in the 2012 and 2008 games, in addition to the success of the Team Sky cycling team in the 2012 Tour de France; and- The additional media coverage afforded to cycling from the involvement of large media organisations such as News International (through Sky's Principal Partner role to British Cycling and the sponsorship of Team Sky, to The Times Cities Fit for Cycling campaign).
2.4	<p>The Times Cities Fit for Cycling campaign (outlined in Annex A) was launched in February and calls on the Government, local councils and transport authorities to take steps to improve provisions for cyclists. The national death toll for cyclists in 2012 is 103 (at the time of writing this report), with thousands more injured. In Tyne and Wear, up to the end of August 2012 (the latest comprehensive datasets) there have been two fatal accidents involving cyclists (and 217 accidents recorded as serious or slight). From 2005–end August 2012 there were 14 fatal accidents involving cyclists. The datasets for accidents involving cyclists in the sub-region is available in full at Annex B.</p>
2.5	<p>Members may also be interested to note that the London School of Economics published The British Cycling Economy: 'Gross Cycling Product' Report in 2011. This</p>



report attempts to measure the 'holistic' impact of cycling's contribution to the UK economy. It concludes that in a challenging economic period, the outlook for the UK cycling industry is positive, with indications that the sector is making a significant contribution to Britain's economy, generating an estimated £2.9bn per annum with the potential for sustainable growth over the long term.

- 2.6 A 2011 Sustrans and Pteg report presents some modelling exercises to illustrate the potential for cycling in the PTE areas. The exercise uses data from a range of intervention typologies to present possible scenarios for growing cycling. The modelling clearly shows that there is a very considerable potential for mode change in favour of cycling, and that the benefits accruing could be very large. In particular, scenarios for intervention and change in the Tyne and Wear area are presented – a range of the findings are outlined in Annex C.

3 Investment in, and promotion of, cycling across Tyne and Wear

- 3.1 In the past year work has taken place in Gateshead and Newcastle to progress the National Cycle Network route (NCN) 725 – the Great North Cycleway. This will be an additional nationally recognised cycle route to the seven that run through the sub-region. When complete, the Great North Cycleway will run from Blyth to Darlington through south east Northumberland, North Tyneside, Newcastle, Gateshead, and Durham. While this route can be seen to cover various parts of the travel-to-work area of the Newcastle and the North economic area the route is being designed for various users and not solely cycle commuters. The route will be consistently signed and of a similar standard to existing national cycle routes which mean that it will cycle-able by a range of users from a family with young children to a novice adult.

- 3.2 Nexus, the ITA's Passenger Transport Executive are currently working to deliver improvements to the integration of cycles with other passenger transport modes. Procurement is underway to provide 'standard' cycle parking at every Metro station (currently only half have any cycle parking), and five bus stations in the sub-region – this work will be complete by Spring 2013 and is funded by Nexus through the Levy. Following a successful revised LSTF bid there is also funding available to provide 'secure' cycle parking (in the form of lockers) at 10-12 key Metro stations by March 2015.

Bus operators have also provided some improvements to the integration of cycles with their buses: most services offer the ability to take folding bikes on board, while Go North East have equipped the Lime service with the ability to take full size bikes



	<p>on board and also offered holders of the 'Key lifestyle' card free membership of the bike hire service – scratchbikes – in Newcastle.</p>
3.3	<p>Nexus are also currently running a stakeholder consultation process about the wider integration of cycles with the Metro. This includes an assessment of cycle parking (which has informed the location of secure cycle parking in 3.2), cycle hire, cycling promotion initiatives, and the potential for carriage of full-size cycles on the Metro. The carriage of cycles on the Metro has undergone a market research exercise (this closed on 27 October) and is currently undergoing a Health and Safety assessment. A report summarising findings and making recommendations will be going to the Nexus Executive by January 2013 – it is likely a subsequent report will be brought to ITA.</p>
3.4	<p>The ITA has received just under £10m Local Sustainable Transport Funding from Department for Transport (DfT) for its 'Go Smarter' packages. Schools Go Smarter is a package aimed at getting more young people travelling to school by cycle, foot, and public transport. Go Smarter to work aims to reduce congestion on the A1 Western Bypass (A1WB) by targeting workplaces that generate car-borne commuters. The Go Smarter programme provides:</p> <ul style="list-style-type: none">- Bike It projects provided by Sustrans across every district in Tyne and Wear;- FEAT 1st projects provided by Sustrans across Tyne and Wear;- Funding for cycle infrastructure to benefit the districts;- Grant funding for cycle parking in the districts;- Cycle facility improvements at Team Valley;- Adult cycle training;- Dr Bike – bike mechanic sessions;- Cycle mapping information;- Small scale loaning of bikes; and- Promotion and marketing of cycling. <p>Some of the projects listed above have also provided employment opportunities in addition to cycle training and promotion. At least 10 full time jobs have been provided through the focus on cycling within the Go Smarter programme.</p>
3.5	<p>The ITA's own investment in cycling is not limited to the funding secured from central government for sustainable transport. The Authority has committed to</p>



investing £4.9m into a refurbishment of the Tyne Pedestrian and Cyclist Tunnels (TPCT). The TPCT are now part of the local, regional and national cycle network. Around 10,000 cycle journeys are made through the cycle tunnel every month. The ITA will soon make an official announcement on how much longer the Tunnel will stay open for before it has to close to enable the refurbishment to take place.

During the refurbishment, which will include the replacement of two of the original escalators with inclined lifts and the replacement of the tunnels' ageing mechanical and electrical systems, a free timetabled shuttle bus will operate 7 days a week between 6am and 8pm. A taxi service is being planned to assist shift workers who use the tunnels but have no other means of getting to and from work.

4 Cycling improvements and promotion in the districts

4.1 Gateshead

4.1.1 The revised Gateshead Cycling Strategy (currently in draft) has updated the original strategy that was launched in March 2003. The original provided the basis for significant improvement in the facilities for cycling, as well as for partnership working with Sustrans and the former Cycling England (until its closure). The Strategy has been the catalyst for the creation of a better environment for cyclists in Gateshead – the success of which can be seen by a 78% rise in cyclists between 2004 and 2011 according to the cycle counters.

4.1.2 Gateshead continues to improve cycling through investment in provision of cycle lanes and cycle ways across the borough. This has included upgrading of part of the Keelmans Way to NCN 141 and significant progress has been made in the West of the Borough, with a new under-bridge at Newburn and upgrading of the route to NCN standards and new routes linking Ryton, Crawcrook, Greenside and Chopwell. Gateshead also joined Newcastle in a partnership with Park that Bike so that small businesses and community organisations could receive free cycle parking (only cost is to install the racks).

4.1.3 Among the projects and schemes that Gateshead has implemented to promote and enhance cycling are:

- Support of the Bikelt programme through the installation of new cycle shelters and scooter parking, additional shelters were also provided to small companies by ParkthatBike (Newcastle also engaged in this process);



	<ul style="list-style-type: none">- Improvements to the C2C in Rowlands Gill by widening and resigning a section;- Implementation of a new signed cycle route through an established 20 mph zone to link the NCN 725 to Team Valley from the town centre;- Progression of a large scheme linking 8 schools with new shared use paths, 20 mph zones and signing improvements in East Gateshead;- Improvements to the rights of way network and public highway to link NCN 141 to Barlow and the western part of the cycle network in Blaydon Burn;- Support for volunteer route rangers who undertake regular inspections and perform basic maintenance duties on Gateshead's cycle network;- The creation of a new cycle link between rural communities including the proposed introduction of 40 mph zones on Barlow Road and between High Spen and Crawcrook; and- Improvements on the Gateshead Quays to signing and surfaces on the NCN 14 and surrounding links to this national route.
4.1.4	Looking ahead Gateshead intends to provide a new under-bridge and a new section of Keelmans Way on the NCN14. Funding has also recently been confirmed from DfT for 2012/13 through the 'Links to communities fund', this will support the development of a Derwent Bridge link to the Watermark development and improvements at the Angel of the North and the Dryden Road junction on the Durham Road.
4.2	Newcastle
4.2.1	The council has adopted the plan <i>Delivering Cycling Improvements in Newcastle, 2011-22</i> and made a commitment to getting more people cycling with 20% of all trips under five miles undertaken by cycle by 2021. As part of this Newcastle aim to create seven strategic cycle routes into the city centre from all parts of the city. The seven strategic cycle routes will start (roughly) at Walbottle, West Denton, Great Park, Gosforth Park, Longbenton, Benfield and Walker. The preferred alignments of these routes, in addition to routes within the city centre, have been proposed by working groups of Newcastle's 'Cycling Forum'.
4.2.2	The Cycling Forum was set up by Newcastle City Council to bring together people with an interest in cycling so that they could influence the Council's policy on cycling and help shape how the cycling budget should be spent. The Forum is not a



decision making body but it is the means by which the cycling community can contribute to and influence the services that the Council provides for cyclists. It includes representatives from Sustrans, the Cycling Tourists' Club (CTC), the Newcastle Cycling Campaign, local cycling businesses and individual cyclists. The City Council has started consulting on and designing the strategic route from Walker, in addition to commencing engagement with cyclists about the potential changes around the Central Station.

4.2.3 In this financial year and the last, Newcastle has also:

- Recorded 124,176 cycle movements on loop counters – representing an increase of 28% on these routes since 2008;
- Increased the roads/footpaths with cycle specific designation to more than 330 km;
- Funded 190 adult cycle sessions training to 'Bikeability' standards since September 2011 – the offer for Bikeability training is extended to all schools in Newcastle and to all over 16s who live, work or study in Newcastle;
- Implemented the required changes to facilitate the NCN725 as mentioned in 3.1, this route will complement the NCN72 and NCN10 that also run through Newcastle;
- Trained 16 local authority /volunteer cycle ride leaders;
- Installed 10 new 'Toucan crossings' since March 2011, these are proven to improve the ability of cyclists to cross roads safely;
- Trained 60 engineers and related professionals plus cycle organisation representatives in Basic Cycle Infrastructure Design, 20 were trained in Advanced Skills;
- Installed more than 100 extra public cycle stands in city centre plus 40 stands for small and medium sized enterprises / community groups (jointly with Gateshead and through PartthatBike);
- Installed more than 60 hire bike stands;
- Installed a 'cyclist only' crossing in the city centre;
- Installed cycle routes with cycle lanes and other infrastructure to two of the city's secondary schools, this brings the number with dedicated cycle routes to five;
- Installed 33 new cycle loop counter sites;



- Distributed 22,000 free Newcastle cycle maps since 2009;
- Held annual Bike Fairs during Bike Week and provided stalls at other cycling events;
- Established the Cycle Newcastle webpages and e-newsletter;
- Won £258,000 from Sustrans for two Links to Schools projects and £175,000 for Links to Communities to be spent on the Walker Strategic Cycle Route; and
- Shown that 1.2% of children aged 5-15 are cycling to school (January 2011, Department for Education census).

4.3 North Tyneside

4.3.1 In 2000 North Tyneside successfully bid for and secured funds (c.£2.5m) designed to reinvigorate 36 miles of the historic Waggonways Network as traffic-free paths for walking, cycling and horse riding. While the Waggonways are popular with leisure cyclists, sections of the network are also surfaced and lit and suitable for all-year commuter cycling.

Since then North Tyneside has further developed connections into the Waggonways and our three National Cycle Network (NCN) routes: the Reivers' Route (NCN 10), Hadrian's Cycleway (NCN 72) and the North Sea Cycle Route or 'Coast and Castles' (NCN 1). As well as supporting local cycle journeys this helps to encourage cycle tourism, which provides a valuable contribution to the local economy.

4.3.2 Other improvements for cycling in the borough have included:

- A successful bid for EU funding to further improve connections between the three NCN routes and the International Ferry Port;
- Working with the concessionaire TT2, we were able to improve the 'community links' between Howdon Village, Willington Quay and the Tyne Pedestrian & Cyclist Tunnels with new fully lit surfacing and toucan crossing points. These funds directly improved NCN72 and links to NCN14 in South Tyneside;
- The purchase and installation of a new bridge in partnership with Sustrans as part of a 'safer routes to school' project and make improvements to NCN72 over Willington Gut in Wallsend, as part of which the connecting paths were resurfaced and fully lit;



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- Conversion of the route along the sea front to shared use footway-cycleway suitable for family groups, giving people the option of cycling off-road, including visitors riding the North Sea cycle route;
- As part of the Coxlodge Waggonway project with partners in Newcastle, we were able to create a fully surfaced and lit route from the former Wills Factory on the A1058 Coast Road to South Gosforth. The route support direct access to major employment and education sites including Northumbria University Coach Lane campus, Longbenton civil service offices and Freeman Hospital;
- Introducing 20mph zones around schools and in residential areas throughout the borough;
- Using funding sources including developer funding, we were able to fully resurface existing and new bridleways north of Earsdon Rd, Shiremoor, these include the 'Bluebell Path', part of NCN10;
- Using funding sources including the national Links to Schools programme and the School Links project of Tyne and Wear Schools Go Smarter programme, a shared use footway-cycleway along the south side of A186 Earsdon Road between Shiremoor and Earsdon was constructed, completing an important link in the cycling network;
- In partnership with the Highways Agency, signalised pedestrian-cycle crossings at the A19-A191 Holystone roundabout were implemented, removing a barrier to cycle journeys and connecting major housing and employment sites in the A19 corridor;
- Distribution of 25,000 cycle maps, which are available free on request;
- North Tyneside has seen a substantial rise in cycling in the borough: cycle counters recorded a 136% rise in cycle journeys between 2004 and 2011. National survey data published by the Department for Transport in August 2012 showed that North Tyneside had the highest levels of regular cycling in the North East, with 11% of residents cycling at least once a week and 4% cycling at least five times each week;
- A programme of North Tyneside family cycling events is delivered each year, working with a range of local partners: these include – for example – stabiliser-free sessions for younger children and family cycle rides;
- Major employment areas in the borough such as Cobalt Business Park and Quorum Business Park, with a range of local partners, run cycling promotion



events throughout the year such as 'Winterise your Bike' and 'Doctor Bike' maintenance sessions;

- A new inclusive cycling centre is being developed at Rising Sun Country Park including secure cycle storage and a wide range of adapted cycles suitable for people with disabilities; and
- North Tyneside provide national standard 'Bikeability' cycle training in schools, which we aim to expand in future years to further increase take-up.

4.4 South Tyneside

4.4.1 The Sustrans Connect 2 scheme progressed in partnership with South Tyneside Council has implemented improvements from Jarrow Road to Westway, and also to South Eldon Street as part of an upgrade to NCN14 the 'Keelmans Way'. The scheme has provided a new segregated cycleway from Newcastle Road to the Port of Tyne entrance with improvements to the crossing point at this location. A dedicated green phase for haulage movements has improved safety for all roundabout users whilst keeping goods logistics smooth at peak times. From the entrance eastwards a new shared cycle and pedestrian surface links to South Eldon Street and southwards to Westway and John Reid Road. This includes a new Toucan crossing which improves safety for cyclists but also addresses severance issues caused by the Western Approach road. The completion of this route now means that there is a continuous off-road cycleway from the Tyne Pedestrian Tunnel to South Eldon Street, South Shields. As part of the project, two local schools designed artwork sculptures of local landmarks in stainless steel and a portrait bench was designed into the route that includes Norman Fay (a local cyclist and cycle builder, who was tragically killed on his cycle).

4.4.2 A full audit of the NCN11 in Monkton was completed and all signage and barriers were upgraded or removed as appropriate. Sustrans volunteers repainted the train wheel barriers that remained and a litter picking exercise cleaned up the section of the route in Monkton Village making it a more attractive route to cycle.

4.4.3 South Tyneside Council has successfully bid for a scheme in three phases to provide a continuous off-road shared surface for cyclists and pedestrians running the complete length of John Reid Road. This will provide a quality surface for sustainable travel for all schools and communities that have severance issues caused by the John Reid Road carriageway. The first two phases have been completed, with Phase 3 due to be completed by the end of 2012.



4.4.4	A significant increase in heavy goods vehicles (HGVs) and other traffic on Commercial Road had made this section of the NCN14 in South Shields less attractive to cyclists. The route has now been designed to run up South Eldon Street into Laygate, thus utilising a much quieter road and a section of off-road link to the town centre. This has provided a much more enjoyable and pleasant route for cyclists and is well utilised.
4.4.5	South Tyneside Council are also working with five primary schools to provide cycle shelter storage by the end of 2012 and with Balfour Beatty to redesign the NCN14 and NCN1 routes with associated signage that lead to the Shields Ferry service.
4.5	Sunderland
4.5.1	<p>After increasing cycle counters from 12 to 35 between 2009-2010, the expanded network of counters recorded a 13.6% increase from c.1.1m cycle journeys in 2009 to 1.25m cycle journeys in 2011. Growth in cycling in Sunderland throughout LTP2 2006-11 averaged 8.5% each year. In the past two years Sunderland City Council has promoted and invested in cycle improvements by:</p> <ul style="list-style-type: none">- Distributing 25,000 cycle maps;- Offering school 'bikeability' training aimed at 9-14 year olds to all schools, this is taken up by around 80 schools and 2,500 children each year. This training is provided by 13 trainers, whose own training was funded by the Council;- Changing the Traffic Regulation Order at the Monument Park development at Barmston Lane, Washington to exclude motorised vehicles and improve serviceability for cycle use;- Upgrading the surface and implemented anti-motorcycle safety measures to the 'Northern Boundary Route' at Southwick;- Upgrading the track surface and drainage at the Stephenson Trail, Hetton following concerns from cyclists about safety in the area;- Replacing the Cox Green Bridge steps with a ramp to improve cycle and wheeled pedestrian access;- Filling in the 750m stretch of the NCN1 at Silksworth that ran through a former railway cutting and rebuilt the route at ground level. This has transformed accessibility and reduced antisocial behaviour in the area;- Widening a 350m section of the C2C at St Peters from 2.5m to 3.5m from



National Glass Centre to Sand Point Road; and

- Completing detailed designs for a 13km Trans-Sunderland Cycle Route, the route has been split into sections for staged implementation according to funding opportunities. The route links the A1 to the Queen Alexandra Gyratory via Pattinson Road and Industrial Estate, the A1290 and Nissan, it links to Sulgrave, Washington and across North Sunderland to the Queen Alexandra Bridge. The route includes a link to Boldon in conjunction with South Tyneside, and links into Nissan in conjunction with Nissan.

In the current financial year and looking ahead Sunderland intend to:

- Upgrade the surface, kerbs and lighting on a 4.5km stretch of the C2C that links Sunderland Enterprise Park (SEP) to Queen Alexandra Gyratory and Southwick, and upgrade the surface between the SEP and River Wear;
- Install a ramp linking National Route 1 at Silksworth to Wilson Terrace;
- Complete detailed designs for the A690 Barnes Gyratory junction cycle permeability upgrade by DfT funding bid, serving the A690, Barnes Park Road and Queen Alexandra Road, and Silksworth Lane. Works would commence in 2013 if the bid to the DfT Cycle Safety Fund is successful;
- Remove the cycle prohibiting bye-law from the network through Barnes Park from City Centre to Grindon to create another 'spoke' to the city cycle network including links to schools;
- Continue with the successful Bikeability school cycle training;
- Finalise a draft of a strategic cycle network for Sunderland, including a Washington Cycle Network following consultation with stakeholders mid 2012;
- Improve cycle lane provision across the boundary to Durham at the A183 Chester Rd at Wapping Bridge;
- Work with housing developers for their provision of connecting links / route enhancements on the Penshaw – Pallion Mineral line route and Hetton Downs developments;
- Work with developers to provide a link from the C2C to the Turbine Business Park (located within the North East Local Enterprise Partnership Enterprise Zone);
- Work with developers of the Cherry Knowle regeneration site at Ryhope to



provide a cycle route along the new road corridor;

- Continue with work to ensure cycle permeability and connections are optimised to and across the New Wear Bridge at north and south landings;
- Conclude the establishment of a bridleway linking Hetton le Hill to Low Moorsley (Hetton); and
- Progress with Go Smarter work including 'Bike It' cycle training and promotion, improved routes to schools, routes to transport interchanges.

5 Next Steps

5.1 Stephen Hammond, the Roads Minister for DfT, has stated "It is up to local authorities to decide how their streets are designed and whether they use the department's forecasting data to help plan the future layout of their town centres." (As quoted in the Times, 6 November 2012) As this report outlines, the Plan Partners across the Tyne and Wear sub-region are working both independently and across administrative boundaries to improve and promote cycling in their districts and centres – including bi monthly meetings of the cycle officers from across the districts.

5.2 The Cycle Safety Improvements Fund is a competitive £15m funding opportunity for capital schemes to improve safety at junctions identified as having a record of road incidents that have resulted in cyclists being killed or seriously injured, and to improve cycle permeability at difficult junctions. Plan Partners are preparing evidence-led bids for the following locations across Tyne and Wear, to be submitted at the end of November to Sustrans who are managing the Fund for DfT. These include:

- The Gosforth corridor, Newcastle; and
- The A690 Barnes Gyrotory junction, Sunderland;

5.3 This report to the ITA represents the first time the Authority has received a report specifically about cycling. Members will recognise that explicit targets for cycling have yet to be set as part of LTP3 and a future report will soon come to the Authority asking for targets to be agreed. This report is intended to act as a background to introduce what has, and is, being achieved for cycling in Tyne and Wear under current funding circumstances – in order to help inform Members' views regarding appropriate and achievable targets.



6 Potential impact on objectives

6.1 If the ITA and partners can work together to deliver a significant increase in cycling without a corresponding increase in serious, killed and injured cycle accidents it will be a benefit to the economy, the environment and wider social aims and objectives. The health benefits of cycling are proven and if road safety records are maintained or improved then Tyne and Wear will ensure it has a more active and healthy workforce – with the associated benefits that brings.

Behaviour changes and the uptake of cycling by those who currently commute by car can also be a hugely cost effective way of helping to address congestion pinchpoints. As illustrated by the DfT's acceptance of an A1WB focused behaviour change campaign. Cycling is the most energy efficient way to travel, but is also (after walking) the most environmentally friendly travel mode. The ITA's acknowledgement of, and involvement in, the promotion of cycling as a viable travel choice for people of all ages can help deliver its objectives.



ANNEX A

The Times, Cities fit for cycling, Manifesto

- 1) Lorries entering a city centre should be required by law to fit sensors, audible turning alarms, extra mirrors and safety bars to stop cyclists being thrown under the wheels.
- 2) The 500 most dangerous road junctions must be identified, redesigned or fitted with priority traffic lights for cyclists and Trixi mirrors that allow lorry drivers to see cyclists on their near-side.
- 3) A national audit of cycling to find out how many people cycle in Britain and how cyclists are killed or injured should be held to underpin effective cycle safety.
- 4) Two per cent of the Highways Agency budget should be earmarked for next generation cycle routes, providing £100 million a year towards world-class cycling infrastructure. Each year cities should be graded on the quality of cycling provision.
- 5) The training of cyclists and drivers must improve and cycle safety should become a core part of the driving test.
- 6) 20mph should become the default speed limit in residential areas where there are no cycle lanes.
- 7) Businesses should be invited to sponsor cycleways and cycling super-highways, mirroring the Barclays-backed bicycle hire scheme in London.
- 8) Every city, even those without an elected mayor, should appoint a cycling commissioner to push home reforms.



Tyne and Wear Integrated Transport Authority

ANNEX B
CYCLING ACCIDENT STATISTICS, 2005 – 2012

year	class	Gateshead	Newcastle-Upon-Tyne	North Tyneside	South Tyneside	Sunderland	Grand Total
2005	Fatal				1	2	3
	Serious	4	15	2	4	10	35
	Slight	30	62	54	33	37	216
2005 Total		34	77	56	38	49	254
2006	Fatal				1		1
	Serious	7	9	8	9	9	42
	Slight	29	47	34	35	45	190
2006 Total		36	56	42	45	54	233
2007	Fatal	1		1			2
	Serious	8	11	8	6	9	42
	Slight	28	63	36	32	36	195
2007 Total		37	74	45	38	45	239
2008	Fatal			1			1
	Serious	7	10	5	4	9	35
	Slight	28	67	53	28	55	231
2008 Total		35	77	59	32	64	267
2009	Fatal			1		1	2
	Serious	8	17	13	2	14	54
	Slight	32	63	54	32	45	226
2009 Total		40	80	68	34	60	282
2010	Fatal	10	14	4	1	1	2
	Serious				3	10	41



Tyne and Wear Integrated Transport Authority

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	Slight	36	74	41	24	38	213
2010 Total		46	88	45	28	49	256
2011	Fatal	1					1
	Serious	10	10	5	5	11	41
	Slight	33	80	42	31	62	248
2011 Total		43	91	47	36	73	290
2012	Fatal			1		1	2
	Serious	4	10	7	4	9	34
	Slight	21	58	40	25	39	183
2012 Total		25	68	48	29	49	219
Grand Total		296	611	410	280	443	2040



**ANNEX C
ESTIMATED VALUES, PER YEAR, FOLLOWING DELIVERY OF SUSTAINABLE TRAVEL TOWN
TYPE INTERVENTIONS IN PTE AREAS**

ADDITIONAL CYCLE TRIPS

	Estimated additional cycle trips per year		
PTE area	Lower estimate	Upper estimate	Nearest neighbour estimate
SYLTE	411,889	2,447,106	2,447,106
Metro	520,467	3,092,185	3,092,185
GMPTE	563,199	3,346,065	1,233,884
Centro	467,066	2,774,923	2,509,804
Merseytravel	565,360	3,358,904	3,358,904
Nexus	615,757	3,658,322	3,658,322

CAR KM

	Estimated annual car km saved		
PTE area	Lower estimate	Upper estimate	Nearest neighbour estimate
SYLTE	79,098,043	83,750,869	79,098,043
Metro	131,781,070	139,532,898	131,781,070
GMPTE	144,270,465	152,756,963	150,738,136
Centro	129,840,132	137,477,787	130,568,716
Merseytravel	73,112,058	77,412,767	73,112,058
Nexus	52,321,955	55,399,717	52,321,955

DECONGESTION VALUE

	Estimated annual decongestion benefit per year (£)		
PTE area	Lower estimate	Upper estimate	Nearest neighbour estimate
SYLTE	£22,384,746	£23,701,496	£22,384,746
Metro	£37,294,043	£39,487,810	£37,294,043
GMPTE	£40,828,542	£43,230,221	£42,658,892
Centro	£36,744,757	£38,906,214	£36,950,946
Merseytravel	£20,690,712	£21,907,813	£20,690,712
Nexus	£14,807,113	£15,678,120	£14,807,113



VALUE OF CARBON EMISSIONS SAVINGS

	Estimated annual carbon emissions savings (£)		
PTE area	Lower estimate	Upper estimate	Nearest neighbour estimate
SYLTE	£851,000	£901,059	£851,000
Metro	£1,417,806	£1,501,207	£1,417,806
GMPTE	£1,552,177	£1,643,482	£1,621,761
Centro	£1,396,924	£1,479,096	£1,404,763
Merseytravel	£786,598	£832,868	£786,598
Nexus	£562,921	£596,034	£562,921

ADDITIONAL BUS TRIPS

	Additional bus trips per year		
PTE area	Lower estimate	Upper estimate	Nearest neighbour estimate
SYLTE	17,894	282,724	17,894
Metro	22,269	351,848	22,269
GMPTE	28,625	452,270	226,981
Centro	29,290	462,782	77,096
Merseytravel	16,587	262,071	16,587
Nexus	14,158	223,690	14,158



REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: NEXUS ANNUAL EXPENDITURE AND ACTIVITY ANALYSIS REPORT
2011/12

REPORT OF: THE DIRECTOR GENERAL OF NEXUS

PURPOSE OF REPORT

To provide the ITA with financial and statistical information relating to Nexus' services as part of its annual reporting processes.

RECOMMENDATIONS

To note the attached report, 'Nexus Annual Expenditure and Activity Analysis Report 2011/12.

BACKGROUND DOCUMENTS

Nexus Annual Expenditure and Activity Analysis Report 2011/12.

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

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

1	Executive Summary
1.1	This report provides members with an analysis of Nexus expenditure and activity at district level during 2011/12. It builds on previous reports for 2009/10 and 2010/11.
1.2	The basis of the report has also been used to discuss Levy funded expenditure with District Treasurers, in particular whether any alternative to a population based share of local resource inputs to Nexus and the ITA is appropriate.
2	Background
2.1	As with other Passenger Transport Executives and Travel Concession Authorities, Nexus reports on its financial performance annually. Its statement of accounts is subject to external audit and for 2011/12, the 'true and fair view' and 'use of resources' audit opinions were unqualified.
2.2	When the levy was discussed with district Leaders in December 2009, the Leadership Group requested more information on the services being provided by Nexus at a local authority level. In particular, there was some concern from Leaders that there was no transparency on how services funded from the Nexus budget impacted on individual authorities. In response, a proposal for capturing and reporting appropriate information was discussed with and agreed by District Treasurers when they met in April 2010 and an initial report covering expenditure and activity analysis for 2009/10 was presented to the ITA and District Leaders in July 2010. This was followed up in November 2011 with a report covering financial year 2010/11.
2.3	This updated report, the 'Nexus Annual Expenditure and Activity Analysis Report 2011/12' has been prepared using similar principles to those adopted for the previous two reports.
3	Introduction
3.1	The ITA is responsible for developing and overseeing the implementation of public transport policies at a Tyne and Wear level.
3.2	Nexus advises the ITA on policy development and has statutory responsibility for their implementation, again at the Tyne and Wear level. Programme development and prioritisation therefore also takes place at the Tyne and Wear level in



	conjunction with LTP processes and procedures.
3.3	It is however recognised that the ITA levy is generated locally based on population of constituent districts and therefore transparency and accountability requires the ITA and Nexus to be able to demonstrate value for money in the use of resources to each of the constituent authorities in the Integrated Transport Area.
3.4	<p>This is not an exact science given that existing processes work at the ITA/sub-regional level and expenditure profiles are, for example, additionally influenced by:-</p> <ul style="list-style-type: none">• the economies of scale if services are provided at a Tyne and Wear level including the extent to which Nexus can use the levy in order to lever additional funds;• the high proportion of cross boundary services between the constituent authorities and neighbouring unitaries;• the different characteristics within the constituent authorities in respect to public transport demand and supply;• the nature and extent of bus operators commercial networks; and• population densities, socio-economic geography and land use planning decisions.
3.5	Nonetheless broad conclusions can be drawn, although it is important to recognise that information provided at a district level will need careful examination and could warrant certain caveats in order that inaccurate interpretations or incorrect comparisons are not made.
3.6	Bearing this in mind, in accordance with a previous commitment given to the ITA, the Acting Clerk and Treasurer and Nexus' Director of Finance and Resources have worked with district colleagues in order to estimate, from information published in the two previous reports covering 2009/10 and 2010/11 the amount of 'benefit derived' by each district from services provided by Nexus, relative to their resource input i.e. the Levy.
3.7	<p>In May 2012, District Treasurers were advised that whilst adopting a strict formulaic approach to determining the amount of 'benefit derived' relative to the Levy was possible, and that this could result in a perception that some districts 'gained' relative to their input whilst others 'lost' it was also extremely important to recognise:-</p> <ul style="list-style-type: none">• The cross boundary nature of passenger flows means that consideration of

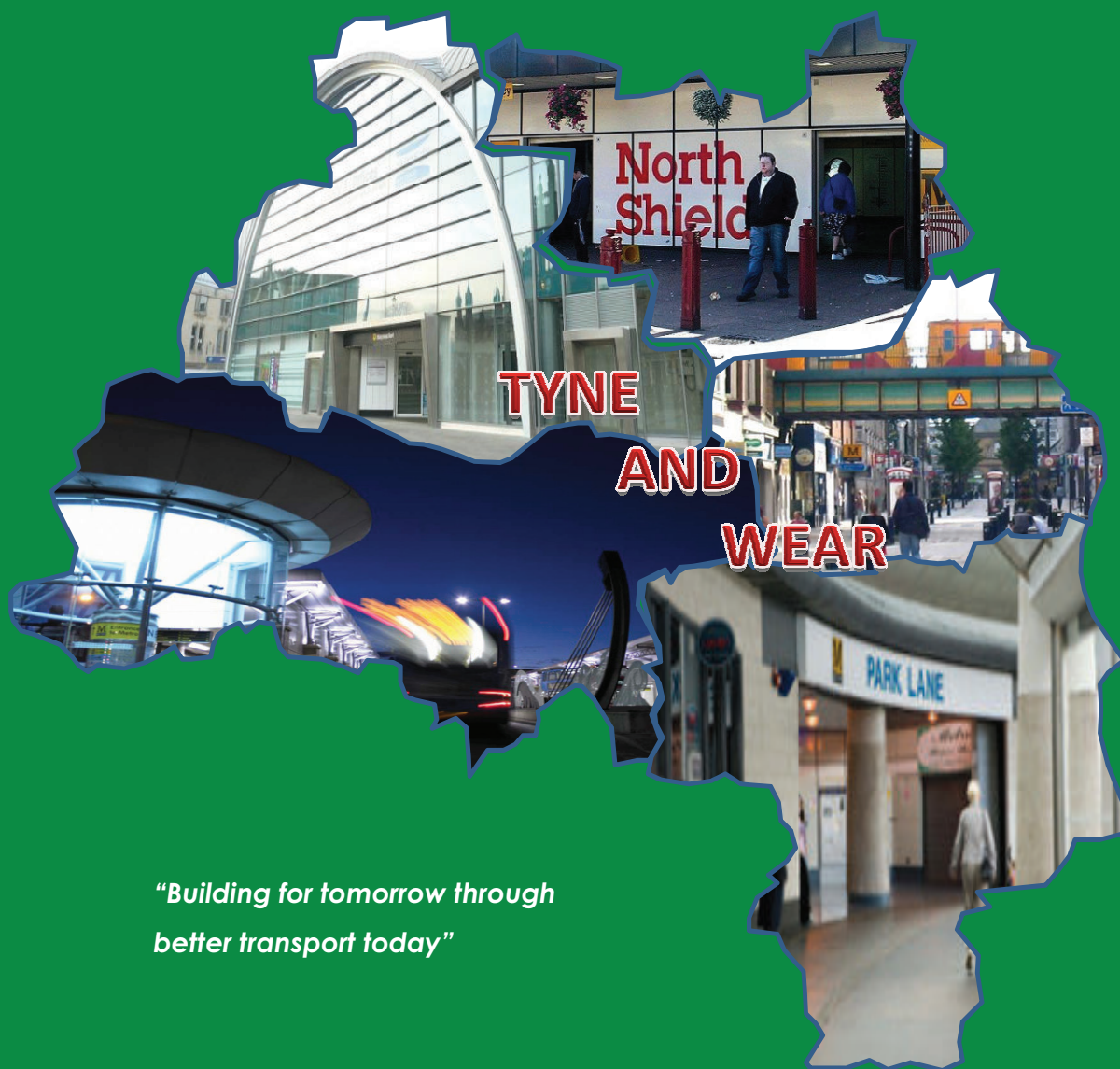


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	<p>the journey being undertaken, the reason for it and the origin of the person making it should be taken into account e.g. it is probable that both Sunderland and South Tyneside will have derived benefit from a Sunderland resident boarding a bus in South Tyneside.</p> <ul style="list-style-type: none">• The value of services provided by Nexus over and above those which are funded from the Levy, in particular the Tyne and Wear Metro system, which penetrates all five districts.• Regarding this latter point, Nexus' gross expenditure requirement in 2011/12 was some £164.5m. Of this, £53.6m was funded from commercial revenues, whilst £110.9m was funded from various grants, including the release of capital grants deferred which offset depreciation charges on those fixed assets which were in the past financed by government grant. Given that the Levy accounted for £68.6m of grant income, almost 60% of Nexus' gross expenditure requirement was therefore funded from outside of the Levy.
3.8	<p>Furthermore, in the context of attempting to alter the level of resource input from the districts, Treasurers were also advised that the Levy must be allocated in line with regulations that determine it is calculated on the basis of population. Treasurers were also advised that an alternative basis could be explored by way of a change in the regulations but that any change in regulation must demonstrate a need for change, the principles that underpin the new approach, a level of support for the approach from the Tyne and Wear area as well as other ITA areas that would be affected by the changes and consulted on the change in regulations.</p>
3.9	<p>No subsequent formal request for any change in approach has been received from any of the districts.</p>
4	Next Steps
4.1	<p>The Acting Clerk and Treasurer and the Director of Finance and Resources, Nexus will be providing District Treasurers with updated calculations based on this report for 2011/12.</p>
5	Potential impact on objectives
5.1	<p>None.</p>



Expenditure and Activity Analysis



*"Building for tomorrow through
better transport today"*

Introduction



Nexus is the Tyne and Wear Passenger Transport Executive (PTE) established under the Transport Act 1968 (as amended) and administers funds in order to implement passenger transport policies on behalf of the Tyne and Wear Integrated Transport Authority (ITA).

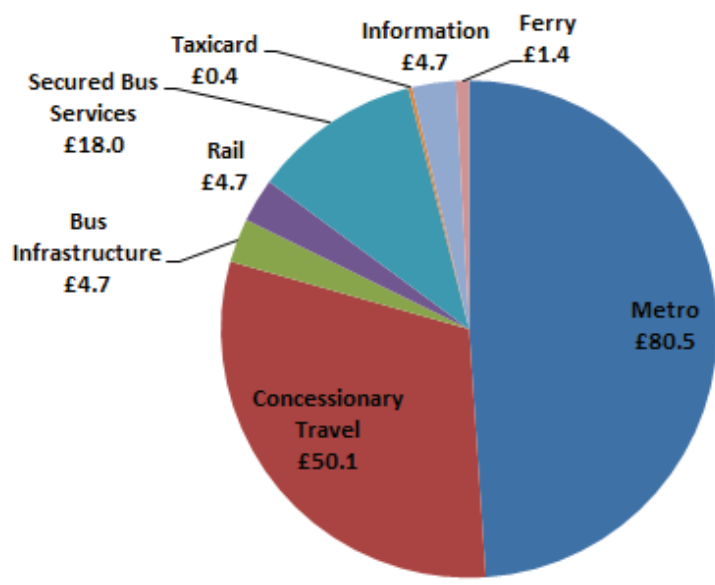
Our mission statement is 'Building for tomorrow through better transport today'.

Working within the policy remit set for us by the ITA, and in accordance with the Tyne and Wear Local Transport Plan developed with our partners, Nexus provides, plans and promotes public transport to improve the economic prosperity of Tyne and Wear, and the daily lives of its people. It also looks to the future, creating the sustainable travel choices people will want to use in decades to come. There are few people living in Tyne and Wear whose daily lives are not touched in some way by public transport, and therefore the activities of the ITA and Nexus, through getting people to work, children to school, students to colleges, allowing access to shops, medical facilities or leisure attractions.

Nexus Gross Revenue Expenditure 2011/12

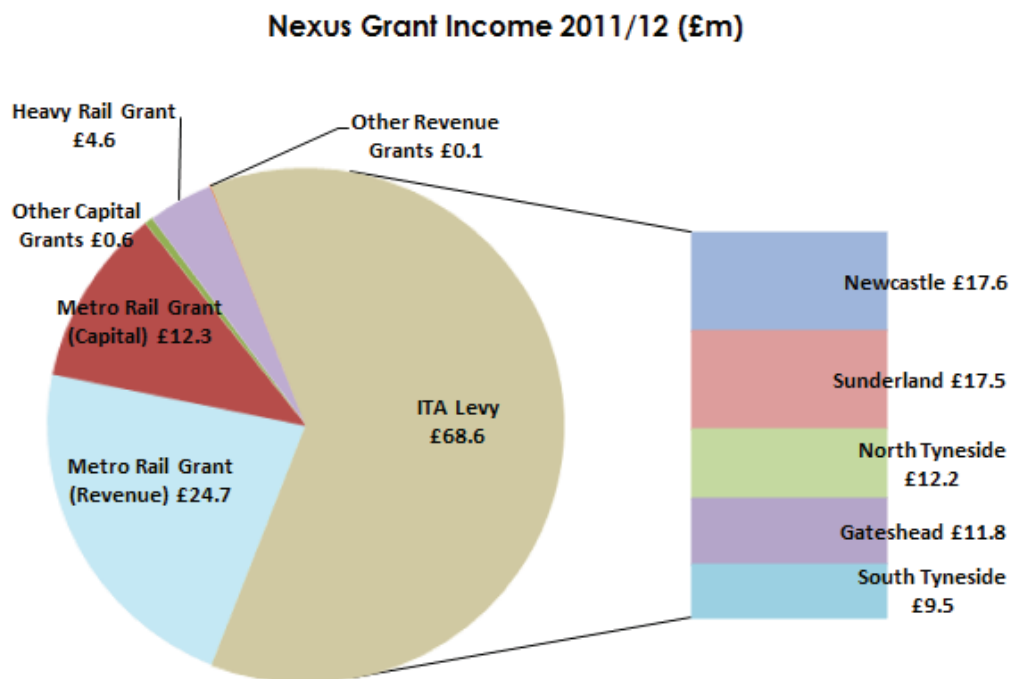
Nexus' Gross Revenue Expenditure during 2011/12 amounted to £164.5m. This enabled the provision of the services shown in chart below.

Nexus Gross Revenue Expenditure 2011/12 (£m)



Nexus Grant Income 2011/12

Nexus' grant income in 2011/12 amounted to £110.9m. The chart below shows the sources of this grant funding:-



The largest source of grant funding received by Nexus during 2011/12 (around 62% of all grants) was from the ITA and this funding provides a direct link between the local taxpayer and the services that Nexus provides. This is discussed in more detail below.

Other sources of grant funding in 2011/12 were provided for a specific purpose:-

- Metropolitan Rail Grant – from DfT to support the operating costs of the Tyne and Wear Metro
- Heavy Rail Grant – from DfT to support the operating costs of the Northern Rail franchise

The ITA funding in 2011/12 included monies previously paid by the DfT to support the costs of administering the Concessionary Travel Scheme, but which is now paid

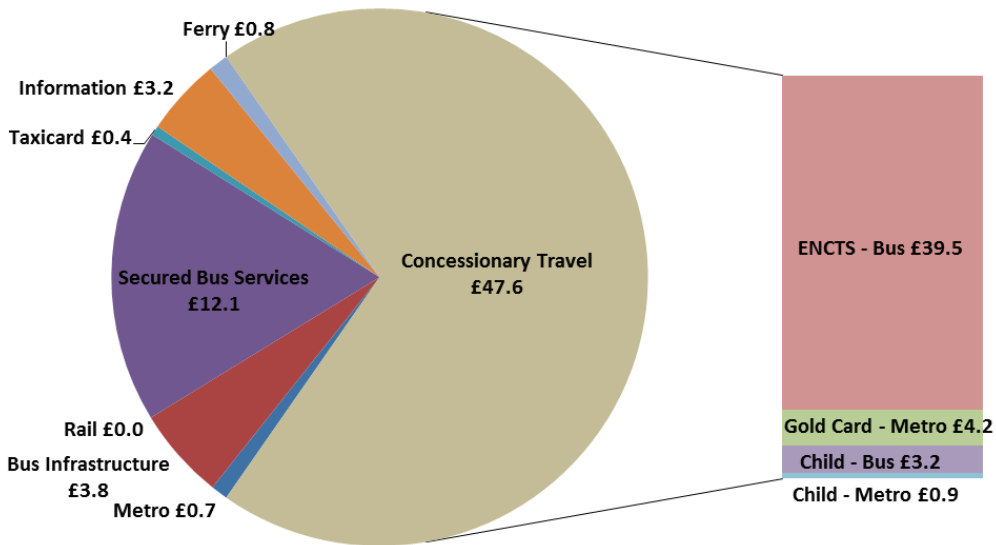
through the Local Districts in Tyne & Wear. During 2010/11, this grant amounted to £5.7m.

The ITA Levy

The ITA agrees a budget and then issues a levy for each financial year to the constituent councils within Tyne and Wear so as to meet a proportion of its liabilities/expenses. The apportionment of the levy is calculated by reference to the total resident population of each Council. This is done in accordance with Section 7(5) of the Transport Levying Bodies Regulations 1992 where, in Section 3(a), Passenger Transport Authorities established by s28 of the Local Government Act 1985 (now renamed ITA's as a result of the Local Transport Act 2008), are identified as levying bodies. In the case of the Tyne and Wear ITA, it set a levy for the financial year 2011/12 of £71.1m (2010/11 = £71.7m), of which £70.3m (2010/11 = £68.6m) was paid to Nexus in order to execute the policy decisions of the ITA. The payment to Nexus included £5.7m previously paid direct to Nexus by the DfT to cover costs associated with the Concessionary Travel Scheme.

Nexus' levy funded expenditure during 2011/12 amounted to £68.60m. The chart below shows how the levy was used by Nexus in providing the following services:-

Nexus Levy Funded Expenditure 2011/12 (£m)



Activity and analysis of each of these services together with commercial bus services are described in more detail in the next section of this report.

Activity Analysis

This section provides a breakdown and analysis of activity across the following areas of public transport service provision in Tyne and Wear:-

Services

1. English National Concessionary Travel Scheme (ENCTS)
2. Under 16 (U16) Concessionary Travel on Bus
3. Secured Bus

4. Commercial Bus
5. All bus patronage
6. Bus Infrastructure
7. Metro
8. Gold Card Concessionary Travel
9. Under 16 (U16) Concessionary Travel on Metro
10. Rail
11. TaxiCard
12. Information
13. Ferry

1) Concessionary Travel on Bus (ENCTS)

During 2011/12, English National Concessionary Travel Scheme (ENCTS) pass holders made 45.7 million journeys on bus in Tyne and Wear, which represents a 1% increase on the previous year, following two consecutive years of decline. The table below provides a breakdown of the figures relevant to the ENCTS across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11. The take up rate at April 2012 is 91.6%, an increase on 88.8% the previous year.

ENCTS on Bus: Tyne & Wear by District 2011/12											
District	Pax (000s)	↑	VLV	Population	↓	VLV	Pass Issues	↑	VLV	Take Up	VLV*
Sunderland	13,394	↑	12%	63,470	↓	-1%	59,795	↑	0%	94%	1.5 pp
Gateshead	7,732	↓	-17%	45,160	↓	-2%	40,555	↑	0%	90%	2.5 pp
Newcastle	12,892	→	0%	53,750	↓	-2%	46,607	↑	4%	87%	5.0 pp
North Tyneside	4,380	↓	-3%	46,820	↓	-2%	44,786	↑	1%	96%	2.3 pp
South Tyneside	7,261	↑	10%	36,220	↓	-2%	32,985	↑	1%	91%	2.3 pp
Tyne & Wear	45,660	↑	1%	245,420	↓	-2%	224,728	↑	1%	92%	2.7 pp

* Change in percentage points

The patronage location is defined by the origin of a journey, that is, a journey from Newcastle, irrespective of destination is classified as a Newcastle journey. It should be noted that this can have a distorting effect in that cross boundary journeys i.e. whose origin is Tyne and Wear but destination is most likely Northumberland or County Durham are included in this analysis.

In addition, if an attempt is made to assign 'benefit derived' from any particular boarding, consideration of the journey being undertaken, the reason for it and the origin of the person making it should be taken into account e.g. it is probable that both Sunderland and South Tyneside will have derived benefit from a Sunderland resident boarding a bus in South Tyneside.

2) Under 16 (U16) Concessionary Travel on Bus

During 2011/12, the Under 16 Child Concessionary Travel group made almost 9.5 million journeys on bus in Tyne and Wear, which represents growth of 13% on the previous year. The table below provides a breakdown of the figures relevant to the child concessionary travel market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

U16 on Bus: Tyne & Wear by District 2011/12								
District	Pax (000s)	VLV	Population	VLV	Pass Issues	VLV	Take Up	VLV*
Sunderland	2,383	↑ 10%	36,610	↓ -1%	12,489	↓ -20%	34%	-7.7 pp
Gateshead	2,422	↑ 25%	24,888	↓ -1%	11,415	↓ -11%	46%	-5.2 pp
Newcastle	2,341	↓ 0%	33,987	→ 0%	10,913	↓ -41%	32%	-22.1 pp
North Tyneside	926	↑ 14%	26,117	↑ 0%	7,455	↓ -8%	29%	-2.3 pp
South Tyneside	1,389	↑ 25%	19,981	↓ -2%	7,320	↓ -14%	37%	-5.2 pp
Tyne & Wear	9,463	↑ 13%	141,583	↓ -1%	49,592	↓ -22%	35%	-8.5 pp
* Change in percentage points								

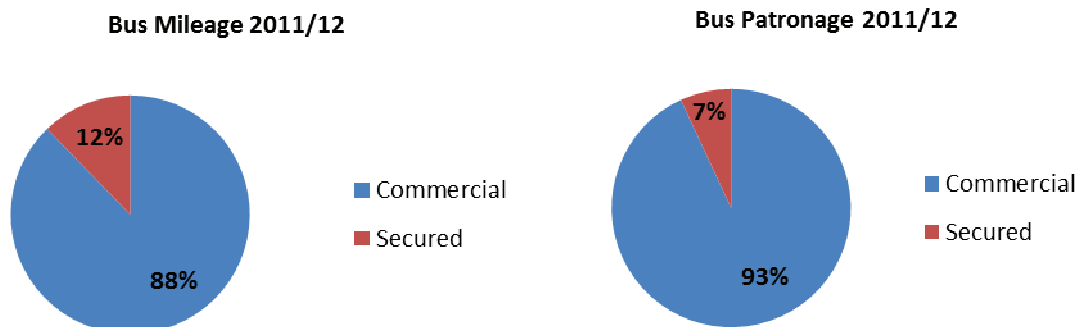
The figures show that the number of pass issues has declined year on year across all districts, along with a slight decline in the eligible population. The transition to POP Cards has reduced the number of passes by 22%, resulting in a take up rate of 35.5% compared with 44% the previous year. However, given the increase in patronage this shows that the fall in take up has been among the non-active transport users.

3) Secured Bus

During 2011/12, more than 9 million journeys were made on secured bus services in Tyne and Wear, which represents an increase of 9% on the previous year. The table below provides a breakdown of the figures relevant to the secured bus market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

Secured Bus: Tyne & Wear by District 2011/12					
District	Pax (000s)		VLV	Mileage	VLV
Sunderland	1,648	↑	2%	1,353	↓ -12%
Gateshead	2,508	↑	4%	1,186	↓ -13%
Newcastle	3,026	↑	36%	1,641	↓ -4%
North Tyneside	1,371	↓	-16%	998	↑ 6%
South Tyneside	1,059	↑	7%	715	↓ -1%
Tyne & Wear	9,612	↑	9%	5,893	↓ -6%

The figures show that while patronage increased on secured services, mileage decreased in contrast to an increase in mileage on the commercial network, which highlights how the interaction between secured and commercial services provides the full bus network. Structural changes in secured services have resulted in significant variations in patronage and mileage distribution by district. Much of the LinkUp service has in-effect been replaced by the introduction of 'Resource Board' contracts that allows Nexus more flexibility in the services provided.



4) Commercial Bus

During 2011/12, almost 130 million journeys were made on commercial bus services in Tyne and Wear, which represents a decline of -2% on the previous year. The table below provides a breakdown of the figures relevant to the commercial bus market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

Commercial Bus: Tyne & Wear by District 2011/12					
District	Pax (000s)		VLV	Mileage	VLV
Sunderland	34,786	↑	7%	10,362	↑ 3%
Gateshead	24,193	↓	-16%	9,290	↑ 10%
Newcastle	42,240	↓	-3%	11,599	↑ 2%
North Tyneside	11,116	↓	-2%	6,846	↑ 24%
South Tyneside	17,131	↑	6%	4,072	↓ -12%
Tyne & Wear	129,465	↓	-2%	42,169	↑ 6%

It is important to note that mileage for the commercial bus network is estimated on a 'snap-shot' basis, and therefore can vary throughout different times of the year in line with service changes. Changes to services such as LinkUp, the tertiary services and 'Resource board' contracts have resulted in patronage and mileage distributions changing between commercial and secured services. While the commercial and secured networks are displayed here in isolation, they should be considered in context of the full network they collaboratively provide, as shown in section 5. Continued changes to the secured network, as necessitated by changes to commercial services, mean it is difficult to compare like-for-like on an annual snapshot basis and these variations in the distribution between the two networks serve to illustrate the highly fluid nature of providing these services within a commercial industry.

Commercial bus patronage declined overall by 2% with patronage falling below 130 million. The decline of almost 3 million journeys in the commercial network has more than offset the growth in secured services of just over 0.5 million.

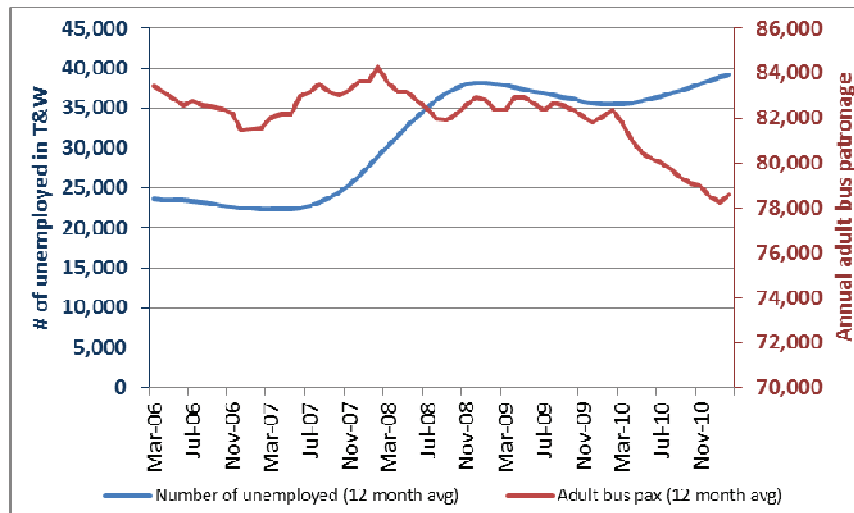
5) All Bus patronage

During 2011/12, when adding commercial and secured journeys together, just over 139 million journeys were made on commercial bus services in Tyne and Wear, which represents a decline of -2% on the previous year. The table below provides a breakdown of the figures relevant to the bus market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

All Bus: Tyne & Wear by District 2011/12					
District	Pax (000s)	VLV	Mileage	VLV	
Sunderland	36,433	↑ 7%	11,271	↑ 0%	
Gateshead	26,701	↓ -14%	10,338	↑ 7%	
Newcastle	45,265	↓ -1%	13,000	↑ 4%	
North Tyneside	12,487	↓ -5%	7,781	↑ 16%	
South Tyneside	18,191	↑ 6%	4,890	↓ -7%	
Tyne & Wear	139,077	↓ -2%	47,282	↑ 4%	

The figures show that bus patronage in Tyne and Wear declined overall in 2011/12. However, the Sunderland and South Tyneside districts both recorded increases in total bus patronage, following increases in both their secured and commercial journeys. Sunderland district also recorded the least job losses in Tyne and Wear. Changes to the categorising of the tertiary services between secured and commercial do not apply here and therefore illustrates significant declines in total bus ridership in Gateshead and North Tyneside. In contrast to Sunderland, Gateshead recorded the highest number of job losses.

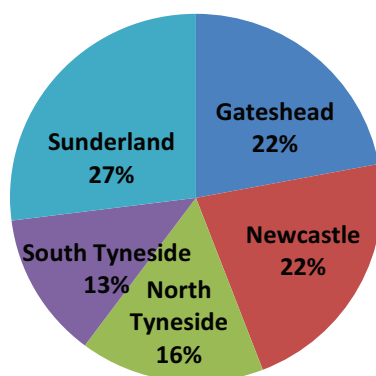
Bus patronage in Metropolitan areas nationally is in decline with the pressures of the wider economic climate, such as unemployment levels, suppressing public transport usage, as well as private car use.



6) Bus Infrastructure

Nexus provides almost 6,000 bus stops and manages 2,000 bus shelters across Tyne and Wear. Newcastle provide all of their own bus shelters through an independent commercial contract. Gateshead uses its own budget to provide the majority of new shelters, which Nexus then manages, maintains and cleans. In addition, Nexus also manages a number of bus stations and interchanges across Tyne and Wear. As it is the actual bus stop that determines a location as an access point to public transport the chart below provides a breakdown of bus stops across Tyne and Wear by district.

Bus Stops by District 2011/12



The table below provides a breakdown of the figures in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11; however, as would be expected, the figures show that there was only a minimal change in these physical assets year on year.

Bus Infrastructure Tyne & Wear by District 2011/12					
District	Stops	VLV	Stations	VLV	
Sunderland	1,596	↓ 0%	4	→ 0%	
Gateshead	1,306	↓ -2%	5	→ 0%	
Newcastle	1,307	↓ -1%	3	→ 0%	
North Tyneside	951	↓ -1%	4	→ 0%	
South Tyneside	760	↑ 3%	2	→ 0%	
Tyne & Wear	5,920	↓ 0%	18	→ 0%	

7) Metro

During 2011/12, almost 38 million journeys were made on Metro in Tyne and Wear, which represents a decline of -6% on the previous year. The table below provides a breakdown of the figures relevant to the Metro in 2011/12 and shows the trend when compared to the previous year 2010/11. Patronage declines are evident across all districts and almost all stations. Patronage levels are suppressed across all public transport and declines are also seen in other metropolitan areas, heavily influenced by the economic conditions with rising unemployment and higher living costs. However, despite the decline in patronage our latest customer satisfaction surveys inform us that customer satisfaction levels remain high and continue to improve.

Metro: Tyne & Wear by District 2011/12							
District	Pax (000s)	VLY	Stations	VLY	Track (miles)	VLY	
Sunderland	2,845	↓ -10%	9	→ 0%	6	→ 0%	
Gateshead	5,168	↓ -6%	5	→ 0%	4	→ 0%	
Newcastle	18,262	↓ -5%	20	→ 0%	12	→ 0%	
North Tyneside	7,623	↓ -5%	17	→ 0%	14	→ 0%	
South Tyneside	3,993	↓ -7%	10	→ 0%	12	→ 0%	
Tyne & Wear	37,888	↓ -6%	61	→ 0%	48	→ 0%	

8) Gold Card Concessionary Travel on Metro

During 2011/12, Gold Card Concessionary pass holders made more than 5.5 million journeys on Metro in Tyne and Wear, which represents a decline of -7% on the previous year. The table below provides a breakdown of the figures relevant to the Gold Card concessionary market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11¹.

Gold Card on Metro: Tyne & Wear by District 2011/12								
District	Pax (000s)	VLV	Population	VLV	Pass Issues	VLV	Take Up	VLV*
Sunderland	538	↓ -9%	63,470	↓ -1%	11,861	↓ -29%	19%	-8.4 pp
Gateshead	943	↓ 0%	45,160	↓ -2%	9,435	↓ -28%	21%	-6.7 pp
Newcastle	2,309	↓ -6%	53,750	↓ -2%	8,700	↓ -40%	16%	-11.6 pp
North Tyneside	1,094	↓ -15%	46,820	↓ -2%	10,968	↓ -45%	23%	-18.8 pp
South Tyneside	662	↓ -7%	36,220	↓ -2%	13,212	↓ -24%	36%	-10.8 pp
Tyne & Wear	5,546	↓ -7%	245,420	↓ -2%	54,176	↓ -34%	23%	-11.2 pp
*Change in percentage points								

The changes to the age eligibility for concessionary travel have reduced the eligible population, which would also lead to a related reduction in pass issues. However, as the table shows, pass issues have fallen at a higher rate. The price of a Gold Card increased last year which has resulted in a reduced uptake of the pass and it is also worth noting that the Concessionary Travel users are not exempt from the wider economic pressures evident on adult patronage.

¹ **NOTE:** same caveat applies to eligible population estimates for Gold Card as with ENCTS

9) Under 16 (U16) Concessionary Travel on Metro

During 2011/12, the Under 16 Child Concessionary Travel group made almost 1.3 million journeys on bus in Tyne and Wear, which represents an increase of 4% on the previous year. The table below provide a breakdown of the figures relevant to the child concessionary travel market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

U16 on Metro: Tyne & Wear by District 2011/12								
District	Pax (000s)	VLV	Population	VLV	Pass Issues	VLV	Take Up	VLV*
Sunderland	79	↑ 24%	36,610	↓ -1%	12,489	↓ -20%	34%	7.7 pp
Gateshead	204	↑ 8%	24,888	↓ -1%	11,415	↓ -11%	46%	5.2 pp
Newcastle	551	↓ -5%	33,987	→ 0%	10,913	↓ -41%	32%	22.1 pp
North Tyneside	300	↑ 12%	26,117	↑ 0%	7,455	↓ -8%	29%	2.3 pp
South Tyneside	123	↑ 10%	19,981	↓ -2%	7,320	↓ -14%	37%	5.2 pp
Tyne & Wear	1,257	↑ 4%	141,583	↓ -1%	49,592	↓ -22%	35%	8.5 pp
*Change in percentage points								

Child CT patronage on Metro has increased in most districts with a considerable increase in Sunderland, partly due to lower baseline in this district. Newcastle sees the only recorded decline but still generates the highest number of journeys with just over 0.5 million.

The transition from the Under 16 card to POP resulted in an administration fee being payable. This has reduced in a reduction in the number of passes issued but, as seen above, patronage has not been affected which suggests that previously, a number of passes were taken up by non-active users.

10) Rail Services

During 2011/12 there were almost 1.2 million journeys on local Rail services in Tyne and Wear, which represents a decrease of 5% on the previous year, following an increase of 9% on the previous year². This figure includes journeys on Northern Rail services travelling on the Newcastle to Sunderland or Newcastle to Metrocentre lines. The table below provide a breakdown of the figures relevant to the Rail market across Tyne and Wear in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

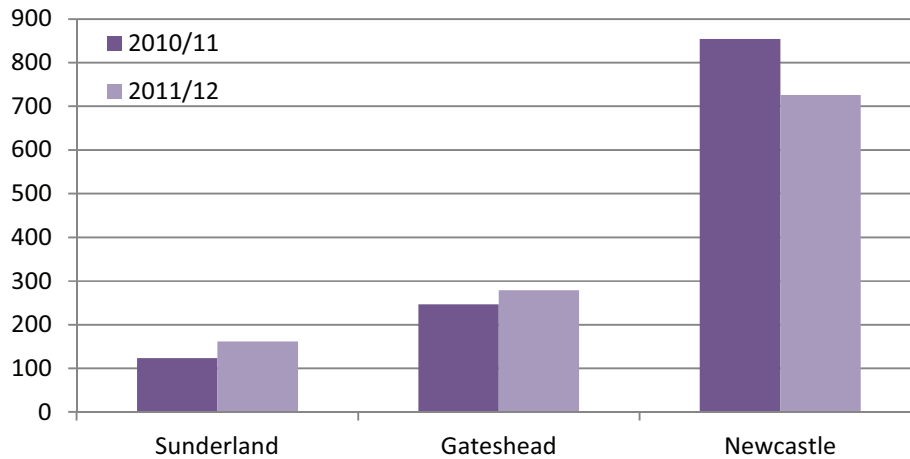
Rail: Tyne & Wear by District 2011/12							
District	Pax (000s)	VLY	Stations	VLY	Track (miles)	VLY	
Sunderland	161	↑ 31%	1	→ 0%	6	→ 0%	
Gateshead	279	↑ 13%	4	→ 0%	10	→ 0%	
Newcastle	727	↓ -15%	1	→ 0%	1	→ 0%	
North Tyneside	-	-	-	-	-	-	
South Tyneside*	-	-	-	-	5	→ 0%	
Tyne & Wear	1,167	↓ -5%	6	→ 0%	21	→ 0%	

* **NOTE:** 5 miles of track on the Sunderland and Newcastle line is actually in South Tyneside

The figures show that while patronage has declined overall by 5% year on year, significant growth was recorded in Sunderland and Gateshead but was unable to offset the decline in Newcastle. The chart below shows how the number of journeys compare year on year.

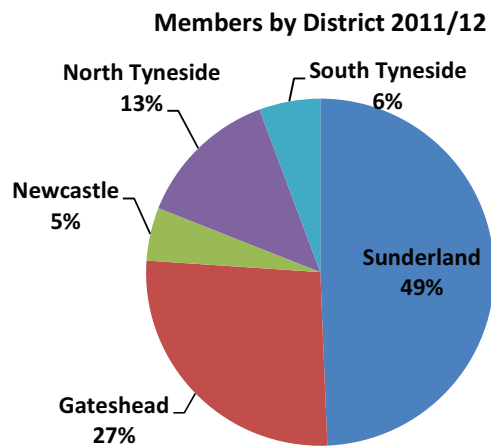
² The line including Manors rail station in Newcastle falls outside of the scope of this report

Rail Patronage 2011/12 v 2010/11



11) TaxiCard Services

TaxiCard is a social inclusion transport initiative which is provided for disabled people who have difficulty in accessing mainstream public transport services. At the end of



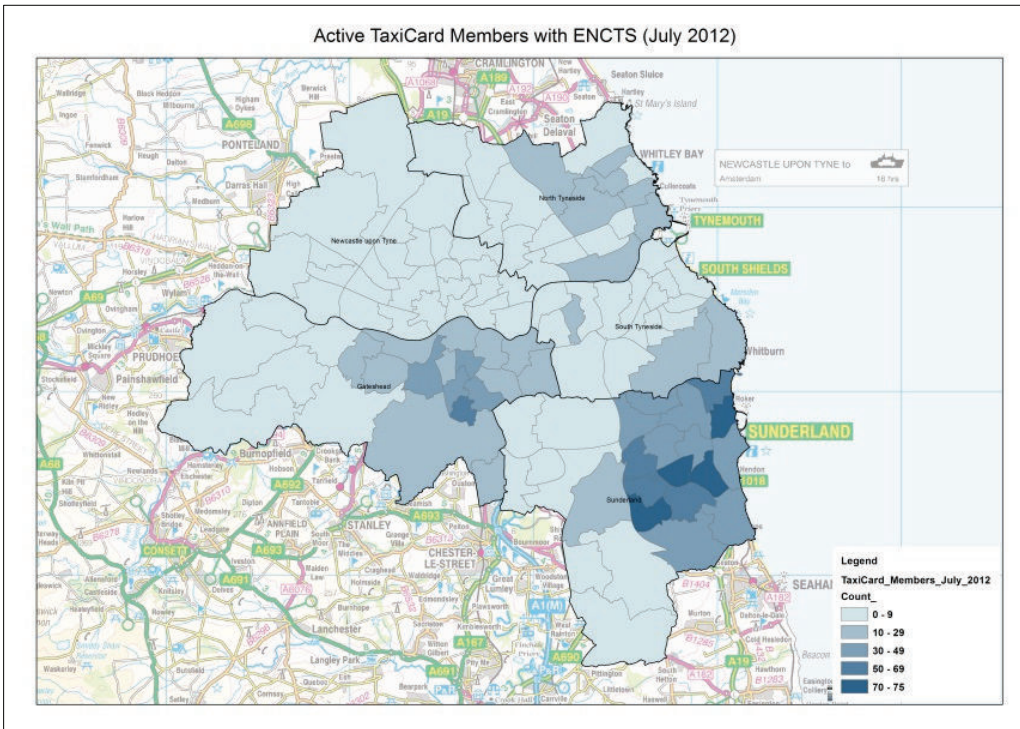
2010/11 there were almost 3,000 registered members of the scheme. The chart provides a breakdown of Taxi Card members by district and shows that while the number of Taxi Card members in Tyne and Wear has declined overall, both Sunderland and Gateshead have recorded an increase in members with Sunderland residents now accounting for almost than 5 out of every 10 Taxi Card members.

The table below provides a breakdown of the figures in 2011/12 and sets these in context by also showing the trend when compared to the previous year 2010/11.

The map shows the concentration of Taxicard members by ward.

District	Members	Change	VLY
Sunderland	1,481	↑	10%
Gateshead	803	↑	5%
Newcastle	148	↓	-1%
North Tyneside	400	↑	15%
South Tyneside	170	↓	-17%
Tyne & Wear	3,002	↑	7%

Active TaxiCard Members with ENCTS (July 2012)



12) Information

Nexus also provides a wide range of public transport information in a variety of formats at stops, stations, travel shops and on the internet. In 2011/12 Nexus had more than 2.3 million hits on the www.nexus.org.uk website and almost 60% (1.3 million) of these visits originate from within Tyne and Wear.

Bus stop timetables and the Nexus website are the two main channels of information provision to the public. The tables below show bus liner production and website visits by district (note the Newcastle figure is inflated due to staff use from Nexus House). Although not calculated on an individual stop basis, the "Changes/ stop" column gives an overall indication of the number of liner changes per stop in the year.

Bus Liner Production Tyne & Wear by District 2011/12					Nexus Website Visits by District 2011/12		
District	Liners	VLV	Share %	Changes / stop	District	Visits	VLV
Sunderland	2,801	↑ 62%	23%	1.8	Sunderland	113,857	↑ 33%
Gateshead	3,522	↑ 47%	29%	2.7	Gateshead	343,683	↓ -18%
Newcastle	1,845	↓ -39%	15%	1.4	Newcastle	651,688	↑ 56%
North Tyneside	2,603	↓ -9%	21%	2.7	North Tyneside	109,574	↑ 79%
South Tyneside	1,378	↓ -19%	11%	1.8	South Tyneside	146,501	↑ 20%
Tyne & Wear	12,149	↑ 3%	100%	2.1	Tyne & Wear	1,365,303	↑ 23%

13) Ferry

During 2010/11 there were more than 0.5 million journeys on the cross Tyne Ferry service, which represents a decrease of 2% on the previous year. While this service provides a key cross Tyne link between South Tyneside and North Tyneside, which is reflected in the figures below, some of the benefit also spreads to other districts of Tyne & Wear and beyond³. The table below shows the % split of Ferry users by district based on Nexus 2011/12 Ferry User Profile research (540 interviews).

³Users that have either origin or destination outside of Tyne & Wear have been excluded from the table

Ferry Users by District 2011/12	
District	% Total
North Tyneside	49%
South Tyneside	41%
Sunderland	6%
Newcastle	3%
Gateshead	1%
Tyne & Wear	100%



REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: Christmas and New Year Services 2012/2013

REPORT OF: Director General of Nexus

PURPOSE OF REPORT

To advise on the proposed Metro, Ferry, Secured Bus and Northern Rail operations over the Christmas and new Year period.

RECOMMENDATIONS

Members are requested to note this report.

BACKGROUND DOCUMENTS

Appendix 1: Summary of Transport Operations at Christmas

CONTACT OFFICERS

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(Bus Contract Manager)

IMPACT ON OBJECTIVES

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

1	Executive Summary
1.1	This report summarises the level of transport operation in Tyne and Wear over the Christmas period.
2	Introduction and Background
2.1	As in previous years, discussions have taken place with traders, promoters of major events and public transport operators to determine major transport requirements in Tyne and Wear over the holiday period and the commercial intention of bus operators.
2.2	As last year, retail outlets are to maintain extended opening hours on Boxing Day with MetroCentre trading between the hours of 0900 and 2000 whilst The Bridges, Sunderland and Eldon Square, Newcastle will trade between 0900 and 1730/1800 respectively.
3	Information
3.1	No public transport services will operate on Christmas Day and New Year's Day and at other times timetables will reflect the different patterns of travel prevailing at this season.
3.2	<p><u>Buses</u></p> <p>On Christmas Eve, the bus network will generally operate a Saturday timetable (Go North East & Stagecoach), however Arriva North East have elected to operate a normal Monday timetable. All operators will run down services after 1830 with all services finished by 2000.</p> <p>On New Year's Eve, all operators will generally operate a Saturday timetable. Operators will run down services after 1830 with all services finished by 2000.</p> <p>On Boxing Day, Go North East and Stagecoach will operate a number of services on a commercial basis for the core hours of the day. Nexus will secure additional services to complement the commercial operation and, in addition, secure additional journeys at the 'extremes' of the day on a number of services to be operated on a commercial basis to assist passengers to use public transport to and from work at retail outlets.</p> <p>On Thursday 27th & Friday 28th of December, a Saturday service will generally operate with normal services in operation on Saturday 29th and Sunday 30th</p>



	<p>December.</p> <p>Normal services will resume on Wednesday 2nd January 2013.</p>
3.3	<p><u>Metro</u></p> <p>On Christmas Eve and New Year's Eve, Metro will operate an enhanced Monday to Friday service until 1830 and thereafter an hourly service on all lines until 2315 departures from Monument.</p> <p>On Boxing Day, Metro will operate a Sunday service between the hours of 1000 and 1930.</p> <p>On Thursday 27th & Friday 28th of December, an enhanced Monday to Friday service will operate. Enhanced services will also operate on Saturday 29th and Sunday 30th December.</p> <p>Further enhancements to service will take place on Wednesday 2nd, Friday 4th and Saturday 5th January. Normal service will resume on Sunday 6th January.</p>
3.4	<p><u>Ferry</u></p> <p>On Christmas Eve and New Year's Eve, the Shields Ferry will operate a normal Monday service, however the last journey will be at 1930 from North Shields.</p> <p>On Boxing Day, the Ferry will operate a normal Sunday service.</p> <p>On Thursday 27th, Friday 28th and Saturday 29th of December, a normal service will operate, however there will be an early finish with the last journey being at 2200 from North Shields on each evening.</p> <p>A normal service will operate on Sunday 30th December with normal service resuming on Wednesday 2nd January 2013.</p>
3.5	<p><u>Newcastle – Sunderland Rail</u></p> <p>Northern Rail will operate a normal service on Christmas Eve and New Year's Eve with a 'run-down' of services from 2000.</p> <p>There will be no service on Boxing Day.</p> <p>On Thursday 27th December, generally a Thursday timetable will operate with a number of early journeys withdrawn.</p> <p>A normal service will operate between Friday 28th December and Sunday 30th December (incl.).</p> <p>Normal service will resume on Wednesday 2nd January 2013.</p>



3.6 Travelshops

Travelshops will close early at 1300 on Christmas Eve and New Year's Eve. They will close on Christmas Day, Boxing Day and New Year's Day.

3.7 Traveline

The Traveline service will be closed on Christmas Day and New Year's Day. Opening hours on Christmas Eve and New Year's Eve will be from 0700 until 1800. Opening hours on Boxing Day will be from 0700 until 1800. Normal opening hours will be followed on all other days.

4 Next Steps

4.1 Members to note.

5 Potential impact on objectives

5.1 The provision of services on these days will help ensure the public are able to get and about.

CHRISTMAS OPERATION/SERVICES 2012/2013

Day	Date	Bus Services	Metro	Ferry	Northern Rail N/castle-S/land	Travel Shops	Traveline
Monday	24 December 2012	Go North East and Stagecoach will operate generally operate a Saturday service with Arriva North East operating a normal Monday service. All operators will run down services after 1830 with all services finished by 2000.	Metro will operate an enhanced Monday service until 1830, thereafter an hourly service on all lines until 2315 departures from Monument	Ferry will operate a normal Monday service, however the last journey will be at 1930 from North Shields.	Northern Rail will operate a normal service with a run down of services from 2000.	Travelshops will close early at 1300	Open 0700 - 1800
Tuesday	25 December 2012	No Service	No Service	No Service	No Service	Closed	Closed
Wednesday	26 December 2012	Go North East and Stagecoach will operate a number of services on a commercial basis at the core hours of the day. Nexus will secure some additional services to complement the commercial operation.	Metro will operate a Sunday service between 1000 and 1930.	Ferry will operate a normal Sunday service	No Service	Normal opening hours	Open 0900 - 1800
Thursday	27 December 2012	Saturday service	Enhanced Thursday service will operate	Normal Thursday service with early finish. Last journey 2200 from North Shields.	Generally a Thursday timetable with a number of early journeys withdrawn	Normal opening hours	Normal hours
Friday	28 December 2012	Saturday service	Enhanced Friday service will operate	Normal Friday service with early finish. Last journey 2200 from North Shields.	Normal Friday service	Normal opening hours	Normal hours
Saturday	29 December 2012	Normal Saturday service	Enhanced Saturday service will operate	Normal Saturday service with early finish. Last journey 2200 from North Shields.	Normal Saturday service	Normal opening hours	Normal hours
Sunday	30 December 2012	Normal Sunday service	Enhanced Sunday service will operate	Normal Sunday service	Normal Sunday service	Closed	Normal hours
Monday	31 December 2012	All operators will run a Saturday timetable with services running down between 1830 and 2000.	Metro will operate an enhanced Monday service until 1830, thereafter an hourly service on all lines until 2315 departures from Monument	Ferry will operate a normal Monday service, however the last journey will be at 1930 from North Shields.	Northern Rail will operate a normal service with a run down of services from 2000.	Travelshops will close early at 1300	Open 0700 - 1800
Tuesday	01 January 2013	No Service	No Service	No Service	No Service	Closed	Closed
Wednesday	02 January 2013	Normal service resumes	Enhanced services will operate until 5th January. Normal service resuming on 6th January.	Normal service resumes	Normal service resumes	Normal opening hours	Normal hours

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REPORT FOR INFORMATION

DATE: 22 November 2012

SUBJECT: Metro Park & Ride Car Parking Charges Effective from December 2012

REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To outline price changes for six Metro Park & Ride sites to become effective from 1st December 2012.

RECOMMENDATIONS

The ITA is requested to approve the price proposals for parking charges as presented in this report.

BACKGROUND DOCUMENTS

CONTACT OFFICERS

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0191 203 3246

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 Following a thorough review of car park utilisation, market research and analysis to identify potential revenue yields, Nexus plans to reduce the long term price of parking from £1.60 to £1.00 per day at six Metro Park & Ride sites effective as at 1 December 2012; significant discounts will also be offered to regular users. This change in pricing follows a transferal of revenue ownership from DBTW to Nexus which took place on 1 April 2012 which has resulted in the development of a long term pricing strategy.

2 Introduction and Background

- 2.1 As part of the original Concession Agreement the management and operation of car parks were transferred to DBTW along with the corresponding revenue from ticket sales.

- 2.2 Nexus owns a number of car parks, some of which are free of charge and others which incur a parking charge. There are three Park & Ride car parks which are owned and maintained by Newcastle and Gateshead councils namely Kingston Park, Heworth and Felling.

- 2.3 DBTW, in an attempt to increase car park revenue and in accordance with the Concession Agreement, introduced a price increase at the end of 2010 at the six Park & Ride sites stations which have historically been chargeable. A summary table of these changes is provided below:-

Park & Ride Site	Before DBTW Price Increase	After DBTW Price Increase
Regent Centre	£1.00	£1.60
Bank Foot	£1.00	£1.60
Callerton Parkway	£1.00	£1.60
Four Lane Ends	£1.00	£1.60
Northumberland Park	£1.00	£1.60
Stadium of Light	FREE	£1.60

- 2.4 As a result of the price increase to £1.60 car park occupancy fell significantly at all these sites and there was a serious concern that this level of fares increase was not compatible with local planning policies and did not support a viable transport option.



REPORT FOR INFORMATION

As a consequence Nexus took back revenue risk at car parks on 1 April 2012 and made a commitment to improve the park and ride offering for users.

2.5 In order to achieve the correct balance between minimising budget deficit and improving service to customers, Nexus has conducted market research, occupancy counts and undertaken extensive demand analysis to inform a long term pricing proposal. Meanwhile an experimental free parking campaign was initiated on 19th July which aimed at encouraging leisure travel over the summer holidays and raising commuters' awareness of the Park & Ride option during September. The free parking experiment will come to an end on 30th November 2012 at which point, on the basis of analysis to date a basic £1.00 per day charge will be made with discounts for regular users.

3 The Proposal

3.1 Nexus plans to reduce the price of daily parking from £1.60 to £1.00 and introduce better value season permits than were previously offered by DBTW. A summary table below highlights the effective price changes:-

Parking Ticket	DBTW Price	Proposed Price	Saving (£)	Change in Price (%)
Daily Parking	£1.60	£1.00	£0.60	-38%
4 Week Permit	£30	£16	£14	-47%
Annual Permit	£375	£196	£179	-48%

3.2 The free parking campaign was successful in that it achieved an extra 10,000 occupied spaces in 12 weeks however this was at a net cost of £28,316. Whilst it is not financially sustainable for Nexus to maintain free parking on a permanent basis, a daily charge of £1.00 represents a good value for customers whilst covering the cost of ticket machine and car park maintenance and cash collection. Further discounts are offered to commuters who buy their parking in bulk with the annual permit proposed to be almost halved in price.

3.3 A further improvement to the offering is free parking after 5pm. This will help to stimulate the evening leisure market across Tyne and Wear and bring Nexus commercially in line with Newcastle City Centre car parks which are also free after 5pm as part of the Alive after Five promotion.



4 Next Steps

4.1 Integrated Park & Ride ticketing; ie a single ticket for both parking and Metro use; is seen as best practice due to the ease of purchase and the perceived value for money although it should be noted that car parks such as Four Lane Ends and Regent Centre attract a significant proportion of users who do not go on to use Metro. Nexus will continue to move towards incorporating Park & Ride into its smart ticketing system. This would allow an integrated Park & Ride ticket as well as differential pricing whereby those who are parking and riding are given a financial incentive versus those simply parking.

5 Potential impact on objectives

5.1 The long term price reduction is expected to have a positive impact on car park usage and Park & Ride patronage.



REPORT FOR DECISION

DATE: 22 November 2012
SUBJECT: SUPPORTING COMMUNITY TRANSPORT FUND (DfT)
REPORT OF: DIRECTOR GENERAL, NEXUS

PURPOSE OF REPORT

To seek approval for the award of grants to local Community Transport providers, funded by the “Supporting Community Transport Funding” from government.

RECOMMENDATIONS

Members are recommended to award grant funding as per the table shown in paragraph 4.1

BACKGROUND DOCUMENTS

DfT letter 18th January 2012 giving notification of award of “Supporting Community Transport Funding” and similar letter 15th March 2011.

CONTACT OFFICERS

Tobyn Hughes tobyn.hughes@nexus.org.uk 0191 203 3246

IMPACT ON OBJECTIVES

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

1	Executive Summary
1.1	The Department of Transport has made available funding to Local Transport Authorities to be spent on developing Community Transport services. In total the ITA received £50,448. Local Community Transport providers were invited to submit bids for distribution of this funding. The results of the bidding process are presented in this report.
2	Introduction and Background
2.1	The Department of Transport (DfT) made available “Supporting Community Transport Funding” for 2012/13 to 76 local transport authorities in England. The level of funding received is based on the previous Rural Bus Subsidy Grant formula. As an eligible authority the ITA received £25,224 in each of 2012/13, making a total of £50,448 over the two years.
2.2	The DfT provided only high level guidance that this funding should be used to support the development of local Community Transport operations, and that it should not be used to replace committed expenditure or to directly support secured bus services.
2.3	There is no register of community transport providers in Tyne & Wear. Through local contacts and knowledge available from the Community Transport Association (the trade organisation for Community Transport organisations) best efforts have been made to identify all local community transport organisations in the area. Those identified received an invitation to bid to Nexus to receive an allocation of available DfT funding to improve their operations.
3	Bidding Process
3.1	Given the relatively limited level of funding made available for Tyne and Wear, community transport providers were invited to bid for funding focusing on low cost revenue projects to improve how they deliver services to users and to develop staff such as driver training in MIDAS (Minibus Driver Awareness/Assessment and Training) and CPC (Certificate in Professional Competence).
3.2	Six bids for funding were received. Although the bids in total received exceeded available funding by over 250%, by concentrating the awards on driver training it is possible to provide all bidders with funding within the available resource.



3.3 It is not recommended to make awards for contributions to new vehicles or additional full time staff, because these cannot be accommodated within the level of funding available.

4 Evaluation of Bids

4.1 The ITA is recommended to award funding based on the table below:

PROVIDER	AWARD	PURPOSE
Easington Lane Community Access Point	£13,806	CPC training
Southwick & Monkwearmouth Community Transport	£704	MIDAS training and DAT Assessor Training
Newcastle Community Transport	£11,951	Overall staff and community training
Whickham Community Bus Trust	£1,345	MIDAS and CPC training
Transport North East	£13,454	MIDAS training and DAT Assessor Training
Compass Community Transport	£9,188	CPC training
Total	£50,448	

4.2 This level of award requires some reduction in the overall level of bids received for staff training. A pro-rata reduction has been applied to ensure awards in total equate to overall available funding.

4.3 The figures presented vary considerably by bidder, but these are based on a focus on training as an equitable solution where the total bids significantly exceed available funding, and the difficulty in applying a simple evaluation tool.

4.4 Conditional upon award of funding will be the requirements for recipients to document spend against the funding made available, and for this documentation to be audited.



5 | **Potential impact on objectives**

5.1 | Development and retention of Community Transport providers will assist in the economic procurement and delivery of socially necessary public transport services thereby contributing to delivery of the Bus Strategy.



REPORT FOR INFORMATION

DATE: 22 November 2012
SUBJECT: Newburn Ward Petition
REPORT OF: DIRECTOR GENERAL, NEXUS

PURPOSE OF REPORT

To acknowledge receipt of a petition from the residents of Newburn Ward of Newcastle requesting improvements in the provision of bus services in the area, particularly the link to West Denton currently provided by secured bus service 13.

RECOMMENDATIONS

Members of the Authority are recommended to note the contents of this report.

BACKGROUND DOCUMENTS

A copy of the petition is held by Nexus, available on request.

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	<p>A petition from residents of the Newburn Ward in Newcastle has been submitted to Nexus expressing a request for a direct and faster bus link between Newburn and West Denton via Throckley, Walbottle and Blucher. The petitioners have also requested an evening service.</p> <p>Nexus secured Service 13 currently provides an hourly Monday to Saturday daytime circular link from Newburn, Throckley, and Walbottle to West Denton via Lemington (note that this service does not pass through Blucher).</p> <p>Regrettably it is not possible within available resources to both retain secured service 13 unchanged (which was the outcome of a recent widespread consultation) as well as provide the more direct links via Blucher requested by the petitioners. Budget restrictions also mean it is not possible to fund an evening service.</p>
2	Introduction and Background
2.1	<p>A petition signed by a total of 386 residents from the outer west end of Newcastle was submitted to Nexus on the 19th September 2012. The petition expresses the concerns of residents regarding the circuitous route (and thereby the speed) of the current bus link between Newburn and West Denton, that Blucher is not currently linked to West Denton and a request for an evening service. The petition specifically requests a more direct bus link between Newburn and West Denton via Throckley, Walbottle and Blucher.</p>
3	Information
3.1	<p>Nexus secured service 13 was launched in March 2011 as part of the Accessibility Network Delivery Project (ANDP). This was in response to public consultation on the ANDP process that indicated a strong desire for a bus link between Newburn, Throckley, Walbottle and West Denton.</p>
3.2	<p>Since the service was launched Nexus have received comments from residents and Councillors requesting that the service 13 could be improved by offering a faster and more direct route between Newburn, Throckley, Walbottle and West Denton and additionally serving Blucher (rather than the current circular route via Newburn, Throckley and Walbottle). To meet these requests, within available budget, Nexus designed an alternative proposal to the existing secured service 13</p>



splitting the service into two routes:

- Proposed Service 13 would operate every hour Monday to Saturday to provide a more direct link between West Denton Shops and the outer west communities of Blucher, Walbottle, Newburn and Throckley.
- Proposed Service 13A would operate every hour Monday to Saturday to provide a direct link between West Denton Shops and Dumpling Hall only.

Whilst these changes offered the majority of bus users faster journeys and more direct links, disbenefits were the loss of local links in the Lemington, Valley View, Combe Drive and Dumpling Hall area and the links between Lemington and West Denton Shops would only be provided by existing Stagecoach services 6/7.

3.3 During May and June 2012 Nexus conducted a major consultation exercise on the proposed change to bus service 13 (linked to other proposed changes to secured bus services in west Newcastle). The consultation included six meetings, communication to councillors in 10 wards and 200 other community representatives, leaflets at 27 community locations (libraries, GP surgeries, council offices etc) and on board relevant buses, and media publicity through local newspapers and the Newcastle City Council and Nexus websites. In total 118 responses were received on the overall proposed changes to secured bus services in west Newcastle and specifically on the 13/13A proposal 11 responses were against the proposal to split the route of Service 13 and 5 responses in favour. Nexus therefore decided not to pursue the suggested changes and to retain the Service 13 on its current route.

4 Next Steps

4.1 Given that Nexus recently consulted with residents in west Newcastle about possible changes to service 13 (changes only deliverable within existing resources) it is not considered appropriate to review this service again at this time, although it should be noted that the number of petitioners far exceeds the consultation response.

4.2 As the current secured services budget is fully committed it is not possible to provide a new or additional secured service in addition to service 13 to meet the petitioners request or to introduce an evening service.



5 Potential impact on objectives

5.1 Secured bus services are provided to support safe and sustainable communities. Therefore extensive efforts are made to ensure that secured services provide the best possible links for the local community within the resources available. For this reason a detailed consultation was recently held with residents in west Newcastle regarding options to change secured services in the area. Whilst it is regrettable that not all demands can be met, the outcome of consultation is in this case considered sufficiently clear to support the ITA's objective by not changing the route of service 13.

Have your say

Nexus funded services in West Newcastle – proposed changes



Have your say

How to contact us

We would like to hear your views on our proposed changes. To provide your feedback or ask any questions on the proposed changes you can contact us by:

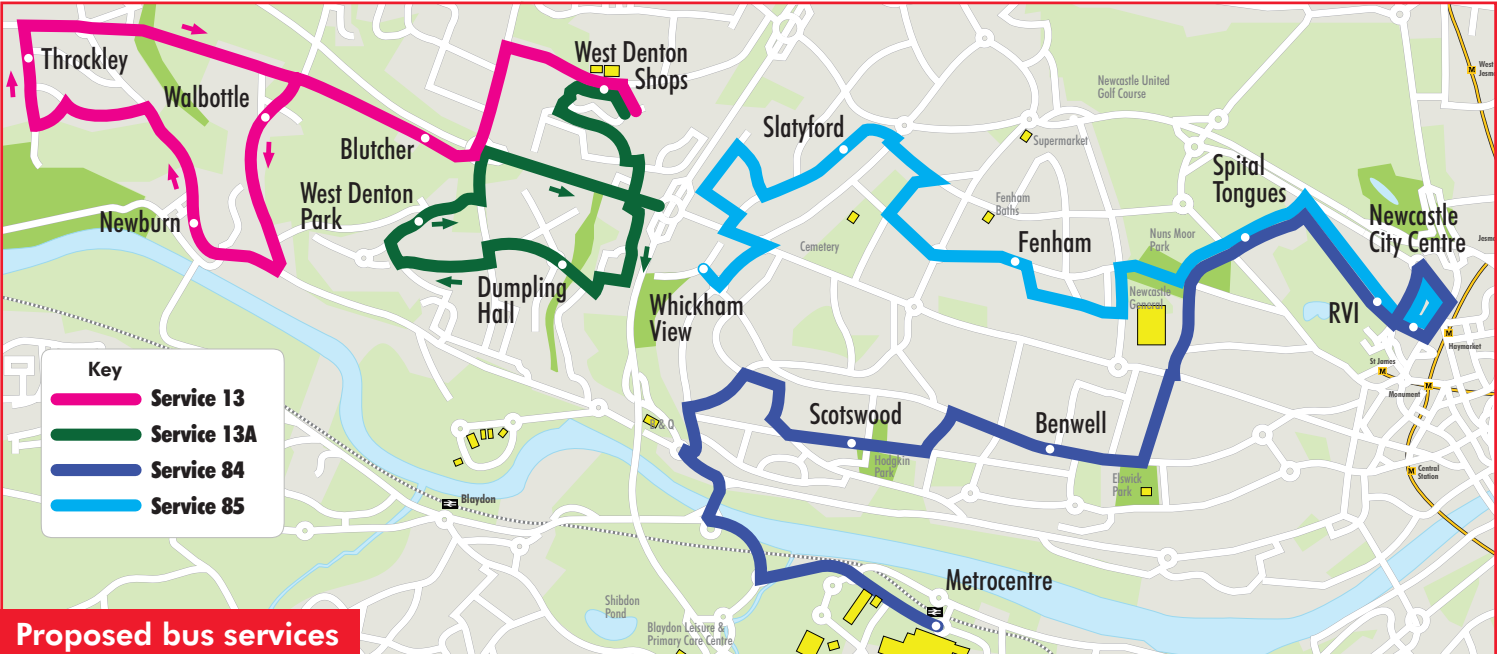
- Phone** Andrew McGuinness,
Community Relations Officer,
on 0191 203 3459
- E-mail** andrew.mcguinness@nexus.org.uk
- Post** Andrew McGuinness,
Nexus,
Nexus House,
Newcastle upon Tyne,
NE1 4AX

Staff from Nexus will also be available to meet with bus users and residents to discuss the proposed changes in greater detail and answer any questions or concerns that you may have about the plans at the following dates/times.

Tuesday 19 June 2012
The Beacon Centre, West Road
(10am – 2pm)

Traveline For impartial public transport journey planning advice

 www.traveline.info
traveline 0871 200 22 33
public transport info calls from landlines cost 10p per minute



Proposed bus services

Nexus funded services in West Newcastle – proposed changes

Why are we proposing changes?

All local bus services arranged and paid for by Nexus are reviewed on a regular basis to make sure they continue to provide good value for money and meet the needs of local people.

We are now taking a fresh look at routes in West Newcastle, based on feedback we have received from users and our own experience of how popular they have been and how well they have run. Before we make any changes we would first like to hear local people's views on our plans.

The proposed changes will not cost the taxpayer any more in public subsidy, but we believe most passengers would benefit from faster journey times and new direct links to key destinations.

Our consultation runs from 21 May to 22 June 2012. All feedback received by 22nd June will help us make final decisions about these important local services. You can see how to contact us on the back of this leaflet.

What are the proposals seeking to achieve?

Feedback from local people asked us to provide the following:

- Faster and more direct link from Wallbottle, Newburn and Throckley to West Denton Shops. ✓
- A new direct link between Blucher Village and West Denton Shops. ✓
- Direct links to Newcastle City Centre and the RVI from parts of Benwell, Scotswood and East Denton previously served by service 50. ✓

To help fund these improvements we are proposing to withdraw service 4 and re-invest the money saved on new routes or changes to existing routes to meet the needs of most passengers. All our proposed changes are set out in detail with a map.

Detailed proposals

Replace Service 4

Callerton to Metrocentre

This service was introduced in March 2011 and runs hourly from 10am to 4.30pm. After a year of operation passengers numbers remain very low and each journey is heavily subsidised. We believe the money used to pay for this bus can better be spent on other services in the area, but in doing so we have made sure there are good alternatives to most links it provides. For example:

Callerton to City Centre and RVI: Service 4 was put in to make up for the loss of service 74 in the Callerton area. We have worked with Northumberland County Council to restore service 74 and improve access to the RVI, so we believe service 4 in this area is now no longer required.

See new Services 84 and 85 for how we will maintain other links within West Newcastle, and to the Metrocentre, City Centre and RVI.

Westerhope to Denton Shops and parts of Blakelaw: The number of people making these journeys on Service 4 has been very low, and our proposals do not retain these links. In both cases, better alternative routes are available within a short walk.

South View – Asholme - West Denton Way will be replaced by new Service 13A (see below for details).

Improve 13 and new 13A

West Denton Shops to Throckley (13)

West Denton Shops to Dumpling Hall (13A)

Service 13 now runs every hour Monday to Saturday from 8am to 6pm. We propose to replace this with two services each running hourly, the 13 and 13A, giving most users faster journeys and more direct links.

Service 13 would run every hour Monday to Saturday from 8am to 5.40pm providing a direct link between West Denton Shops and Blucher, Wallbottle, Newburn and Throckley.

Service 13A would run every hour Monday to Saturday between 8.40am to 6.00pm providing a

direct link between West Denton Shops and Dumpling Hall serving Lindbridge Drive, Southway, Kirkston Avenue, Valley View and Combe Drive.

These changes mean the loss of local links between Lemington and Valley View, Combe Drive and Dumpling Hall. Links between Lemington and West Denton Shops would still be provided by the existing and more frequent Stagecoach services 6/7.

New services 84 and 85

Newcastle to Metrocentre (84)

Newcastle to Whickham View (85)

Service 84 would be a new service every hour Monday to Saturday from 10am to 4.30pm. It would run from Newcastle City Centre via the RVI (Richardson Road), Spital Tongues, Fenham, Slatyford, Whitbeck Road and Whickham View.

Service 85 would be a new service every hour Monday to Saturday between 10am and 4.30pm. It would run from Newcastle city centre via the RVI (Richardson Road), Spital Tongues, Fenham, Slatyford, Whitbeck Road and Whickham View.

Both would provide better access to the RVI and Newcastle City Centre from west Newcastle, reinstating some direct links provided before March 2011 by service 50.

Some local links between Slatyford Lane/Whitbeck Road and West Denton Shops and between West Denton and Benwell will be lost. However, these are currently used by only a small number of passengers and we think a greater number will benefit from the new links.

Next steps

This consultation on proposed changes to Nexus funded local services in west Newcastle will run from 21 May to 22 June 2012. All feedback received by 22 June will be considered and a final decision will then be made on how to proceed by Nexus, in consultation with local councillors and Newcastle City Council during early July. We will provide a summary of our final recommendations through our website nexus.org.uk and to councillors, prior to any changes being implemented during early September 2012.



REPORT FOR INFORMATION

DATE: 22nd November 2012
SUBJECT: Bus Service Petitions
REPORT OF: Director General

PURPOSE OF REPORT

To receive two petitions:

- A. Changes to the Stagecoach No. 13 service on Sunday on Doxford Park Way, Sunderland.
- B. Withdrawal of the Stagecoach No.1 service during July and August from Buddle Road, Newcastle.

RECOMMENDATIONS

That the ITA notes the recent receipt of the petition and instructs the Director General to liaise with the commercial operator and bring a response to the ITA at its January 2013 meeting.

BACKGROUND DOCUMENTS

None

CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
Helen Mathews	Helen.mathews@nexus.org.uk	0191 203 3455

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

Nexus has received two petitions from residents regarding changes to the commercial bus network.

- A. Changes to the Stagecoach No. 13 service on Sunday on Doxford Park Way, Sunderland.
- B. Withdrawal of the Stagecoach No.1 service during July and August from Buddle Road, Newcastle.

It is recommended that the ITA instructs Nexus to liaise with the commercial operator and bring a report to the January 2013 meeting

2 Introduction and Background

Two petitions have been received regarding changes to the commercial bus network, highlighting the impact that these changes might have on residents within the areas affected.

4 Next Steps

The ITA to receive a further report in response to both petitions at its January 2013 meeting.

5 Potential impact on objectives

None at this stage.

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

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