



# Tyne and Wear Integrated Transport Authority

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Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE99 2BN  
on Thursday 22 March 2012 at 10.00 am

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

Membership: Blackburn, Burdis, Emerson, Green, Hall, Hanson, Hodson, Keating,  
Lott, Maughan, McElroy, McMillan, Murison, Stokel-Walker, D Wood (Chair) and  
P Wood

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

ITA papers are available at [www.twita.gov.uk](http://www.twita.gov.uk)

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## AGENDA

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1. Apologies for absence

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

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

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

3. Minutes of the Previous Meeting

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4. Seaton Burn Petition

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5. Revenue Budget Monitoring Report to February 2012

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6. Rate of increase of Members' Allowances 2012/13

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7. Better Bus Area Fund - Final Submitted Bid

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8. Local Sustainable Transport Fund - key component bid

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9. 2012/13 Non-Metro Capital Programme Update

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| <b>10. Eligibility for 16-18 Metro Student Card fares</b> | <b>59 - 62</b> |
| <b>11. Date and Time of the Next Meeting</b>              |                |
| Thursday, 31 May 2012 at 10am.                            |                |
| <b>12. Exclusion of Press and Public</b>                  |                |
| <b>13. Confidential Minutes of the Previous Meeting</b>   | <b>63 - 64</b> |

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

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## Tyne and Wear Integrated Transport Authority

26 January 2012  
(10.00 - 11.55 am)

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### **Present:**

Councillor: D Wood (Chair)

Councillors: Blackburn, Burdis, Emerson, Green, Hodson, Keating, Lott, Maughan, McElroy, Murison, Stokel-Walker and P Wood

### **In attendance:**

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

B Rowland - Clerk (ITA)  
P Woods - Deputy Clerk and Treasurer (ITA)  
S Ovens - Legal Advisor and Monitoring Officer (ITA)  
P Fenwick - New Tyne Crossing Project Director (ITA)  
E Goodman - Senior Accountant (ITA)  
G Grant - Senior Transport Policy Officer (ITA)  
N Whitefield - Press Officer (ITA)  
V Miller - Democratic Services

#### **Nexus:**

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

#### **Also:**

D Laux - Sunderland City Council

### 98. **APOLOGIES FOR ABSENCE**

Councillors Hall, Hanson and McMillan

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

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

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

The minutes of the previous meeting held on 26 January 2012 were approved as a correct record and signed by the Chair.

## **Matters Arising**

### **(a) Metro Reinvigoration Phase 3**

(Minute 73(a) refers)

It was noted that members would be informed of the progress made in identifying possible additional routes for Metro at a special policy seminar in February; the date would be confirmed by the Chairman, Vice-Chairmen and the Leader of the Opposition.

### **(b) Metal Theft on the Tyne and Wear Metro Network**

(Minute 73(b) refers)

B Garner gave a brief update on the issue, indicating that there had been some progress, including support from the government. Amongst the forthcoming interventions was a national policing scheme being piloted in the North East. The scheme involved registration of metal dealers and banning cash payments for scrap metal.

### **(c) New Tyne Crossing – Proposed River Tyne (Tunnels) (Modification) Order**

(Minute 75 refers)

It was noted that the River Tyne (Tunnels) (Modification) Order had been made.

### **(d) Competition Commission Investigation Update**

(Minute 82 refers)

It was noted that the Competition Commission had issued its final report on the investigation into the UK local bus market, as reported under the agenda item 11.

### **(e) Christmas and New Year Services 2011/2012**

(Minute 83 refers)

B Garner provided a brief update. It was noted that the work to encourage bus operators to run commercial services during festive periods continued.

### **(f) Delivering the Bus Strategy**

(Minute 84 refers)

It was noted that Nexus had started an informal consultation with stakeholder groups, including bus operators. The two meetings held to date with operators established a number of views on how bus services could be improved; however, no consensus had been reached. Further meetings would be held and the minutes circulated to members for information.

**(g) Revision to Metro and Ferry Fares 2012**

(Minute 89 refers)

It was noted that the rate of increase in the Metro fares had been reduced, as reported in the agenda item 5.

**101. ITA BUDGET 2012/13 AND MEDIUM TERM FINANCIAL STRATEGY**

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

P Woods and J Fenwick presented the report which set out the budget and levy requirements for 2012/13 and indicative funding requirements for 2013/14.

The following matters were discussed:

- The position in relation to reserves;
- The affordability of the levy by District Authorities and the possibility of using alternative methods to calculate the levy for future years;
- The financing of Metro from a mix of revenue received from fares, Metro Rail Grant and the levy;
- The scale of the task to deliver the bus strategy and the methods of delivery;
- The importance of the delivery of the medium term financial strategy, particularly the bus strategy which was dependent upon a freeze in the levy from 2013/14;
- The management of the 2011/12 over-spend on rail;
- Pension costs.

Amongst the points clarified were the following:

- 1) A story had been released by the Department for Communities and Local Government in December regarding levels of reserves for local authorities. The figures quoted for the ITA had included reserves held specifically for the Tyne Tunnels and the Metro Reinvigoration Programme, which were not available to meet general expenditure. The Deputy Clerk and Treasurer had responded to the Department on this point.
- 2) Nexus' usable reserves were outlined in section 6.10 of the report. These reserves were being deployed in order to meet the objectives of the medium term financial strategy.

- 3) The Authority was approaching year 2 of the 3-year medium term financial strategy. Discussions on the future levels of levy after year 3 would be held in due course. Further information on the alternative models for calculating the levy would be researched and made available to members in due course. A reference was made to the complexity of this task.
- 4) The medium term financial strategy included the bus strategy element which targeted the sustainability of bus services.
- 5) In relation to the delivery of the bus strategy, B Rowland confirmed that the partnership approach was at the heart of the proposals.
- 6) The delivery of the medium term financial strategy was crucial for protecting the Authority from future risks.
- 7) The Scrutiny Committee had an allocated budget to support its work. The work continued to address the issue of the political composition of the Committee.
- 8) It was confirmed that Metro was funded at approximately 50% by income from fares. The other 50% came from the grants from the Department for Transport (DfT) and the levy which made up the remainder of the required resources.
- 9) The pension costs fluctuated over time and were reviewed on a 3-yearly basis. More detailed information on the mechanisms to finance pension costs could be provided to a future meeting if requested.

**RESOLVED** - That:

- a) the ITA and Nexus revenue budgets for 2012/13 be approved as in the report;
- b) a levy of £70,207,132 be approved for 2012/13:
  - i) the levy be apportioned between the five District Councils in accordance with The Transport Levying Bodies Regulations 1992 made under the Local Government Act 1988, which uses the 2010 mid-year population estimates as the basis of the levy allocation, as set out in section 4 of the report;
  - ii) the Districts pay in twelve equal instalments, each instalment to be received by the Treasurer to the Authority on or before the last working day of each month;
- c) the amount of Revenue Grant to Nexus be approved as £66,921,599 from the levy for 2012/13;
- d) the minimum revenue provision repayments for borrowed capital expenditure for 2012/13 be approved as in appendix C to the report;
- e) a price freeze in relation to the Metro concessionary Gold Card (to remain at £25.00) and the withdrawal of the seasonal product introduced in April 2011, together with the need to ensure that the Gold Card becomes a true annual ticket, eligible for 365 days only, from the day of purchase, be approved;

- f) a price freeze in relation of the price of the child concessionary ticket (to remain at £1.00 for the All Day Ticket and 50p for the Single Ticket) be approved;
- g) it should be noted that for future financing purposes, the Authority agrees to withhold up to £1.720m of revenue support to Nexus in 2011/12 in order to part-fund this year's non-metro capital programme;
- h) it should be noted that the 2013/14 budget would be developed on the basis of a cash freeze in the levy in line with the third year of the current medium term plan strategy.

## 102. **FURTHER REVISION TO METRO FARES**

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

J Fenwick presented the report which gave information on the outcomes of the negotiations with the government to secure additional funding to reduce the increase in Metro fares from those agreed by the Authority in November 2011, in order for them to be implemented on 1 January 2012. The report also sought members' endorsement of the reduction.

Members welcomed the opportunity to minimise the increase in Metro fares.

**RESOLVED** – That:

- (i) the report be noted subject to an amendment to the heading of the last column of the Metro Savers table in Appendix B to read "RPI + 2 price";
- (ii) the reduction in Metro fares from those agreed by the Authority in November 2011, as detailed in the report, be endorsed.

## 103. **2011/12 METRO ASSET RENEWAL PROGRAMME (ARP) AND MAJOR PROJECT CAPITAL PROGRAMME - THIRD QUARTERLY REVIEW**

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

J Fenwick presented the report which advised members of the overall performance of the 2011/12 Metro and Major Projects Capital Programme, including its delivery to the end of the third quarter, ending 10 December 2011.

During the ensuing discussion, the following matters were discussed:

- The additional costs incurred on the programme to date and how this was being managed.
- The information provided to members on the changes to schemes and variations in budget. Members made general recommendations for improvement.

- The complexity of the Metro Reinvigoration Project, particularly access to the system to undertake complex engineering works and knowledge of the condition of the asset, of lot of which remained unknown at this stage.

**RESOLVED** – That:

- (i) the budget changes identified during the third quarter, as in appendix A of the report, be approved;
- (ii) the Authority note that the Director of Finance and Resources of Nexus had discussed with DfT an option whereby DfT would accelerate its funding contribution in 2011/12, as set out in section 3.3 of the report;
- (iii) the position with regard to the 2011/12 capital programme at the end of the third quarter, as in Appendix B of the report, be noted.

104. **2011/12 NON-METRO CAPITAL PROGRAMME - THIRD QUARTER MONITORING UPDATE**

Submitted: A replacement report by the Clerk and Nexus' Director General (previously circulated and copy attached to Official Minutes).

J Fenwick presented the replacement report with the updated figures in sections 4.4 and 4.5 and appendices A and B. The report advised members of the progress in respect of the non-Metro capital programme.

It was noted that the adjustments made in respect of the New Tyne Crossing programme related to the refurbishment of the Pedestrian and Cyclist Tunnels. The adjustments related to movement of the budget between financial years, with no change to the overall costs or budget.

**RESOLVED** – That:

- (i) the progress made in respect of the approved non-Metro capital programme be noted;
- (ii) the scheme changes be approved as detailed in Appendix B of the report.

105. **METRO CAPITAL PROGRAMME 2012/13**

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

K Mackay presented the report which sought members' approval of the Metro capital programme for 2012/13.

**RESOLVED** – That:

- (i) the Metro capital programme for 2012/13, as detailed in Appendix A of the report, totaling £46.0m be approved;



- (ii) the Authority note that this draft programme had been discussed at a special meeting of the ITA Metro Sub-Committee and had been forwarded to DfT as part of the Asset Renewal Programme (ARP) Programme Initiation Document, under the terms of the grant offer letter dated February 2010;
- (iii) members agree to receive a further report following the outcome of the 2011/12 programme, ensuring that levels of over-programming were brought in line with what had been historically generally accepted;
- (iv) the Authority note that DfT would be considering this programme, together with the proposed programme for 2013/14 to 2015/16, and that this would also be subject of a further report later in the year.

#### 106. **2012/13 NON-METRO CAPITAL PROGRAMME**

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

B Garner presented the report which sought members' approval of the Nexus non-Metro, New Tyne Crossing, Local Transport Plan (LTP), Local Sustainable Transport Fund (LSTF) and North East Smart Ticketing Initiative (NESTI) capital programme for 2012/13 in light of the expected funding available and also asked members to note the indicative scheme allocations for 2013/14 and 2014/15.

**RESOLVED** – That the Nexus non-Metro, New Tyne Crossing, LTP, LSTF and NESTI schemes for 2012/13 be approved as detailed in Appendix A of the report.

#### 107. **TREASURY MANAGEMENT STRATEGY 2012/13**

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

P Woods presented the report which sought members' approval of the treasury management strategy and indicators for 2012/13 and the revised treasury management code of practice. It was confirmed that despite the Bank Rate staying low, work continued to find and secure the best deals for the Authority's treasury portfolio. It was also noted that the Authority did not invest in foreign institutions.

**RESOLVED** – That:

- (i) the 2011 version of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice be adopted;
- (ii) the revised Treasury Management Policy Statement be adopted;
- (iii) the Treasury Management Strategy for 2012/13 be approved;
- (iv) the Treasury Management Indicators for 2012/13, including the Operational Boundary and Authorised Limit for borrowing, be approved;
- (v) the Prudential Indicators for 2012/13 included in Appendix 1 of the report be approved.

108. **COMPETITION COMMISSION FINAL REPORT INTO BUS INDUSTRY**

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

T Hughes presented the report which advised members of the main aspects of the Competition Commission's final findings in respect of the local bus market.

Members discussed the Competition Commission's decision not to recommend franchising as a remedy to address the adverse effect on competition that it had identified. Members expressed a range of views.

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

109. **ALLOCATION OF ADDITIONAL LOCAL TRANSPORT PLAN (LTP) INTEGRATED TRANSPORT BLOCK RESOURCES, 2011/12**

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

J Fenwick presented the report which advised members of DfT's release of additional funding for the 2011/12 LTP Integrated Transport (IT) Block Allocation and sought members' approval of the allocation in line with the methodology agreed by members in November 2011.

**RESOLVED** – That:

- (i) the allocation of the £1.9m funding made on the basis of the percentage splits applied to the Integrated Transport Block, as outlined in section 4.3 of the report, be agreed;
- (ii) the allocation of the IT Block, Public Transport element in line with the principle confirmed in November 2011, as outlined in section 4.3 of the report, be agreed;
- (iii) members agree to receive a further report in March 2012 outlining the subsequent revisions to the 2012/13 non-Metro capital programme.

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

Thursday, 22 March 2012 at 10am

111. **EXCLUSION OF PRESS AND PUBLIC**

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



## Tyne and Wear Integrated Transport Authority

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**DATE:** 22<sup>nd</sup> March 2012  
**TITLE:** Seaton Burn Petition  
**REPORT OF:** Director General, Nexus  
**Not Confidential**  
**DISTRICT** North Tyneside  
**IMPLICATIONS:**

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### 1. Purpose of Report

- 1.1 To seek approval for Nexus to respond on behalf of the ITA to a petition submitted by Ms Anne Seddon on behalf of the residents of Seaton Burn.

### 2. Recommendations

- 2.1 Members of the Authority are recommended to:
- a) Note the petition
  - b) Endorse the response to the petition as set out in section 5 of this report.

### 3. Introduction

- 3.1 A petition signed by a total of 270 residents from Seaton Burn, North Tyneside was submitted to Northumberland County Council in January 2012 and subsequently referred to the Integrated Transport Authority and Nexus for attention.
- 3.2 The petition states: 'I the undersigned hereby protest that the X14 and X15 bus service will be taken off in January 2012 therefore we, as elderly service users, will no longer have any buses running through the top end of Seaton Burn except on a Sunday. This will leave us very isolated.'

### 4. Information

- 4.1 Local bus services operating between Newcastle and Morpeth were reviewed as part of a joint initiative by Arriva and Northumberland County Council during the summer of 2011.

4.2 Network changes resulting from this process were introduced by Arriva on 01 January 2012 and included an initiative to provide residents of Thropton and Rothbury with faster journey times to/from Newcastle city centre. This was achieved through the diversion of services X14/X15 (which were combined into a single route – X14, as part of the changes) to operate direct via the A1 between Gosforth Park and Morpeth.

4.3 A consequence of this change has been the loss of service provision Monday to Saturday daytime on Front Street, Seaton Burn and now the only remaining public transport provision on this road is an hourly service 41 which is run by Arriva and operates Sunday daytimes only.

4.4 The nearest alternative public transport provision for this area is now the Arriva service 43 which operates every 15 minutes Monday to Saturday daytime and every 30 minutes Sunday daytime. This service operates via and serves stops on Great North Road and Dudley Lane which are in excess of 400m from business and residential dwellings located adjacent to Front Street, Seaton Burn.

## 5. **Proposed response to petition**

5.1 The loss of the Monday to Saturday daytime bus service on Front Street, Seaton Burn from January 2012 is a consequence of changes made outside of The Integrated Transport Authority's control.

5.2 It is regrettable that residents of North Tyneside have been adversely affected by this change, although we note that the bus routes affected operated without any subsidy payments from the ITA.

5.3 Nexus have examined options for alternative service provision, but have regrettably been unable to identify any affordable options that reinstate the links sought by local residents.

5.4 Nexus will continue to ask both Arriva and Northumberland County Council to restore the links in North Tyneside that were lost as a consequence of this change.

## 6. **Background Papers**

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

## 7 **Contact Officer (s)**

7.1 Tobyng Hughes, Director of Customer Services, Nexus



## Tyne and Wear Integrated Transport Authority

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**Date:** 22 March 2012

**TITLE:** Revenue Budget Monitoring Report to February 2012

**REPORT OF** Deputy Clerk and Treasurer

**Reasons for confidentiality (if confidential) – Not confidential**

**District Implications – All Districts**

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### 1. Summary / Purpose of Report

- 1.1 The purpose of this report is to provide members with a revenue budget monitoring report for the period 1 April 2011 to 29 February 2012.
- 1.2 The monitor includes current financial information relating to ITA administration and financing and the Tyne Tunnels.
- 1.3 The report sets out expenditure to date and compares this with the revised budget for the year presented to the ITA at its meeting of 26 January 2012. It shows that the likely outturn position is anticipated to be within budget.
- 1.4 The report also provides an update on the level of the ITA's borrowing and lending for information.

### 2. Recommendations

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

### 3. Introduction / Background

- 3.1 The budget monitor has been prepared by comparing the actual income and expenditure (analysed into ITA and Tyne Tunnels) from April 2011 to February 2012 with the revised budget for 2011/12. Appendices 1 and 2 summarise the recorded spending position as at 29 February 2012.

#### ITA Budget

- 3.2 For the ITA, gross expenditure at £67.6m is 91% of the budget for the year, with no significant unexpected costs incurred to date. There is some variation in the

percentage spend on individual budget items, but this is broadly in line with expectations.

Forecast expenditure, revenue and grant levels in 2011/12 indicate that the latest anticipated net spending of the ITA itself will be within the revised budget for the year agreed by the ITA in January 2012.

### **Tyne Tunnels**

3.3 2011/12 is the fourth 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 2011 to 29 February 2012, the position is summarised in Appendix 2, with key bullet points shown below:

- Tolls income is collected by TT2 and paid to the ITA within 4 working days of being received. The monthly payment to TT2 must be paid within 30 working days of the end of the relevant month.
- The tolls income is shown on Appendix 2 is green. There has been a continued steady growth in traffic since the commissioning of both tunnels. On 1 January 2012, the toll increase was implemented resulting in an additional charge of 20p for cars and 50p for LGVs.

### **Treasury Management Update – Borrowing and Lending**

3.4 The Authorised Borrowing Limit for 2011/12, as approved by the ITA, is £243m, and its Operational Borrowing Limit is £238m. The current level of external borrowing as at 29 February 2012 is £224m. 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 contract. The average interest rate payable on the ITA's loans this year is estimated to be 4.23%.

The ITA currently has no external investments.

3.5 The final capital construction payments on the New Tyne Crossing were paid at the end of October. Additional borrowing was undertaken in 2011/12 to take advantage of falls in Public Works Loan Board rates caused by the Eurozone crisis affecting gilt yields. The funds were invested and used to meet the capital payments when they fell due.

## **4. Next Steps**

4.1 The budget and the ITA's treasury management position will continue to be monitored carefully by the Deputy Clerk and Treasurer.

The final outturn position will be reported to the ITA along with the draft financial statements for the year in July 2012.

## **5. Background Papers**

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

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5.1 Revenue Monitoring downloads to February 2012

**6. Contact Officer (s)**

6.1 Eleanor Goodman, Senior Accountant, 0191 277 7518

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Appendix 1 - ITA

Revenue Budget Monitor April 2011 to February 2012

ITA	Spend to 29/02/12	2011/12 Revised Budget	Spend Against Budget	Traffic Light	Notes
	£000	£000	%		
<b>Revenue Expenditure</b>					
Members' Allowances and Expenses	79	86	92%	G	
Travel Costs	2	3	67%	G	
Supplies & Services	11	23	48%	G	
Support Services	189	330	57%	G	Charged unevenly through the year.
ITA Website Charges	20	22	92%	G	
Pension Costs	396	432	92%	G	
Grant to Nexus	64,463	70,323	92%	G	One-off payment made at beginning of year. Discount for early payment received.
GA Subscription	31	31	100%	G	Indicative position - charges calculated at year end.
Financing Charges	2,458	2,681	92%	G	
<b>Total Income</b>	<b>67,570</b>	<b>73,931</b>	<b>91%</b>		
Levy Income	(67,644)	(73,793)	92%	G	
Interest on Balances	-	(40)	0%	G	Interest on Balances allocated at year end.
<b>Total</b>	<b>(67,644)</b>	<b>(73,833)</b>	<b>92%</b>		
Contribution from Reserves	(74)	98		G	Overall status green - forecast to be within budget at year end.

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## Appendix 2 - Tyne Tunnels

### Revenue Budget Monitor April 2011 to February 2012

Tyne Tunnels	Spend to 29/02/12	2011/12 Revised Budget	Spend as a % of Original Budget	Traffic Light	Notes
	£000	£000	%		
<b>TT2 Contract</b>					
Toll Income	(12,776)	(13,980)	91%	G	
Contract Payments to TT2	3,943	4,646	85%	G	Includes usage payments to January 2012
<b>Total</b>	<b>(8,833)</b>	<b>(9,334)</b>	<b>95%</b>		
<b>Other</b>					
Employee Costs	31	33	94%	G	
Other Expenses	37	55	67%	G	
Community Fund	5	10	50%	G	
Pension Costs	457	499	92%	G	
New Tyne Crossing Support Services	99	145	68%	G	
Financing Charges	4,940	5,389	92%	G	Indicative position - charges calculated at year end
Interest on Balances	-	(400)	0%	G	Interest on Balances allocated at year end
<b>Total</b>	<b>5,569</b>	<b>5,731</b>	<b>97%</b>		
<b>Net Surplus on Existing Tunnels</b>	<b>(3,264)</b>	<b>(3,603)</b>	<b>91%</b>	G	Overall status green - forecast to be within budget at year end.

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## Tyne and Wear Integrated Transport Authority

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**DATE:** 22 MARCH 2012

**TITLE:** RATE OF INCREASE OF MEMBERS ALLOWANCES 2012/13

**REPORT OF** THE CLERK TO THE AUTHORITY

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### 1. **Summary / Purpose of Report**

- 1.1 The attached report sets out the recommendations of the Independent Remuneration Panel regarding the rate of increase of the Authority's Members' Allowances for 2012/13.

### 2. **Recommendations**

- 2.1 The Authority is recommended to consider the Panel's recommendations concerning the rate of increase of the Members' Allowances for 2012/13 and, if approved, make a new Scheme accordingly and revoke the existing Scheme.

### 3. **Introduction / Background**

- 3.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require that Joint Authorities make a new Members Allowances Scheme by 1 April each year and in doing so, have regard to the recommendations of their Independent Remuneration Panel.

### 4. **Recommendations of the Independent Remuneration Panel**

- 4.1 The Regulations stipulate that an Authority must have regard to the recommendations of its Independent Remuneration Panel in deciding the rate of any increase in its Members Allowances. The Panel have discussed this matter and recommend that the Allowances once again remain unchanged in view of the ongoing freeze on public sector pay under the Comprehensive Spending Review. Their report is attached.

### 5. **Next Steps**

- 5.1 In line with the Regulations, the Panel's recommendations have been published in a statutory notice. A further notice setting out the Authority's response will need to be published. A new Members Allowances Scheme will also be

prepared to take effect from 1 April 2012 and the existing Scheme revoked.

6.

**Further comments by the:**

- **Clerk** – The Clerk to the Authority has seen the report and has no further comments
- **Deputy Clerk and Treasurer** - the recommendations are in line with the proposed budget provision.
- **Legal Advisor** – The views of the Legal Advisor and Monitoring Officer have been reflected in the report.

7

**Background Papers**

7.1

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

8

**Contact Officer**

8.1

Ian Poll, Telephone number 0191 211 5159

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# Tyne and Wear Integrated Transport Authority

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**DATE:** 22 MARCH 2012

**TITLE:** RATE OF INCREASE OF MEMBERS' ALLOWANCES 2012/13

**REPORT OF INDEPENDENT REMUNERATION PANEL**

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## 1. **Synopsis**

1.1 This report sets out the recommendations of the Independent Remuneration Panel as to the rate of increase of the Authority's Members' Allowances for 2012/13.

## 2. **Recommendations**

2.1 The Panel recommend that for the reasons set out in this report, the members allowances for 2012/13 remain unchanged and a new Members' Allowances Scheme be made accordingly.

## 3. **Introduction / Background**

3.1 The current Members Allowances Scheme was approved by the Authority on 24<sup>th</sup> March 2011 and took effect from 1 April 2011.

3.2 However, under the Local Authorities (Members Allowances) (England) Regulations 2003, the Authority has to make a new scheme before 1<sup>st</sup> April each year. The Authority must have regard to the recommendations of its Independent Remuneration Panel on the rate of increase in its members' allowances and this must form a standing item on the agenda for the Authority's March meeting. Although the Regulations enable an index to be applied for a period of up to 4 years, the Authority previously agreed that the Panel should review the situation annually, the only exception being travelling rates which will be indexed to Inland Revenue rates.

## 4. **Rate of Increase**

4.1 The Panel were advised that the Authority had made no budget provision for an increase in Members Allowances for 2012/13 as under the Comprehensive Spending Review public sector pay had been frozen. The Panel therefore recommend that the following allowances still apply for 2012/13 but in the

knowledge that the Scheme may need to be amended once a decision has been taken on the future of the Standards and Audit Committee in view of the abolition of the current standards regime under the Localism Act 2011.

4.2	<b>Allowance</b>	<b>£</b>
	Basic Allowance	3107
	Special Responsibility Allowance	
	Chairman	12198
	Statutory Vice-Chairman	4055
	Vice-Chairman (2)	2025
	*Independent Chair, Standards & Audit Committee	2025
	Leader of the Opposition	2025
	*Independent Members, Standards & Audit Committee	1013

(\*depends on the structure the Authority decides to adopt)

4.3 The Inland Revenue have increased the car mileage rate from 40p to 45p, but otherwise, the Panel do not recommend any alteration to travel and subsistence allowances at this stage.

## 5. **Background Papers**

5.1 Report of Independent Remuneration Panel to the Authority, 24 March 2011 – Rate of Increase of Members Allowances 2011/12.  
The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).

## 6 **Contact Officer**

6.1 Ian Poll, Tel: 0191 232 8520 Ext. 25159

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

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# Tyne and Wear Integrated Transport Authority

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**DATE:** 22 MARCH 2012

**REPORT TITLE:** BETTER BUS AREA FUND – FINAL SUBMITTED BID

**REPORT OF:** JOINT TRANSPORT STEERING GROUP

**NOT CONFIDENTIAL**

**DISTRICT IMPLICATIONS:** ALL

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## 1 Purpose of Report

- 1.1 This report provides an outline of the final content of the Tyne and Wear Integrated Transport Authority (TWITA / the ITA) Better Bus Area (BBA) Fund Bid – submitted on 24<sup>th</sup> February 2012.

## 2 Summary

- 2.1 The BBA Fund is an opportunity to secure up to £5m of funding from the Department for Transport to improve bus services in Tyne and Wear. The bid was submitted to deadline following prior approval by a Delegated Sub-Committee of the ITA, and enjoys the support of all ITA partners, local bus operators and the Local Enterprise Partnership.

## 3 Recommendations

- 3.1 The ITA is recommended to note the content of this report.

## 4 Information

- 4.1 The focus of the BBA Fund bid is to improve passenger confidence in bus services. Passengers consistently tell partners that the reliability of bus services is one of the key reasons why they do not use buses more frequently and non-users also say this is a key barrier to bus use. Our package of measures aims to increase reliability on key corridors and junctions that are served by 22,000 buses a day, supplemented by a number of supporting measures that target areas which will more generally improve confidence in the bus.
- 4.2 The engineering measures to be delivered are as follows:

- I. Provision of Closed-circuit Television (CCTV) at strategic bus interchanges and pinch points on the network;
- II. Provision of Automatic Number Plate Recognition (ANPR) journey time cameras on key bus routes to give segmented journey times;
- III. Additional bus lane enforcement cameras; and
- IV. Upgrading of key signalised junctions and pedestrian crossings to allow connection to the Remote Monitoring System and, in some cases, the signalisation of critical junctions experiencing severe delays.

4.3 The above measures are aimed at providing consistent journey times along the identified routes through:

- I. More intensive monitoring of traffic flow on our busiest corridors;
- II. Improved co-ordination of traffic signals to help reduce delays to buses;
- III. Enhanced enforcement of bus priority measures; and
- IV. Reduced delays at non-signalised junctions where buses are currently being blocked by continuous traffic.

4.4 The total cost of the bid is £6.651m, of which we are seeking a £4.972m grant from the Department for Transport.

## 5 Next Steps

5.1 The Department for Transport have indicated they hope to reach a decision on bids this month. If the decision is positive, ITA officers will liaise with Nexus, bus operators, local authorities and the Urban Traffic Management and Control (UTMC) Centre to progress delivery of the bid measures, benefiting from the fact that a good deal of preparatory work has already been undertaken.

## 6 Background Papers

6.1 A copy of the final bid is attached – this includes a map illustrating the location of proposed interventions, together with letters of support submitted with the bid.

## 7 Contact Officers

7.1 Gordon Harrison, Nexus (Bid Manager), 0191 203 3662

Gary MacDonald, Newcastle City Council (Senior Responsible Owner), 0191 277 8971

# Better Bus Area Fund Application Form

# 1. Project Summary

**All proposals must include evidence of real commitment from at least one relevant bus operator which should be demonstrated throughout the proposal. Tick the box to show that you have completed this requirement.**



**Guidance on the Better Bus Area Fund guidance has been published alongside this application form. The guidance provides useful advice on how to develop and write a successful proposal and should be referred to when filling in this application form.**

## Applicant Information

Local transport authority name : Tyne and Wear Integrated Transport Authority

Senior Responsible Owner name and position:

Dr Gary MacDonald, Chair of Tyne and Wear Joint Transport Working Group

Bid Manager name and position:

Gordon Harrison, Strategic Planning Manager, Nexus (Tyne and Wear PTE)

Contact telephone number: 0191 203 3662

Email address: [Gordon.Harrison@nexus.org.uk](mailto:Gordon.Harrison@nexus.org.uk)

Postal address: Nexus, Nexus House, St James Boulevard,  
Newcastle upon Tyne, NE1 4AX

Website address for published bid: <http://www.twita.gov.uk/>

## Section A. Overview

### **A1 Project name:**

Go Smarter: Green Light for Growth

### **A2. The Geographical Area:**

Tyne and Wear is made up of five local authorities, Gateshead, Newcastle, North Tyneside, South Tyneside and Sunderland. It comprises a core urban area covering the Tyneside and Wearside conurbations, surrounded by more rural areas, with a population of around 1.1 million. Concentrations of employment include traditional centres, particularly the urban core of Newcastle/Gateshead and Sunderland city centres; long-established employment sites such as trading estates and riverside clusters, and modern business parks located close to major transport routes, notably the A1 and A19. There are pockets of deprivation across the conurbation; these are often located some distance from main employment centres and rely on good public transport links to connect people with available jobs. This bid aims to improve bus services on most of the key routes serving all of the important locations (employment, retail, leisure and residential) across Tyne and Wear.

### **A3. Description of Growth and Carbon Emission Problem:**

Tyne and Wear has faced the challenge of developing new industries to replace traditional large employers and previous heavy industry, and currently has a heavy reliance on public sector employment. The need to strengthen and broaden the local economy is a key challenge, as is the requirement to meet carbon reduction targets. The local economy is fragile as a consequence of the recent economic downturn and, there are areas of deep economic and social deprivation. Unemployment at 11.6% is the highest level in England, but ambitious plans are in place to grow the local jobs market through economic development plans and Local Enterprise Zones. Some local residents have been left behind by past growth and remain workless and often without qualifications. These people require assistance to help them get back into work – and good transport links (proposed in this bid) are a key part of that process.

Traffic congestion is a problem in parts of Tyne and Wear, both in terms of increasing carbon emissions through traffic jams, and in causing unnecessary delays to bus services. This does create a disincentive to modal shift, as drivers perceive they can more easily avoid delays than buses can. Air quality and carbon emissions are major local concerns. Tyne and Wear produced 1963 kilotonnes of CO<sub>2</sub> in 2007, and large areas of central Newcastle and Gateshead, plus parts of South Tyneside, have designated Air Quality Management Areas - all of which are addressed by the proposals within our bid (see page 18). The area map shows that major highways are a primary source of carbon emissions;

these arterial routes are the focus of the measures identified (see page 19). Although car ownership levels are low by national standards, they rose from 58% to 65% between 2001 and 2011. The mode share for journeys to work in Tyne and Wear is around 60% private and 40% public transport, with bus journeys accounting for almost 80% of the latter; the potential for mode shift is therefore considerable. Our public transport network is comprehensive, but there are problems with congestion at key junctions and in the "last half mile" of access to public transport interchanges in Newcastle and Sunderland, delaying bus services, making journey times unreliable and imposing extra costs on operators and passengers. This bid (developed in partnership with our three main bus operators) seeks to address these pressing issues.

#### **A4. Description of Proposal:**

The central theme of the bid is to address delays to buses, and to improve all aspects of the bus journey experience along key bus corridors across Tyne and Wear.

In part, this will be achieved by the use of Intelligent Transport Systems, enhanced CCTV/Automatic Number Plate Recognition (ANPR) coverage, and signalisation of junctions. We will address pinch-points, improve enforcement of bus priority measures and reduce hold-ups at key locations where frequent bus services experience regular delays. 19 key corridors have been identified by highway authorities, bus operators and Nexus as suitable for Urban Traffic Management Control (UTMC) interventions. These corridors and junctions are shown on the location plan included with this bid on page 20.

Allied to this, is a range of complementary measures along these corridors that will improve the passenger experience: bus stop and interchange security improvements, use of Near Field Communication technology, a new route for buses reducing journey distances and emissions in Sunderland, and making bus stop clearways legally enforceable. We will also introduce a range of generic measures across Tyne and Wear, in partnership with local operators, to make bus services more attractive and accessible, including support for feasibility work into the development of further voluntary partnerships across Tyne and Wear and into adjacent areas through collaborative working between bus operators, local authorities and Nexus, and promotional activity to highlight a reduced price offer of the multi-operator Tyne and Wear Day Rover to encourage new journeys to be made on the wider bus network. High-profile targeted marketing will emphasise the economic and environmental advantages of bus use.

These measures have been developed in partnership with bus operators who support the aims of the project, and will fully co-operate in project delivery. Northumbria Police also support the enhanced ANPR coverage as contributing towards improved traffic management, enforcement and road safety.

**A4. Total package cost (£m):** £6.651 million

**A5. Total DfT funding contribution sought (£m):** £4.972 million

**A5. Source of local contribution**

Local Transport Plan for Nexus, Gateshead Council, Newcastle City Council, North Tyneside Council, South Tyneside Council, Sunderland Council.

## Section B. Partnership arrangements

This bid is supported by the three major bus operators in Tyne and Wear. A letter of support from the North East Bus Operators is appended, as is a letter of support from Go North East.

**B1 Bus Market in the Local Area**

Three local operators provide most of the bus services across Tyne and Wear. Urban services in the centres of Sunderland, South Shields and Newcastle are provided by Stagecoach North East from four depots. These routes are mainly urban routes and depend upon effective bus priority measures. Go North East operates across all five districts of Tyne and Wear from six main depots. In Gateshead it is the major operator, running urban shorter-distance routes, as well as longer-distance services between towns and also between Tyne and Wear and County Durham. In other areas it runs a mixture of urban and inter-urban services, including intra-regional services between Tyne and Wear and the Tees Valley. Arriva North East's main areas of operation are short-distance urban services in areas of Newcastle and North Tyneside, and longer-distance trunk routes from south east and north Northumberland into Newcastle, and from County Durham into Sunderland. All three operators run high-quality services, with the vast majority of their fleets comprising low-floor, easy access vehicles with a low age profile.

There are fewer 'smaller operators' running services in Tyne and Wear than in most other PTE areas. They mainly operate secured service contracts on behalf of Nexus, often based around schools and work services. As a result, it is estimated that they account for less than 1% of the commercial bus market, with Stagecoach and Go North East each running around 40-45% of services, with Arriva responsible for around 15% of commercial bus mileage.

## **B2 Bus Operator Partnership Information**

*Bus operator(s) committed to playing a substantive role in delivering the proposals*

1. Bus Operator: Stagecoach

Senior Manager acting as contact: Robin Knight, Commercial Director

Contact telephone number: 0191 567 5251

Email address: robin.knight@stagecoachbus.com

2. Bus Operator: Go North East

Senior Manager acting as contact: Kevin Carr, Managing Director

Contact telephone number: 0191 422 9228

Email address: kevin.carr@gonortheast.co.uk

3. Bus Operator: Arriva

Senior Manager acting as contact: Nick Knox, Commercial Director

Contact telephone number: 0191 520 4000

Email address: knoxn@arriva.co.uk

## **B2. Bus Partnership Arrangements**

Bus operator partners are heavily committed to making these proposals succeed. They will contribute towards the delivery of these proposals as follows:

Through the voluntary partnerships already established in East Gateshead and in South Tyneside. Areas for improvement are identified by participating bus operators, and have been included within the proposals within the bid.

Through the auspices of the regional bus operators association, the three major operators will work with Nexus and local authorities to develop further voluntary partnership arrangements which will deliver further passenger benefits.

By agreeing to a promotional price reduction of the 'Network Ticketing Day Rover' to make multi-trip bus journeys more affordable.

All three operators are committed to the implementation of smart ticketing and to the provision of bus running information that will enable real time data to become available through fixed and mobile portals. These technologies, alongside the proposals in this bid, will make buses easier and more attractive to use.

Continued investment in modern, accessible, environmentally-friendly buses to encourage further modal shift and reduce carbon emissions.

Corporate ticketing schemes in conjunction with major employers and business parks.

A continued focus upon those aspects of service punctuality and reliability within the control of operators.



# Detailed Description of Proposal

## Section C. Package Details and Rationale

### **C1. Description of outputs associated with each of the package elements**

#### **Element 1. Provision of Intelligent Transport Systems (ITS) on 19 key bus corridors, at six congestion hotspots and at three bus interchanges**

Traffic flows will be monitored and regulated to benefit bus services operating along these radial corridors. ANPR journey time analysis will provide evidence of delays; these will be addressed by traffic signal timing adjustments - including manual intervention when required to allow incident management to take place - and supported by CCTV surveillance of bus priority measures and traffic flows. At the three busiest bus interchanges, Haymarket/Eldon Square (Newcastle), Gateshead and Park Lane (Sunderland), CCTV will be used to monitor adjacent box junctions and bus lanes vital to the smooth operation of these facilities. The outputs will be reduced delays for up to 22,000 bus movements every day.

#### **Element 2. Signalisation of two key stand-alone junctions**

Norham Road/A1058 Coast Road in North Shields and A184 Felling Bypass/A195 Lingey Lane in Gateshead are two currently non-signalised junctions where buses are subject to regular delays due to having to give way to other traffic. The introduction of traffic signals at these locations will allow buses to pass through within an average of under 60 seconds, rather than experiencing delays of several minutes at peak times. 560 buses per day, mostly on longer-distance trunk routes, will benefit from this proposal.

#### **Element 3. Conversion of Borough Road, Sunderland to two-way traffic**

The scheme will reduce bus stop congestion in central Sunderland (Fawcett Street) and improve carbon emissions. Currently, buses heading south out of the city centre have to travel via three sides of a grid-pattern square of streets (Fawcett Street, Athenaeum Street and Frederick Street). By converting Borough Road to two-way bus flows, journey times will be reduced by at least two minutes on around 275 bus journeys per day. An assessment by Sunderland City Council using DfT methodology suggests a positive BCR of 4.5, with £2.943 million of benefits, an annual reduction of 16,000 bus kilometres with a consequent reduction of 1.4 tonnes of CO<sub>2</sub>. Other predicted outputs are a reduction in pedestrian/vehicle conflict and an improved passenger waiting environment. The proposal supports the wider growth and

carbon reduction aspects of the fund, by facilitating shorter journey times and reduced vehicle emissions.

#### **Element 4. Interchange Improvements**

Heworth and Park Lane transport interchanges are located on the Metro network in eastern Gateshead and Sunderland city centre. They are major bus stations in their own right, with annual footfall of 4 million and 1.3 million people respectively. Planned measures are comprehensive CCTV coverage at Park Lane, and upgraded and renewed passenger facilities at Heworth including new shelters and waiting areas; this is the main interchange point for passengers transferring from Metro to bus for destinations in South Tyneside.

Nexus will also be investing in improvements at Four Lane Ends and Gateshead interchanges, and at other minor interchanges in the area.

#### **Element 5. Bus stop improvements.**

Focusing on the corridors identified for ITS improvements, Nexus and district councils will upgrade stops as required to implement enforceable bus clearways, raised kerbs, in-shelter CCTV at an additional 70 shelters where security is an issue, and an extension of a programme of introducing near field communications modules within bus stop infrastructure which is equipping the 1000 most-used stops in Tyne and Wear, to the bid corridors. These improvements support our intention to improve all aspects of the journey experience.

#### **Element 6. Marketing, promotion and market research**

As an initiative developed in partnership with bus operators we are keen to explore the potential for further voluntary partnerships across Tyne and Wear, potentially extending into adjacent areas of Durham and Northumberland, and have included an element of funding within the bid to promote this concept. We will also be undertaking a programme of market research to ascertain passenger reactions to the impacts of the programme, to allow us to build upon the success of initial measures in the future. To heighten awareness of the value of the multi-operator Day Rover ticket and its proposed price reduction for a trial period, we are also bidding for funding to publicise its value for money and flexibility.

Marketing and promotion of the benefits of the proposals to users and non-users are integral parts of the package. Some of the proposed interventions are 'behind the scenes': sending out clear messages about how buses will become more reliable and secure as a result of the measures identified for this bid will be essential to ensure a magnitude of modal shift that justifies the levels of investment proposed.

## **C2. Rationale for the measures**

The aim of the measures which comprise this bid is to make the bus network more reliable and punctual by addressing the root causes of delay caused by traffic congestion along key corridors, and to add value to this with a range of measures along these routes to make using and waiting for the bus an easier and safer experience. Customer surveys consistently highlight that service reliability is a key issue for both users and non-users, and acts as a barrier to bus use. The route corridors have been selected on the basis of volumes of bus movements, levels of delay experienced and ease of adaptation to ITS (or better traffic signal) control. Each corridor has then been examined with a view to adding specific or generic measures to further enhance the passenger experience. In some cases this is a specific improvement to an interchange, or a new route for buses; in others a route corridor treatment has been identified which will address lesser causes of delay, such as indiscriminate parking or uncoordinated pedestrian crossings. At such locations, individual time savings may be small, but in combination such measures as these generate worthwhile benefits over the course of a route. Bus operators will continue to be involved in the identification of these local improvements, as their detailed operational knowledge is important.

These elements will be strongly marketed and publicised, to highlight the message that buses are an effective way to travel across Tyne and Wear. More reliable buses will carry more passengers, reducing delays for all traffic, with lower carbon emissions, aiding the growth of the local economy.

The anticipated outputs closely mirror the intervention framework outlined in the bidding guidance. Our view is that the bid measures will cause buses to run consistently more reliably and that, as a result, passengers will perceive them to be a credible alternative to car use. This will result in increased patronage levels. Passengers will also feel safer and more secure waiting for buses, resulting in heightened satisfaction levels. Between baseline and post-implementation market research monitoring on the corridors, we are aiming to increase user satisfaction with reliability by 8%, and with security by 5%.

Economic growth will be supported by more profitable bus services resulting from more custom and more efficient operations. We expect lower costs attributable to service delays, and increased mobility within the labour market, as people who do not have access to a car will be able to commute to jobs by bus further away from their home area with greater confidence.

Carbon reduction will be achieved through changes in travel behaviour from car use to bus use, and by reduced levels of emissions resulting from buses operating in less congested traffic conditions. Technological advances, such as the extension of NFC equipment and the introduction of real-time bus running information (separate from this bid) will place knowledge and information in the hands of the user, and enable them to make more informed choices about sustainable travel options.

## Section D. Value for Money

### D1. Baseline and Projections for Intermediate Measures

The quantitative analysis is based upon the anticipated impact of time savings accruing from the implementation of traffic signal (ITS) and junction interventions, and by patronage increases attributable to the extension of interchange and at-stop CCTV facilities.

In terms of **journey time improvements** along corridors and at junctions, we have estimated aggregate time savings through the areas proposed for improvements on the basis of a six-hour peak (0700-1000 and 1500-1800 Monday - Friday) and the increased timings currently built into running schedules by operators to mitigate the impacts of delays now experienced. This analysis is conservative as certain sites, especially in city centres, often experience delay at other times.

This analysis relates only to bus routes where journey schedules are lengthened by operators. All buses through these areas will benefit to some extent.

Location	Minutes saved per day
Shiney Row A182	150
Park Lane Interchange	704
A1058 Cradlewell	540
Eldon Square Bus Station	1512
Haymarket Bus Station	1176
Gateshead Interchange	1560
B1522 Ryhope Rd, Sunderland	144
A167 Ponteland Road	144
A690 Durham Rd, Sunderland	240
A183 Chester Rd, Sunderland	240
A1018 Wearmouth Bridge	360

This equates to **time savings** of 1,710,400 minutes (28507 hours) for the above locations with bus movements where increased time is built into operator schedules. Assuming a mean peak-hour loading of 30 passengers per bus, this equates to person time savings of the order of 855,000 hours per year. This figure understates the potential full - but less quantifiable - benefits by using only a six-hour peak sample, and analysing only those bus services with published extended journey times during peak traffic periods.

The value attributed to the introduction of full CCTV facilities at Park Lane Interchange is based upon estimating the proportion of patronage on routes serving the relevant interchange as a proportion of total patronage on those

routes, and then applying an elasticity derived from the DfT report of soft measures affecting bus services. On this basis, we estimate **additional passenger generation** attributable to those factors alone at 67,000 per year by 2014.

**Numbers of passengers affected by the measures:** we estimate conservatively that 50% of bus services operating across Tyne and Wear will benefit from the measures proposed. Assuming that 50% of trips made on these services pass through at least one of the proposed measures, and that 141 million trips are currently made per year by bus across Tyne and Wear, 35 million passengers per year stand to benefit. As almost all bus services along these routes are operated on a commercial basis, it is not possible to accurately assess bus passenger numbers per year on the basis of the information available to us.

**Demand for particular modes as a result of the package:** we have estimated a 2% increase in the demand for bus services on the corridors included within the bid package. From the experience of service enhancements elsewhere, we predict that two-thirds of the additional demand will be new trips, with the remaining third transferring from other modes, mainly car, although there may be low levels of abstraction from Metro on corridors where there is a choice of public transport modes.

**Baseline carbon emissions and changes as a result of this package:** no new low carbon buses are directly linked to the introduction of this package. The main low carbon bus route currently is the 39/40 Stagecoach route in Newcastle which uses the A186 West Road and A193 Byker Bridge corridors. Based upon modal shift of 0.6% from car to bus as stated above, an additional 210,000 trips per year transferring from car to bus would result in a net carbon saving of the order of 46,360 tonnes per year. (assumptions; average car CO<sub>2</sub> emissions per passenger km 120g, average bus CO<sub>2</sub> emissions per passenger km 88g, average peak-time car loading 1.4 passengers, 85.7g average per car user per kilometre, no additional bus mileage, average peak-time bus trip length 5.6km (source: Nexus Business Intelligence) = 210,000 x 0.0857 kg x 230 days/year x 2 x 5.6 = 46,360 tonnes per year carbon reduction.

**Punctuality and reliability changes as a result of the package:** of the routes identified with extended journey times, the time savings in respect of individual measures are tabulated above. In terms of reliability, a reduction in the need for operators to insert additional vehicles into peak hour journeys in order to maintain even headways will result in fewer cancellations arising from staff or vehicle shortages.

**Access to employment impacts as a result of the package:** access to the following major employment sites will be enhanced as a result of the proposed measures (many of which are included in the employment access component of the Tyne and Wear LSTF bid): Newcastle and Sunderland city centres, South Shields and Gateshead town centres, Doxford International Business Park,

Cobalt Business Park North Tyneside, Boldon Business Park South Tyneside, Sunderland Enterprise Park.

## **D2. Non-quantifiable benefits.**

Relevant non-quantifiable benefits have been identified as follows: improved pedestrian safety benefits resulting from the installation of signalised junctions, general improvements in air quality and emissions reductions arising from smoother managed traffic flows, general public safety benefits arising from increased on-street CCTV coverage, increased mobile public transport information through the roll-out of NFC, heightened public confidence in using bus services, and improved working conditions for bus company staff resulting from reduced delays to services.

## **Section E - Supporting Evidence**

### **E1. Evidence for the predictions identified above.**

The evidence base for the monitoring of journey times along the corridors identified for ITS solutions will be before and after surveys of vehicle journey times using ANPR equipment, on-bus running time surveys or electronic ticket machine data, as appropriate to the circumstances of each location. The junctions identified for signalisation will be similarly monitored.

Evidence of patronage increases on bus services will be gleaned via the Nexus continuous monitoring programme, subject to any disaggregation restrictions required to maintain commercial confidentiality.

The Nexus market research will be geared to assess customers' awareness of the measures implemented and in particular, their feelings of satisfaction with aspects of reliability and security.

### **E2. Proposed monitoring.**

Outputs which will be monitored are, as follows:

- Bus journey times along 19 key bus corridors outlined in this bid
- Bus journey times through the newly-signalised junctions
- Overall bus patronage
- Customer satisfaction with reliability and personal safety and security, and information
- Sales of the Network Ticketing Day Rover Ticket following price reduction and promotion

- Changes to operator schedules and distance travelled at Borough Road, Sunderland
- Ratio of car to bus flows on key corridors and an assessment of resulting savings in carbon emissions
- Air quality on corridors within air quality management areas

Monitoring outcomes will be published on the Tyne and Wear Integrated Transport Authority's website [www.twita.gov.uk](http://www.twita.gov.uk)

## Section F. Delivery and Costs

### F1. Package Costs

		2012-13	2013-14
Proposal Element 1 ITS Corridors	£k	£k	£k
Software and communications	Revenue	353	120
	Capital		
A167 Durham Road		194	0
B1296 Old Durham Rd		56	0
B1426 Bensham Rd		64	0
B1426 Sunderland Rd		45	0
A1114 Metrocentre		60	0
A186 West Road		107	0
B1318 Gt North Road		119	0
B6324 Stamfordham Rd		93	0
Coach Lane		50	0
A1058 Corner House		73	0
A188 Chillingham Rd		146	0
A167 Ponteland Rd		64	0
A193 Shields Rd		185	0
A690 Durham Rd		100	0
A183 Chester Rd		66	0
A1018 Wearmouth Br		78	0
Hylton Rd Sunderland		70	0
A1018 Ryhope Rd		41	0
Boldon Lane		45	0
Junctions and interchanges		136	0
Civils costs		228	0
	Local Contribution	0	0



Proposal Element 2 Signalisation of key junctions	£k	£k	£k
	Revenue	0	0
A1058 Norham Rd/Coast Rd A184/A195 Wardley	Capital	130	0
		200	131
	Local Contribution	370	0
Proposal Element 3 Borough Rd, Sunderland	£k		
	Revenue	0	0
	Capital	360	10
	Local Contribution	140	140
Proposal Element 4 Interchange Improvements	£k	£k	£k
	Revenue	0	0
	Capital	150	110
	Local Contribution	245	0
Proposal Element 5 Bus Route Improvements - clearways, shelter; CCTV, NFC, South Tyneside junctions	£k	£k	£k
	Revenue	70	0
	Capital	478	300
	Local Contribution	654	0
Proposal Element 6 Marketing, promotions, market research	£k	£k	£k
	Revenue	340	200
	Capital	0	0
	Local contribution	110	20



<b>Grand Total funding sought</b>	Revenue	763	320
	Capital	3338	551 <b>TOTAL 4972</b>
<b>Grand Total including local contribution</b>	Revenue	873	340
	Capital	4747	691 <b>TOTAL 6651</b>

## F2. Timetable for Delivery and Risks

	Planned delivery date	Risks
Proposal Element 1	By mid-2013	Supply of specialist contractors and equipment  Availability of power supplies/comms utilities
Proposal Element 2	By Spring 2014	As above
Proposal Element 3	By mid-2013	Conservation area considerations Utilities issues
Proposal Element 4	By Spring 2013	None identified
Proposal Element 5	Mid-2012- Spring 2014	NFC technology supply and performance
Proposal Element 6	Mid-2012 - Spring 2014	None identified

## F3. Management Arrangements

Ultimately, the ITA will be responsible for delivery of the proposals. The project will be managed on a day to day basis through well-established joint working arrangements between Nexus and the Tyne and Wear local authorities, all of whom have regular liaison with bus operators. The role of operators in delivering the outputs i.e. more reliable bus services; will be central to the success of the bid. They are best placed to understand and interpret the causes of delay to their services and to ensure that the right actions are taken to address them, and will also play a role through partnership working in defining the key marketing messages that need to be conveyed to maximise additional bus use.

#### **F4. Financial sustainability**

The Urban Traffic Management Control (UTMC) centre has been established in Newcastle upon Tyne in an innovative partnership with Newcastle University. The ITS solutions proposed in this bid will be coordinated and managed using this control centre. Funds have been identified to ensure the longevity of this control centre and is supported by all local transport plan partners in Tyne and Wear. Installations will be maintained by the Regional Traffic Signals Service run by Newcastle City Council on behalf of all local authorities in the region. Bus stop and interchange improvements will be maintained by the relevant highway authorities and Nexus, as appropriate.

No elements of the package have been identified as requiring ongoing external financial support beyond the duration of Better Bus Area funding.

#### **F5. Financial Impact on Bus Operators**

All operators involved in the bid will continue to invest in new vehicles for the duration of the bid period. Arriva investment planned over the bid period is £1.2 million in 2012/13, and Go North East around £6.5 million to £7.5 million per year; current Stagecoach investment in vehicles is running at a similar level.

We are conservatively predicting a 2% uplift in revenues attributable to the security and reliability measures introduced along the corridors identified within the bid, which are estimated to include more than 50% of the area's bus services, in full or in part. With the annual bus market fare box revenue in Tyne and Wear estimated at £140 million, the private revenue uplift is estimated as  $(£140 \text{ million} \times 50\% \times 2\%)$  less concessionary travel @33% = £0.94 million/year upon installation of the bid package.

#### **F6. Additionality**

The ITA is subsidising secured bus services across Tyne and Wear to the tune of approximately £8.9 million in this financial year (2011/12).

The package for which BBA support is sought has not already commenced.

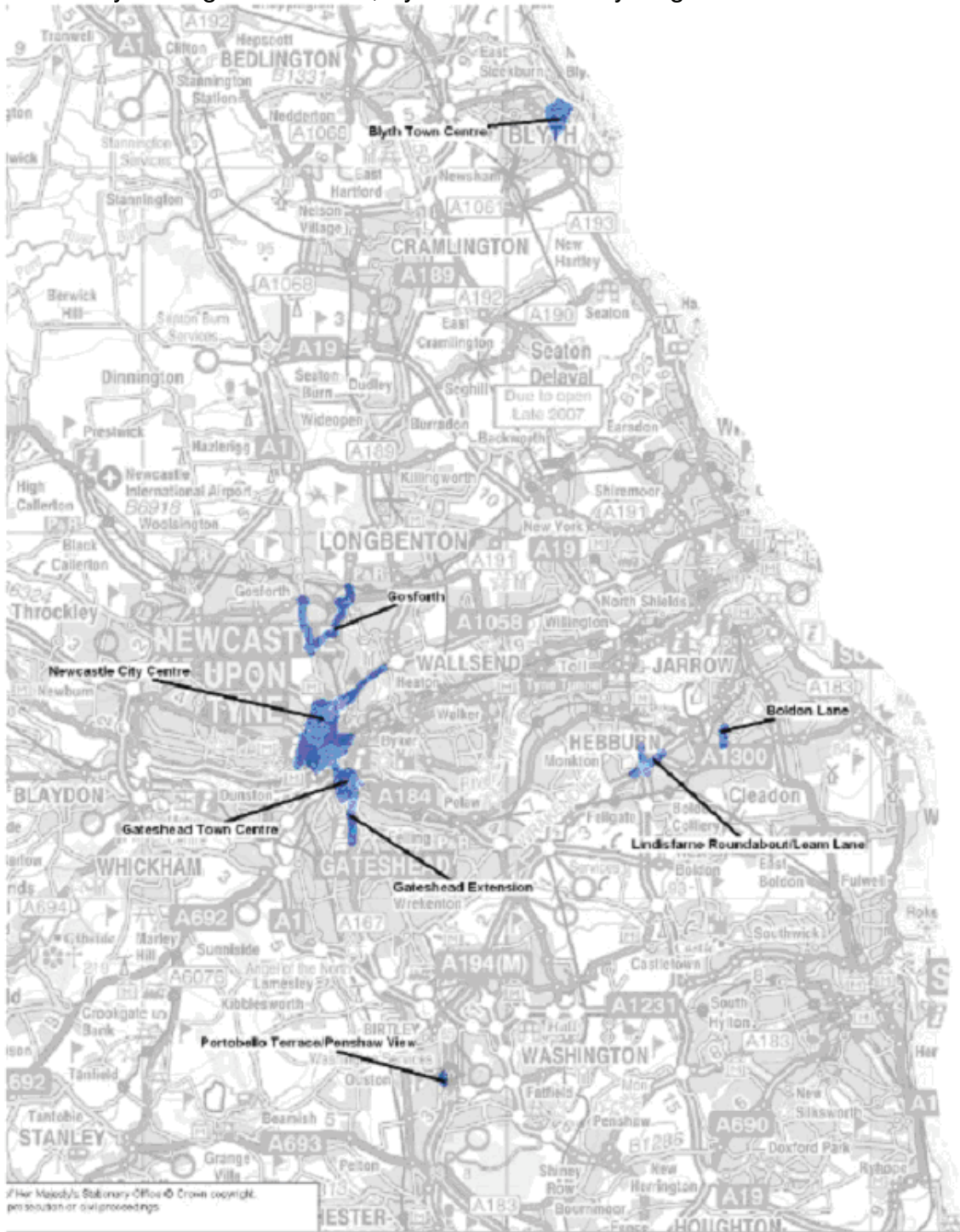
## Section G. Fit with the Local Sustainable Transport Fund

### **G1. Fit with other bids, including the Local Sustainable Transport Fund and Green Bus Fund.**

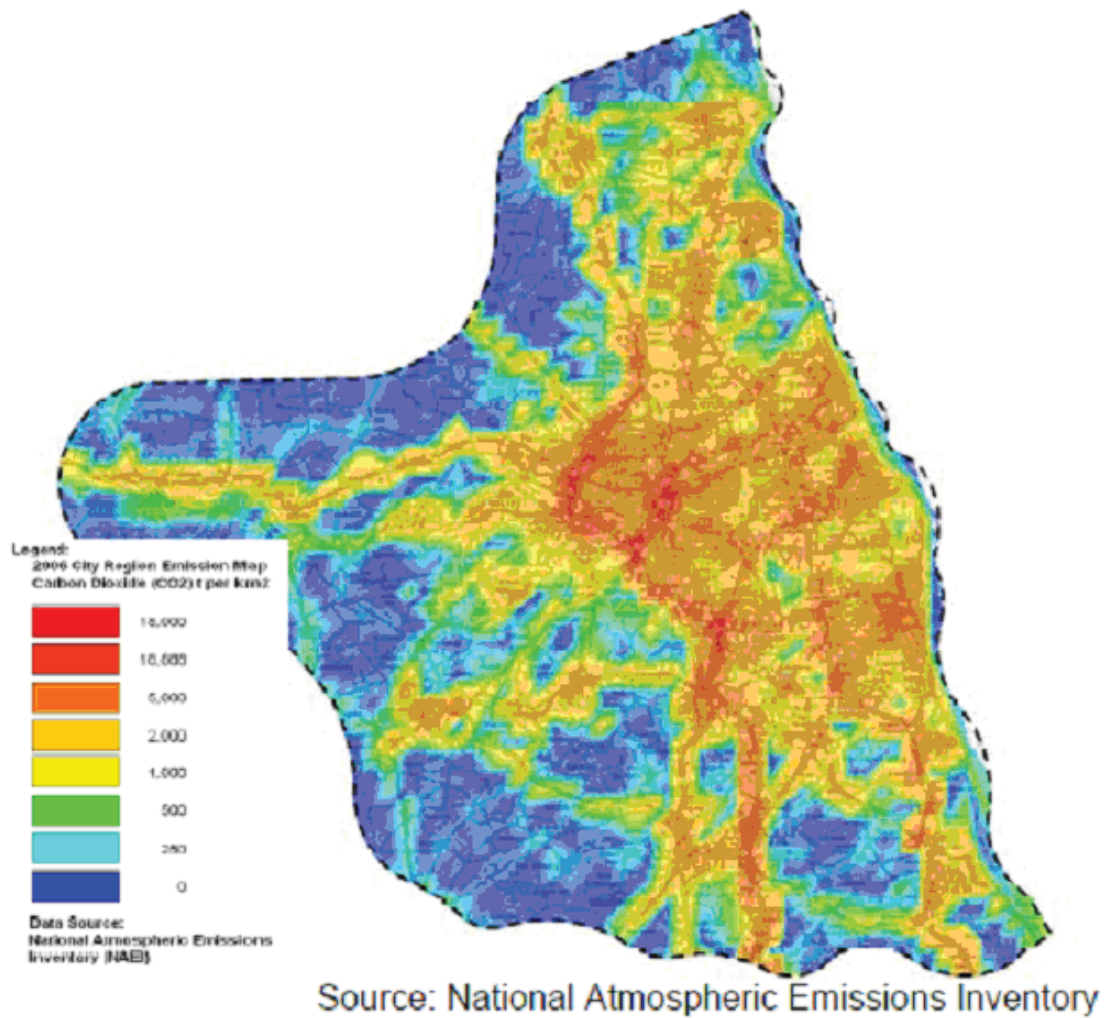
Tyne and Wear's Local Sustainable Transport Fund large bid focuses on the need to reduce congestion and enhance sustainable access to key employment sites (focusing especially on out-of-town employment sites that are less easily accessible by public transport) including the introduction of new bus services and the improved marketing of public transport services and ticketing offers. The Better Bus Area Fund bid will complement those measures by prioritising access to town and city centres, reducing traffic delays at key junctions and by targeted promotion of the improved services, dovetailing with the wider promotional campaign being carried out as part of the LSTF project.

The Green Bus Fund bid involves the provision of a new hybrid vehicle for the Sunderland Connect route, an innovative service linking major city centre attractions and amenities with Park Lane Interchange, Sunderland University and the Marina. Using brand new 'green' vehicles with a distinctive branding and environmentally-friendly hybrid engines, the extra bus is needed to provide additional capacity on the increasingly popular service. As part of this Better Bus Area Fund bid, there will be measures to reduce congestion and queuing times in the city centre and Park Lane Interchange, which will help to make Sunderland Connect an even more attractive and environmentally-friendly alternative to the car.

Air Quality Management Areas, Tyne and Wear City Region

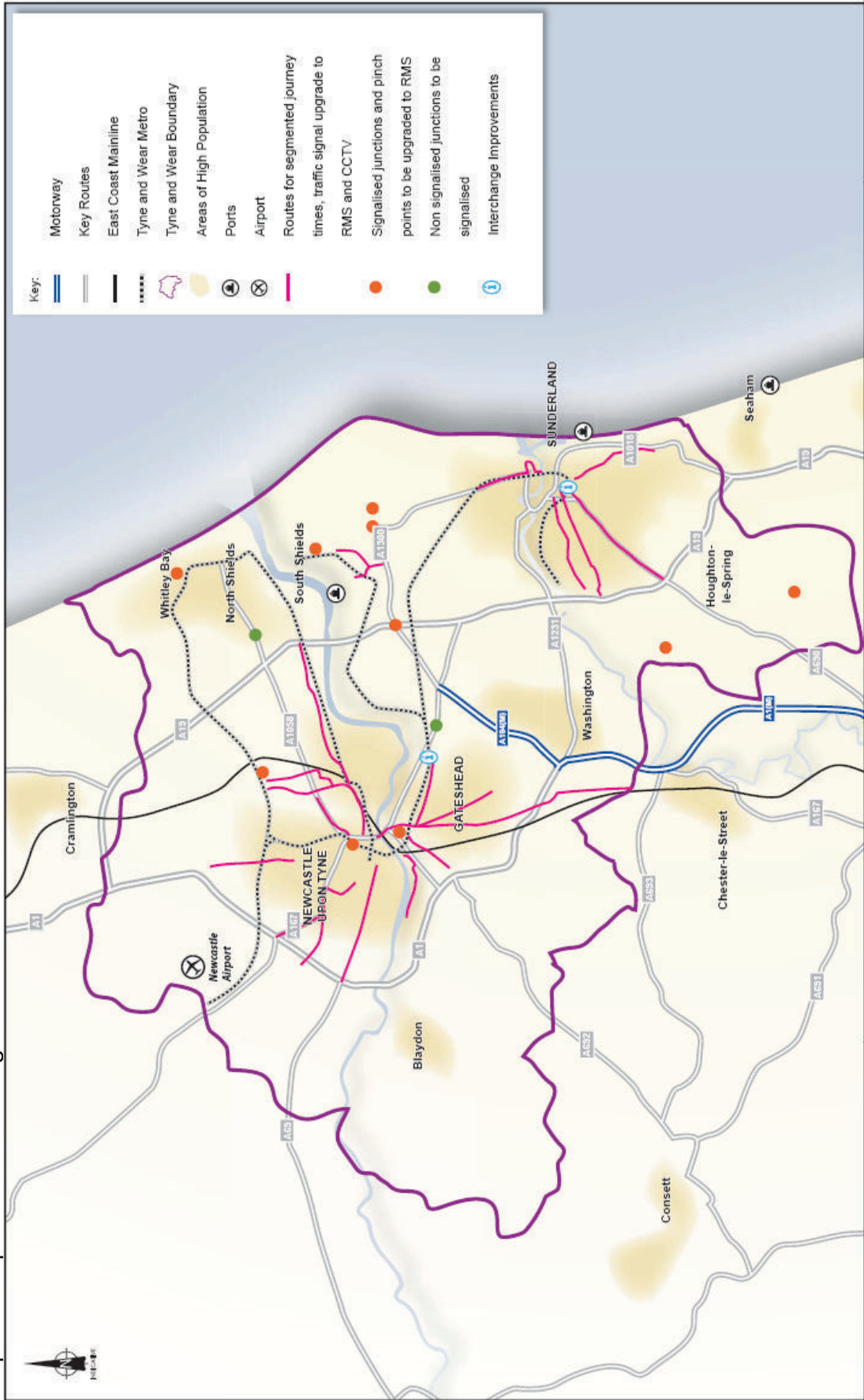


CO<sub>2</sub> Emissions from road transport sources, Tyne and Wear City Region, 2006



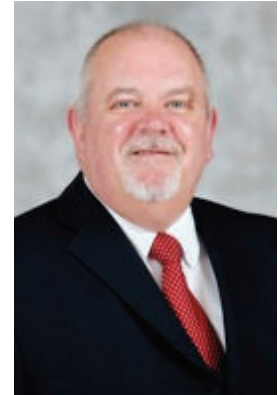


Proposed improvements through successful Better Bus Area bid





**Civic Centre, Newcastle upon Tyne, NE99 2BN**  
(0191) 211 5157 / [dave.wood@newcastle.gov.uk](mailto:dave.wood@newcastle.gov.uk)



**24 February 2012**

Dear Secretary of State,

**Tyne and Wear Better Bus Area Fund Bid:**

**Go Smarter: Green Light for Growth**

I have pleasure in submitting our bid for Better Bus Area funding. The Tyne and Wear Integrated Transport Authority (ITA) welcomes the opportunity to submit a bid to this Fund, the objectives of which closely match those of the ITA's Bus Strategy and the needs of Tyne and Wear as a whole.

Our Bid has been prepared in accordance with your guidance and sets out a series of ambitious yet deliverable proposals that will make a real difference to the reliability of bus services on our key journey corridors, assisting economic growth, reducing the costs of bus operation and promoting modal shift to public transport, with resultant benefits for carbon reduction.

Our corridor-specific schemes are complemented by a range of generic measures across Tyne and Wear to make bus services more attractive and accessible, including support for feasibility work into the development of further voluntary partnerships across Tyne and Wear and into adjacent areas through collaborative working between bus operators, local authorities and Nexus.

All our measures will be underpinned by a high-profile targeted marketing campaign that will emphasise the economic and environmental advantages of bus use.

Our plans have been developed in close partnership with bus operators and we have enclosed a letter of support from the Tyne and Wear Bus Operators Association, representing the three major local bus operators. A letter of support from the North Eastern Local Enterprise Partnership's Transport Lead is also attached, reflecting the benefits to the local economy that would result from delivery of the measures set out in this bid.

Car ownership is lower in Tyne and Wear than in most other metropolitan areas, so public transport is of crucial importance to local mobility. We are proud of our existing record in delivering bus service improvements but this bid will enable us to do even more, tackling congestion, improving accessibility and enhancing access to the key employment sites that Tyne and Wear is relying on to deliver economic recovery.



In addition to our focus on economic growth our commitment to carbon reduction is also clear. All local authorities in Tyne and Wear are signatories to the EU Covenant of Mayors, committing themselves to a reduction in CO<sub>2</sub> emissions of at least 20% by 2020. The ITA has also illustrated its commitment to reducing carbon emissions and addressing climate change by signing the Nottingham Declaration. By making bus services more reliable and improving the passenger experience, the ITA believes this bid can make a major contribution towards modal shift, reducing the carbon emissions from transport without the risk of harmful impacts on the economy.

More reliable bus services; fewer delays; enhanced safety and security; closer co-operation; an improved passenger environment; better information and marketing. These are the measures that will signal a green light for growth in Tyne and Wear. On behalf of all members of the ITA, I commend this bid to you.

Yours sincerely,

Councillor David Wood

Chair of the ITA





**Tallent Automotive Limited**

Aycliffe Business Park  
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Co Durham  
England DL5 6EP

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22 February 2012

Councillor David Wood  
Chair of the Tyne and Wear ITA  
Civic Centre  
Barras Bridge  
Newcastle on Tyne  
NE99 1FR

Dear Councillor Wood,

Better Bus Area Fund - Tyne and Wear bid

I am writing as the Board Member of the North Eastern Local Enterprise Partnership responsible for transport to express our support for the Tyne and Wear Integrated Transport Authority's submission to the Better Bus Areas Fund.

Your proposal will reduce delays to buses caused by traffic congestion in a pragmatic and progressive way, making best use of new technology to achieve this aim. The fact that your bid has been developed in partnership with private sector bus operators is particularly welcome. The area needs to link people with job opportunities in order to promote economic development; reliable and attractive public transport has an important role to play in this ambition.

I do hope your bid is successful and you are able to deliver these important improvements for public transport in Tyne and Wear.

Yours sincerely

David Land

**North Eastern Local Enterprise Partnership**



Councillor David Wood  
Chairman  
Tyne and Wear  
Integrated Transport Authority  
Civic Centre  
Newcastle upon Tyne  
NE1 2DA

117 Queen Street  
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Tyne & Wear  
NE8 2UA

t 0845 60 60 260  
f 0191 4200225

www.simplygo.com

23 February 2012  
KC IM / NEBOA  
Direct line: 0191 4229228

Dear Councillor Wood

**TYNE AND WEAR BETTER BUS AREA FUND APPLICATION**

I am writing to confirm support for the above funding submission on behalf of the North East Bus Operators Association.

Having been involved in bus network improvements with Nexus, we are committed to continue to work in partnership with all the Tyne and Wear authorities to improve bus services across the area, and also to determine our investment priorities in line with the rollout of the improvements.

This bid adds to the outcomes already being realised within Tyne and Wear through other initiatives, and the infrastructure schemes will be of particular benefit to our high frequency services along these corridors.

The additional enhancements will make bus services more attractive, accessible and secure, improving the passenger experience. I firmly believe further partnership development along with targeted marketing, will emphasise the environmental and economic advantages of bus use.

I therefore wish you every success with the bid, and look forward to hearing from you shortly as to whether it is successful.

Yours sincerely



Kevin Carr  
Managing Director, Go North East  
*on behalf of*  
**North East Bus Operators Association**



## Tyne and Wear Integrated Transport Authority

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**DATE:** 22 March 2012

**REPORT TITLE:** Local Sustainable Transport Fund – Key Component Project

**REPORT OF:** Joint Transport Steering Group

**Not confidential**

**DISTRICT IMPLICATIONS:** All

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### **1 Purpose of Report**

1.1 This report provides an update on the progress towards the delivery of the Tyne and Wear Integrated Transport Authority (TWITA) Local Sustainable Transport Fund (LSTF) Key Component (KC) project – focused on reducing negative effects of the school run. The report also outlines actions underway in preparation for a decision from Department for Transport (DfT) on Tyne and Wear's submission for Large Project funding, which is expected in May / June 2012.

### **2 Summary**

2.1 Delivery of the LSTF KC bid is progressing inline with our stated commitments for Year 1 (2011 – 2012).

2.2 Work is underway to ensure TWITA is ready to progress the larger project should a successful bid be announced in May / June 2012.

### **3 Recommendations**

3.1 TWITA Members are asked:

- To note the outputs and achievements of Year 1 (section 4); and
- Endorse the actions currently underway in preparation for the outcome of the large bid (section 5).

### **4 Progress in KC bid since last report to TWITA in November 2011**

- 4.1 The Third Quarter (Q3) financial claim was submitted to DfT before the deadline and work is progressing with partners to submit the Fourth Quarter (Q4) claim on 24 April.
- 4.2 Programme Board meets on a monthly basis to steer the delivery of the programme and its constituent projects. Where there is a potential for slippage of any of the activities – and as a consequence, the potential for grant funding being lost – timely decisions have been taken to accelerate delivery in certain areas or redistribute funding between projects. This has occurred only when acceptable within the guidance for LSTF funded programmes.

Updated project outputs and achievements:

KC01 Walk Once a Week	Over 80 schools signed up
KC02 Walk Secondary	12 schools signed up
KC03 Bike It	5 Officers appointed 30 schools signed up
KC05 Families Engaging in Active Travel	5 Officers appointed 30 schools signed up
KC06 Promotion of Public Transport	2 clusters of schools identified for pilots in Newcastle and Gateshead – other districts to roll out in Year 2
KC07 Child Pedestrian Training	Co-ordinator being appointed, slight delay in project implementation – funding re-allocated into cycling resources (KC12)
KC08 Parking at Schools	Newcastle and North Tyneside progressing in Year 1 – other districts to roll out in Year 2
KC09 Travel Matters	Website updated and launched with promotional activity taking place
KC10 School Links	Districts on schedule to deliver schemes
KC12 Marketing and Promotion	Refined 'Schools Go Smarter' brand and website refocus taking place

KC04 Balance Bikes, and KC-11 Grants to Schools, have no DfT spend profiled for this year and will commence in the next financial year.

- 4.3 DfT have issued a monitoring and evaluation framework, partners are working to

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meet these requirements alongside the appointed framework contract provider (AECOM) to undertake a baseline monitoring report.

## **5 Progress in readiness for Large Project**

- 5.1 Some work is being undertaken 'at risk' in order to be in a position to start the delivery of the Large Bid projects should a successful decision be forthcoming in late May / June. This work includes the creation of a procurement framework to enable local small and medium sized enterprises to have the opportunity to help Tyne and Wear ITA deliver different parts of the project.
- 5.2 Goods and services will be procured through a series of framework agreements and will be allocated within six areas: cycling; travel planning; technical specifications; car hire (car clubs); monitoring and evaluation; and communication and marketing. The duration of the framework period will be four years. Procurement of goods and services will only take place if TWITA is successful with the large bid proposal. The framework will enhance the capacity of each individual Local Transport Plan (LTP) partner.
- 5.3 Where the activities can be delivered 'in-house', then each Plan Partner will deliver activity in their own district. This process will take place alongside the procurement activity. Partners are being asked to provide updated project delivery plans for their relevant capital highways schemes and other in-house projects.
- 5.4 An Interim Programme Manager has been appointed to oversee and manage the day to day delivery, liaison and co-ordination of the KC projects and the Large Bid preparation (procurement and delivery projects). Sally Herbert will occupy this role for a six month period from February 2012. This role will be reviewed at the time of the large bid announcement.
- 5.5 A new governance structure has been established to manage, deliver and evaluate the LSTF Large Project. In order to deliver these proposals in a timely and effective manner, some significant changes were required.. The new arrangements include the establishment of a Tyne and Wear wide Travel Planning Delivery Group, to be chaired by the private sector. A Sounding Board will be created to give advice to our Programme Board. An outline of the governance structure can be found in Appendix A.
- 5.6 Further work is being undertaken on the existing structures to review how they support the delivery of LSTF projects. This is being led by the Senior Responsible Officer (Nick Clennett, Head of Transport Strategy, Gateshead Council), with support from the Interim Programme Manager and the Programme Assurance team.

**5 Next Steps**

- 5.1 LSTF Large Bid Procurement March – May 2012
- Media Launch end March / beginning April 2012
- Quarter 4 financial claim deadline 24 April 2012
- Annual Progress Report due May 2012
- LSTF Large Bid Decision due late May / June 2012

**6 Background Papers**

- 6.1 Last report to TWITA was November 24 2011.

**7 Contact Officer (s)**

- 7.1 Sally Herbert, Interim LSTF Programme Manager, 0191 211 6023, [sally.herbert@newcastle.gov.uk](mailto:sally.herbert@newcastle.gov.uk)
- Nick Clennett, Chair of Joint Transport Steering Group and LSTF Senior Responsible Owner, 0191 433 2526, [nickclennett@gateshead.gov.uk](mailto:nickclennett@gateshead.gov.uk)

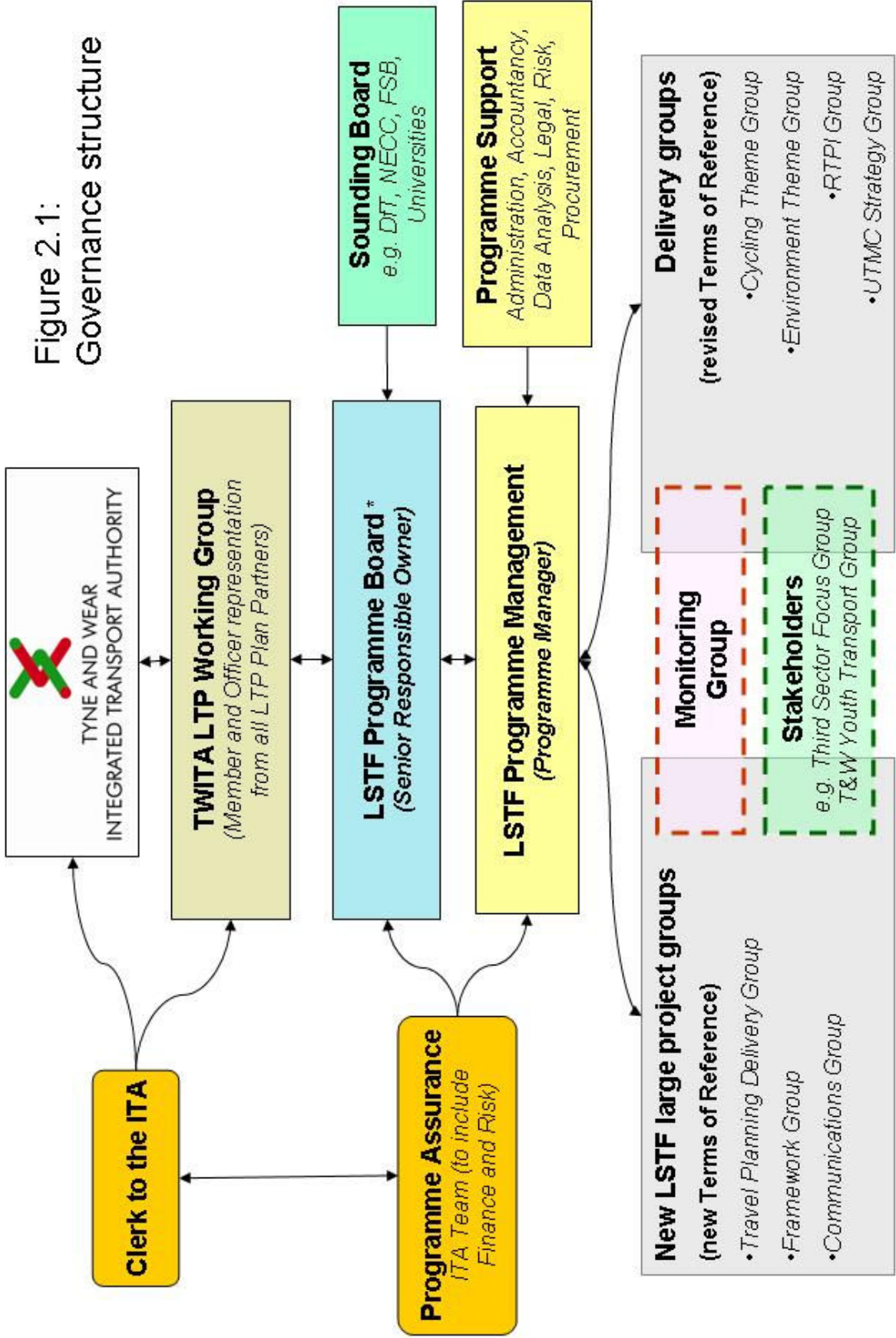


Figure 2.1:  
 Governance structure

\* Each District representative updates partners on specific elements e.g. capital / highways works in their district and Nexus report on their workstreams such as RTPI. External delivery partners to report to LSTF Programme Manager via monthly Traffic Light Reports







## Tyne and Wear Integrated Transport Authority

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**Date:** 22<sup>nd</sup> March 2012  
**TITLE:** 2012/13 Non Metro Capital Programme Updated  
**REPORT OF:** DIRECTOR OF FINANCE AND RESOURCES, NEXUS  
**Reasons for confidentiality (if confidential)**  
**District Implications: All**

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### 1. Summary / Purpose of Report

- 1.1 The purpose of this report is to seek approval for the updated 2012/13 Non Metro Capital Programme in light of additional LTP grant received in 2011/12 which was previously reported to the Authority at its January 2012 meeting.
- 1.2 This report covers Nexus elements of the non- Metro capital programme only although references made to the Better Bus Area Fund Bid are consistent with the report contained elsewhere on this agenda concerning the full bid which the ITA is the accountable body for.

### 2. Recommendations

- 2.1 In light of additional LTP funding, the Authority is recommended to:
- (i) approve the amended Nexus (Non-Metro), schemes for 2012/13 as detailed in Appendix A;
  - (ii) approve the utilisation of up to £135k in 2011/12 for a bid to the green bus fund as part of delivering an enhanced service 700 in Sunderland city centre.

### 3. Introduction / Background

- 3.1 The report outlines to the ITA the amended proposals for the Nexus elements of the Non Metro Capital Programme for 2012/13 and the funding sources identified to deliver the programme. The programme covers a range of public transport improvements and also allows match funding for cycling projects that were submitted as part of the LSTF bid and bus projects that were submitted as part of

the Better Bus Area Fund bid.

- 3.2 At the ITA meeting of 26 January 2012, as part of the Non Metro Capital Programme, Nexus schemes with a value of £1,185k were approved. Nexus is now in receipt of £473k additional LTP resource this financial year (2011/12) which is being applied to the current year Non Metro capital programme.
- 3.3 The application of this additional LTP funding in 2011/12 has enabled a bid to the Green Bus fund for which a local contribution of £135k is required, as part of delivering an enhanced Service 700 in Sunderland city centre. In addition, Nexus is able to allocate £338k of this additional resources to augment its previously approved Non-Metro capital programme in 2012/13.

#### 4. Information

- 4.1 The Nexus Non Metro Capital Programme covers a diverse range of projects.
- 4.2 The ITA approved a 2012/13 Non Metro Capital Programme on 26<sup>th</sup> January 2012 of £1,185k. The additional resource identified in paragraph 3.3 has allowed for a revised Programme of £1,523k, as detailed below:

Project	Value (£'000)
<b>Previously Approved Nexus Non Metro Capital Programme 2012/13</b>	<b>1,185</b>
<b>Variations</b>	
Bus Stop Improvements	134
Other Capex earmarked for Bus related improvements(Better Bus Area Bid match funding)	138
Smart Facilities for the Ferry	66
<b>Total Variations</b>	<b>338</b>
<b>Revised Nexus Non Metro Capital Programme 2012/13</b>	<b>1,523</b>

The variations to the current 2012/13 budget total £338k and are detailed below:

- 4.3 The ITA has submitted a bid to the Better Bus Area Fund for £4,972k and Nexus has agreed to Match Fund £589k (capital and revenue) through local

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contributions over 2012/13 and 2013/14. Within the revised 2012/13 Non Metro Capital Programme there is match funding of £559k.

The Nexus projects identified as part of this Match Funding are as follows:

- Nexus proposes to match-fund 245k of its initially approved capital programme for bus infrastructure improvements in 2012/13 involving refurbishment of Gateshead and Sunderland bus shelters, improve LED lighting and provide better security.
- £80k of its initially approved capital programme will fund bus stop flags in 19 key bus corridors.
- £134k for Bus Stop Improvements which will provide 70 CCTV cameras in bus shelters along the same corridors across all districts of Tyne and Wear.
- The 2012/13 non Metro Capital Programme also includes a provision of £138k which has been identified as match-funding for other bus related expenditure items yet to be determined.

4.4 A provision of £66k has been identified to enable SMART Ticketing on the Ferry.

#### 4.5 Funding

Funding for Nexus Non-Metro capital Programme is shown below:

<b>Funding Source 2012/13</b>	<b>Approved (£'000)</b>	<b>Revised (£'000)</b>	<b>Variance (£'000)</b>
LTP Public Transport – Nexus	340	340	0
Nexus Internal Resources	845	1,183	338
<b>Total</b>	<b>1,185</b>	<b>1,523</b>	<b>338</b>

#### 5. Next Steps

5.1 The progress of the Non-Metro Capital programme will be reported to the ITA on a quarterly basis.

#### 6. Contact Officer (s)

6.1 Keith Nisbet, Head of Finance, Nexus

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## Appendix A

The revised Non-Metro Capital programme for 2012/13 is:

<b>Project</b>	<b>Approved 2012/13 Budget</b>	<b>Updated 2012/13 Budget</b>	<b>Variation Requeste d</b>
	£'000	£'000	£'000
<b>Prior Year Commitments</b>			
Ticketing and Gating CMS Upgrade	300	300	0
Finance/HR System	150	150	0
	<b>450</b>	<b>450</b>	<b>0</b>
<b>LSTF Commitments</b>			
Match Funding for Cycling Parking at PT Stations	55	55	0
	<b>55</b>	<b>55</b>	<b>0</b>
<b>Better Bus Area Match Fund</b>			
Bus Infrastructure Improvements	245	245	0
Replacement Bus Stop Flags	80	80	0
Bus Stop Improvements	0	134	134
Other Capital Expenditure for Better Bus Area Bid	0	138	138
	<b>325</b>	<b>597</b>	<b>272</b>
<b>Integrated Transport Initiatives</b>			
TMS Phase 3	60	60	0
My Journey Developments	105	105	0
Development of POP retailing	45	45	0
CRM Enhancements	45	45	0
Business Intelligence Tool	75	75	0
Information Hardware Improvements	25	25	0
Smart Facilities for the Ferry	0	66	66
	<b>355</b>	<b>421</b>	<b>66</b>
<b>Total Nexus Requirement</b>	<b>1,185</b>	<b>1,523</b>	<b>338</b>

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## Tyne and Wear Integrated Transport Authority

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**DATE:** 22 March 2012

**REPORT TITLE:** Eligibility for 16-18 Metro Student Card fares

**REPORT OF:** The Director of Customer Services, Nexus

**REASONS FOR CONFIDENTIALITY (IF CONFIDENTIAL):** Not confidential

**DISTRICT IMPLICATIONS:** All Tyne and Wear

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### 1. Purpose of Report

- 1.1 This report outlines proposed amendments to the existing 16-18 Metro Student Card product to support the key Nexus strategy action of improving affordability for young people.

### 2. Summary

- 2.1 The 16-18 Metro Student Card is currently only available to young people in full time education at a sixth form or college. This report seeks to extend the eligibility of this product to all young people based upon age. This is proposed to be implemented by September 2012.

### 3. Recommendations

- 3.1 The ITA is recommended to approve the eligibility change as outlined in this report.

### 4. Information

- 4.1 Tyne and Wear residents aged under 16 are eligible for an under 16 Pop Card which entitles them to purchase concessionary fares, in particular the Child All-Day ticket (CAT) which allows unlimited daily travel in Tyne and Wear across all

transport modes for £1 per day

- 4.2 At the age of 16, those people remaining in full time education can purchase the 16-18 Metro Student Card which entitles them to travel at a 50% discount versus the equivalent adult fare. To be eligible for the 16-18 Metro Student Card, a person must be aged under 19 years old as of August 31<sup>st</sup> in the current academic year and be in full time education at a sixth form or college.
- 4.3 This means that young people who opt to pursue a different route to full time study at a sixth form or college are not eligible for the discounted fares. This includes young people studying at vocational establishments and those people starting out in full time employment. As a result they have no choice but to purchase adult Metro fares of up to £5 per day versus the £1 per day they may have paid before they turned 16. The significant increase from under 16 concessionary fares to full adult fares may be a barrier preventing many young people from remaining Metro customers.
- 4.4 The majority of young people starting their first full time job at 16 will not be earning a significant amount of money. The disposable income of those people studying at vocational establishments is also unlikely to be any higher than those studying at a sixth form or college. However both of these groups are excluded from being eligible for lower Metro fares.
- 4.5 The population of 16-18 year olds living in Tyne and Wear is estimated at 40,799 with 69.5% of them being in full time education at a sixth form or college. This means that 28,355 young people are entitled to the discounted fares and 12,444 are currently not.
- 4.6 Extending the eligibility of the 16-18 Metro Student Card to all young people aged under 19 will ensure that the additional 12,444 young people have access to affordable Metro fares, giving them greater choice on how they travel to and from their place of study or work.
- 4.7 Given the fact that the 16-18 Metro Student Card will be available to young people who are not students, it is proposed to rename the 16-18 Metro Student Card to be the 16-18 MetroSaver.
- 4.8 To purchase a 16-18 Metro Student Card today, passengers are required to show proof of age and a valid student ID card. For the 16-18 MetroSaver only proof of age will be required.
- 4.9 Expanding the eligibility of the 16-18 Metro Student Card will have a small impact on Metro revenue. Revenue will be impacted in two ways. Firstly, some revenue loss from those young people who are currently purchasing adult fares who switch to the discounted 16-18 MetroSaver fare. Secondly some additional revenue as a result of the 50% discount attracting new customers and

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generating sales growth.

- 4.10 The net impact of this change is estimated at an annual revenue loss of approximately -£56,000.
- 4.11 Above and beyond the sales growth that the 50% price decrease will naturally generate, if an additional 128 young people (1% of the current ineligible population) can be converted to using Metro through a targeted marketing campaign, the revenue at risk would be entirely mitigated.
- 4.12 Whilst this report recognises the small revenue risk, removing the eligibility restriction supports a key Nexus strategy action of improving affordability for 16-18 year olds. Increasing the likelihood of retaining Metro passengers when they turn 16, increases the likelihood of retaining them right through their adult life.
- 4.13 This eligibility change aims to offer affordable public transport fares to all young people aged 16-18 irrespective of whether they choose to remain in full time education or not whilst at the same time minimising revenue risk with a targeted marketing campaign. This proposal will have a positive impact on the grounds of age. It is likely that this report will have neutral effect on business efficiencies.

## 5. **Next Steps**

- 5.1 The business rules of the 16-18 Metro Student Card have already been specified to Scheidt & Bachmann (S&B) including how the 16-18 entitlement eligibility works. The changes to the product name and eligibility will be progressed with S&B and any additional costs determined.
- 5.2 Marketing literature to support the change will be produced.

## 6 **Background Papers**

- 6.1 Nic Cheetham, Fares & Revenue Manager, Tel: 0191 203 3479

## 7 **Contact Officer (s)**

- 7.1 Tobyn Hughes, Director of Customer Services, Tel: 0191 203 3246

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

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