



# Tyne and Wear Integrated Transport Authority

---

Meeting to be held: Thursday 31 May 2012 at 10.00 am, Committee Room, Civic Centre, Newcastle upon Tyne, NE99 2BN

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

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)

---

## AGENDA

Page

### SECTION 1 - STANDING ITEMS

1. Appointment of Chairman

2. Apologies for absence

3. **Declarations of Interest of Members or Officers in any matter to be discussed 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.

(If any Member has a personal or prejudicial interest, please complete the appropriate form and hand this to the Democratic Services Officer before leaving the meeting).

4. **Membership of the Authority 2012/13**

1 - 4

5. **Appointment of Vice-Chairmen**

(a) **Appointment of Statutory Vice-Chairman**

(b) **Appointment of Other Vice-Chairmen**

6. **Appointment of Lead Members' Portfolios**

(a) **Economic development and regeneration**

(b) **Addressing climate change**

(c) **Supporting safe and sustainable communities**

- |            |  |                |
|------------|--|----------------|
| <b>7.</b>  | <b>Appointment of Leader of Opposition</b>   |                |
| <b>8.</b>  | <b>Appointment of Committees and Working Groups for the Municipal Year 2012/13</b> | <b>5 - 18</b>  |
| <b>9.</b>  | <b>Calendar of meetings 2012/13</b>  | <b>19 - 22</b> |
| <b>10.</b> | <b>Minutes of the previous meeting held on 22 March 2012</b>                       | <b>23 - 28</b> |

#### **SECTION 2 - ITEMS FOR DECISION**

- |            |   |                |
|------------|---|----------------|
| <b>11.</b> | <b>The New Standards Regime - Proposed Arrangements</b> | <b>29 - 60</b> |
| <b>12.</b> | <b>Review of Corporate Governance Arrangements</b>      | <b>61 - 70</b> |
| <b>13.</b> | <b>Bus Strategy Delivery Project Update</b>             | <b>71 - 92</b> |

#### **SECTION 3 - ITEMS FOR INFORMATION**

- |            |   |                  |
|------------|---|------------------|
| <b>14.</b> | <b>ITA LTP 3 Measures and Targets</b>                         | <b>93 - 104</b>  |
| <b>15.</b> | <b>2011/12 Capital Programme Outturn Report</b>               | <b>105 - 116</b> |
| <b>16.</b> | <b>Better Bus Area Fund</b>                                   | <b>117 - 120</b> |
| <b>17.</b> | <b>Green Light for Better Buses, Department for Transport</b> | <b>121 - 126</b> |
| <b>18.</b> | <b>Smart Ticketing</b>  | <b>127 - 132</b> |
| <b>19.</b> | <b>Rail Devolution</b>  | <b>133 - 142</b> |
| <b>20.</b> | <b>General Policy Update</b>                                  | <b>143 - 150</b> |
| <b>21.</b> | <b>Date and Time of the Next Meeting</b>                      |                  |

Thursday, 26 July 2012 at 10am.

Members' Away Day – Thursday, 14 June 2012 at 10am at the Civic Centre, Newcastle upon Tyne.

- |            |                                      |  |
|------------|--------------------------------------|--|
| <b>22.</b> | <b>Exclusion of Press and Public</b> |  |
|------------|--------------------------------------|--|

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

**SECTION 4 - CONFIDENTIAL STANDING ITEMS**

- 23. Confidential Minutes of the Previous Meeting held on 22 March 2012 151 - 152**

This page is intentionally left blank



---

**DATE:** 31 MAY 2012  
**SUBJECT:** MEMBERSHIP OF THE AUTHORITY 2012/13  
**REPORT OF:** THE CLERK

---

## **PURPOSE OF REPORT**

The purpose of the report is to recommend the Authority to formally confirm its membership for the Municipal Year 2012/13.

## **RECOMMENDATIONS**

The Authority is recommended to formally confirm its membership for the Municipal Year 2012/13 as in Appendix 1.

## **BACKGROUND DOCUMENTS**

Local Government Act 1985.

## **CONTACT OFFICERS**

<i>name</i>	<i>email</i>	<i>phone</i>
Victoria Miller	<a href="mailto:victoria.miller@newcastle.gov.uk">victoria.miller@newcastle.gov.uk</a>	0191 211 5118

## **IMPACT ON OBJECTIVES**

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

## Appendix 1

<b>Gateshead (3)</b>		
<b>Councillor</b>	<b>Party</b>	<b>Contact Details</b>
S Green	Labour	161 Sherburn Way, Wardley, Gateshead, NE10 8TZ Tel: 0191 438 0625 cllr.sgreen@gateshead.gov.uk
McElroy	Labour	40 Cromer Avenue, Low Fell, Gateshead, NE9 6UJ Tel: 0191 433 2549 cllr.jmcelroy@gateshead.gov.uk
Maughan	Liberal Democrats	24 Whaggs Lane, Whickham, Newcastle upon Tyne, NE16 4PF Tel: 0191 488 6218 cllr.pmaughan@gateshead.gov.uk
<b>Newcastle (4)</b>		
<b>Councillor</b>	<b>Party</b>	<b>Contact Details</b>
Murison	Labour	Flat 3, 40 Chillingham Road, Newcastle Upon Tyne, NE3 3PW Tel: 0191 228 9251 henri.murison@newcastle.gov.uk
Stokel-Walker	Labour	1 Keyes Gardens, Newcastle Upon Tyne, NE2 3RA Tel: 0191 285 3447 john.stokel-walker@newcastle.gov.uk
Stone	Liberal Democrats	28 Victoria St, Newcastle Upon Tyne, NE4 7JU Tel: 0191 261 9753/0774 7862 582 greg.stone@newcastle.gov.uk
D Wood	Labour	51 Borrowdale Avenue, Newcastle upon Tyne, NE6 4HL Tel: 0191 263 0017 dave.wood@newcastle.gov.uk
<b>North Tyneside (3)</b>		
<b>Councillor</b>	<b>Party</b>	<b>Contact Details</b>
Hodson	Conservative	76 Monkseaton Drive, Whitley Bay, Tyne and Wear, NE26 3DG Tel: 0191 252 4513 Edwin.hodson@northtyneside.gov.uk



Lott	Labour	112 Dolphin Quay, Clive Street, North Shields, NE29 6HS Tel: 0191 200 5349 frank.lott@northtyneside.gov.uk
O'Shea	Labour	Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY Tel (mobile): 07581 491727 john.o'shea@northtyneside.gov.uk
<b>South Tyneside (2)</b>		
<b>Councillor</b>	<b>Party</b>	<b>Contact Details</b>
Hobson	Labour	154 Beach Road, South Shields, Tyne and Wear NE33 2NN Tel: to be confirmed cllr.gladys.hobson@southtyneside.gov.uk
Smith	Labour	14 Holland Park Drive, Jarrow NE32 4LL Tel: to be confirmed alan.smith@southtyneside.gov.uk
<b>Sunderland (4)</b>		
<b>Councillor</b>	<b>Party</b>	<b>Contact Details</b>
Blackburn	Labour	8 Hartside Gardens, Easington Lane, DH5 0NQ Tel: 0191 517 1480 cllr.james.blackburn@sunderland.gov.uk
Curran	Labour	30 Dunmore Avenue, Seaburn, Sunderland Tel (mobile): 07833482314 cllr.barry.curran@sunderland.gov.uk
Lawson	Labour	3 Marne Street, Shiney Row, Houghton-le-Spring, DH4 7AG Tel: 0191 385 2125 cllr.anne.hall@sunderland.gov.uk
P Wood	Conservative	24 Lutterworth Road, Sunderland, SR2 9AX Tel: 0191 522 6036 cllr.peter.wood@sunderland.gov.uk

The political composition of the Authority in 2012/13 is as follows:  
12 Labour and 4 Opposition Members (2 Liberal Democrats and 2 Conservatives)







---

**DATE:** 31 MAY 2012

**SUBJECT:** APPOINTMENT OF COMMITTEES AND WORKING GROUPS FOR THE MUNICIPAL YEAR 2012/13

**REPORT OF:** THE CLERK

---

## PURPOSE OF REPORT

The purpose of the report is to invite the Authority to appoint such committees and working groups as are required for the Municipal Year 2012/13.

The report also invites the Authority to appoint its representatives to serve on outside bodies.

## RECOMMENDATIONS

The Authority is invited to:

- (i) appoint its committees and working groups for the Municipal Year 2012/13 as set out in Appendix 1;
- (ii) agree the Terms of Reference of the appointed committees and working groups as set out in Appendix 2;
- (iii) appoint membership of its committees and working groups and appoint Chairs and Vice-Chairs to those committees and working groups where appropriate.

## BACKGROUND DOCUMENTS

Standing Orders.

## CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
Victoria Miller	<a href="mailto:victoria.miller@newcastle.gov.uk">victoria.miller@newcastle.gov.uk</a>	0191 211 5118



**IMPACT ON OBJECTIVES**

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

## Appendix 1: Committees and Working Groups

### (a) Delegated Committee

Proposed day and time of meeting: as and when required

Nominations (ITA Lead Members or their substitutes): 3 (2+1)

#### Membership:

Party	Councillor	Special Responsibility
Labour		
Labour		
Opposition Member		

### (b) Standards and Audit Committee\*

Proposed day and time of meeting: 3 meetings a year

Nominations (ITA Members): 5 (4+1) plus 4 independent members

**\*Note** - It is proposed that this Committee continue in its current form until the end of June 2012. From the beginning of July, it is envisaged that it will be replaced by 2 separate committees, but each with the same membership. See report No. 12 on today's agenda.

#### Membership:

Party	Councillor	Independent member	Special Responsibility
Labour			
Labour			
Labour			
Labour			
Opposition Member			
		Mr Scrimshaw	
		Ms Green	
		Mr Atkinson	
		Mr Clark	



**(c) Metro Sub-Committee**

Proposed day and time of meeting: 10.30am on Thursday, 4 meetings a year

Nominations: ITA Members: 8 (6+1+1) or substitutes: 7 (5+1+1)

**Membership:**

Party	Councillor	Special Responsibility
Labour		Chair
Labour		Vice-Chair
Labour		
Labour		
Labour		
Labour		
Opposition Members		
Opposition Members		

**Substitute Members: 7 (5+1+1)**

Order of priority	Councillor
Labour:	
1	
2	
3	
4	
5	
Liberal Democrats:	
1	
Conservatives:	
1	



**(d) Scrutiny Advisory Group**

Proposed day and time of meeting: 1pm on 2<sup>nd</sup> Thursday, 4 meetings a year

Nominations (2 representatives nominated by each Council plus, if necessary to ensure two representatives from the ITA's Minority Political Groups, up to two nominations by those Groups).

**Membership:**

District Council	Councillor	Party	Special Responsibility
<b>Gateshead (2)</b>			
	M Graham	Labour	
	T Graham	Labour	
<b>Newcastle (2)</b>			
	Fairlie	Labour	
	G Pattison	Labour	
<b>North Tyneside (2)</b>			
	Sarin	Conservative	
	Green	Labour	
<b>South Tyneside (2)</b>			
	Porthouse	Labour	
	Watters	Labour	
<b>Sunderland (2)</b>			
	Padgett	Labour	
	Tate	Labour	

**(e) Local Transport Plan Working Group**

Proposed day and time of meeting: 10.30am on 2<sup>nd</sup> Thursday (with exceptions), 4 meetings a year

Nominations (3 ITA Members and 1 representative nominated by each Council): 8

**Membership:**

**ITA Representatives (Nominated by the ITA):**

Chair – Councillor .....

Vice Chair – Councillor .....

Opposition Representative – Councillor .....

**Council Representatives:**

Gateshead: Councillor McElroy

Newcastle: Councillor Murison

North Tyneside: Councillor J Allan

South Tyneside: Councillor Kerr

Sunderland: Councillor Blackburn



**(f) Equality and Diversity Working Group**

Proposed day and time of meeting: 10.30am on 3<sup>rd</sup> Thursday, 4 meetings a year

Nominations (3 ITA Members and 1 representative nominated by each Council): 8

**Membership:**

**ITA Representatives (Nominated by the ITA):**

- Chair - Councillor .....
- Vice Chair – Councillor .....
- Opposition Representative – Councillor .....

**Council Representatives:**

- Gateshead: Councillor L Green
- Newcastle: Councillor Todd
- North Tyneside: Councillor Mulvenna
- South Tyneside: Councillor Kerr
- Sunderland: Councillor Trueman

**(g) Bus Strategy Working Group**

Proposed day and time of meeting: as and when required, 10.30 on Thursday

Nominations (3 ITA Members and 1 representative nominated by each Council): 8

**Membership:**

**ITA Representatives (Nominated by the ITA):**

- Chair – Councillor .....
- Vice Chair - Councillor .....
- Opposition Representative .....

**Council Representatives:**

- Gateshead: Councillor Douglas
- Newcastle: Councillor Todd
- North Tyneside: Councillor M Green
- South Tyneside: Councillor Hobson
- Sunderland: Councillor

**(h) Tyne Tunnels Working Group**

Proposed day and time of meeting: 10am on 3<sup>rd</sup> Friday, bi-monthly

Nominations (ITA Members): 7

**Membership:**

Councillors: .....



**(i) Council Transport Spokesmen (ITA Members)**

- Councillor ..... - (Gateshead)
- Councillor ..... - (Newcastle)
- Councillor ..... - (North Tyneside)
- Councillor ..... - (South Tyneside)
- Councillor ..... - (Sunderland)

**(j) Outside Bodies**

**1) Local Government Association:**

**Membership:**

Councillors: .....

**2) ITA Special Interest Group**

**Membership:**

Councillors: .....



## **Appendix 2:**

### **Terms of Reference of the Committees and Working Groups**

#### **(a) Delegated Committee**

##### **Terms of Reference**

This will be a formal committee of the ITA, to meet as and when required, with the following terms of reference:

To deal with urgent matters that cannot wait until the next full meeting of the Authority.

#### **(b) Standards and Audit Committee\***

##### **Terms of Reference**

This will be a formal committee of the ITA, to meet three times a year, with the following terms of reference:

##### **Standards**

1. To promote and maintain high standards of conduct by members of the Authority.
2. To assist Members to observe the Authority's Code of Conduct for Members.
3. To advise the Authority on the adoption or revision of the Code of Conduct for Members.
4. To monitor the operation of the Authority's Code of Conduct for Members.
5. To advise, train or arrange to train members on matters relating to the Authority's Code of Conduct for Members.
6. To consider and determine any allegations of misconduct made against individual members of the Authority regarding breaches of the Authority's Code of Conduct and any allegations of misconduct regarding breaches of the Authority's local protocols and to make appropriate recommendations to the Authority.
7. To grant dispensations to Members from requirements relating to interests set out in the Authority's Code of Conduct for Members (in accordance with the Standards Committee (Further Provisions) (England) Regulations 2009 or any amendment thereto).





## **Audit**

### **8. Purpose of the Committee**

The purpose of the Committee, in relation to audit matters, is to:

- 8.1 provide independent assurance of the adequacy of the risk management framework and the associated control environment;
- 8.2 provide independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment;
- 8.3 oversee the financial reporting process.

### **9. The Committee's roles and responsibilities:**

- 9.1 to act as the principal advisory committee to the Authority in relation to audit and governance issues;
- 9.2 to review annually the effectiveness of the Authority's internal control environment;
- 9.3 to carry out an annual self assessment of its effectiveness;
- 9.4 to prepare an annual report for consideration by the Authority;
- 9.5 to undertake a number of functions in relation to Governance and Audit issues, and advise the Authority upon such matters as and when is necessary (see 10 and 11 below);
- 9.6 to consider reports from other external and inspection agencies;
- 9.7 to review issues relating to the Authority's accounts (see 12 below).

### **10. The Committee's Governance Role**

- 10.1 to consider and promote the Authority's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice;
- 10.2 to maintain an overview of the Authority's contract procedure rules and financial regulations;
- 10.3 to review any issues referred to it by the Clerk of the Authority and the Authority itself;



- 10.4 to consider the effectiveness, and monitor and promote the effective development and operation, of risk management in the Authority. This will include consideration of the Annual Risk Management Review;
- 10.5 to consider the effectiveness of the Authority's anti-fraud and anti-corruption arrangements including whistleblowing;
- 10.6 to review the Authority's Local Code of Corporate Governance and Annual Governance Statement and to recommend their adoption to the Authority;
- 10.7 to consider the Authority's compliance with its own and other appropriate published standards and controls and to make recommendations where necessary;
- 10.8 to consider the Authority's following documents:
- Budget monitoring reports
  - Value for Money Self Assessments
  - Performance Management information and associated performance indicators.

## **11. The Committee's Audit Role**

### **11.1 Internal Audit**

- (i) to approve the strategic and annual audit plans and to monitor internal audit activity against both plans;
- (ii) to consider the Head of Audit and Strategic Risk's Annual Audit Report and Opinion on the overall adequacy and effectiveness of the Authority's control environment, which supports the Annual Governance Statement;
- (iii) to consider summaries of specific internal audit reports as requested;
- (iv) to consider reports dealing with the management and performance of the providers of internal audit services;
- (v) to consider any report from Internal Audit on agreed recommendations not implemented within a reasonable timescale;
- (vi) to receive and consider the results of an annual review of the effectiveness of internal audit.



## 11.2 External Audit

- (i) to consider the external auditor's annual letter, relevant reports, and the report to those charged with governance;
- (ii) to consider specific reports as agreed with the external auditor;
- (iii) to comment on the scope, focus and depth of the external audit plan of work and to ensure it gives value for money;
- (iv) to commission work from external audit.

## 12. Accounts

- 12.1 to review the Annual Statement of Accounts including consideration as to whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority;
- 12.2 to consider the external auditor's report to those charged with governance on issues arising from the audit of the Accounts.

**\*Note** - It is proposed that this Committee continue in its current form until the end of June 2012. From the beginning of July, it is envisaged that it will be replaced by 2 separate committees, but each with the same membership. See report No. 12 on today's agenda.

## (c) Metro Sub-Committee

### Terms of Reference

This will be a formal advisory sub-committee of the ITA, to meet 4 times a year, with the following terms of reference:

1. To monitor progress and delivery of the Tyne and Wear Metro "Concession Agreement" between Nexus and DB Regio Tyne and Wear Limited.
2. To review service standards and fare setting policy in relation to the Tyne and Wear Metro.
3. To monitor progress and delivery of the Metro Asset Renewal Plan.
4. To make any report, comments or recommendations to the ITA or Nexus in relation to any of the above matters as it considers appropriate from time to time.



5. To lead consultation with strategic partners on long term development planning for the Metro system.
6. Members of the Sub-Committee will have substitute members: five named substitutes for the majority political group to be listed in priority order so that the second will only be called on if two existing group members of the Sub-Committee are unable to attend and so on, one named substitute from the Liberal Democrats and one substitute member for the Conservative group. This 'priority' arrangement means that the first substitute member will be used more regularly, giving more consistency and continuity.

#### **(d) ITA Scrutiny Advisory Group**

##### **Terms of Reference**

This will be an informal advisory group of the ITA, to meet four times a year, with the following terms of reference:

1. To consider, and give advice or make recommendations to the ITA, on the discharge of its functions.
2. To review or scrutinise decisions made, or other action taken, in connection with the discharge of the ITA's functions.
3. To consider, and give advice or make recommendations to the ITA, on matters which affect Tyne and Wear or those who work, live or visit there and which relate to the ITA's functions.

#### **(e) Local Transport Plan Working Group**

##### **Terms of Reference:**

This will be an informal advisory working group of the ITA, to meet 4 times a year, with the following terms of reference:

1. To offer advice and recommendations to ITA on the implementation and delivery of Local Transport Plan 3, including the local transport capital investment programme for Tyne and Wear.
2. To give such advice, and make such recommendations to the ITA as it considers appropriate on any matters arising in relation to the LTP, and provide a strategic steer to officers working on behalf of the ITA on LTP3.



3. To help develop and co-ordinate the working relationships between the ITA, Nexus, the five metropolitan districts, the two neighbouring unitary authorities, LEP and any other body needed to deliver LTP3 for Tyne and Wear.
4. To offer advice and recommendations to the ITA as it considers appropriate on matters arising in relation to transport policy, priorities and funding opportunities.
5. In order to assist its work in relation to 1, 2, 3 and 4 above, to act as a forum for dialogue with relevant and appropriate representatives.
6. To monitor the Local Sustainable Transport Fund (LSTF) process.

#### **(f) Equality and Diversity Working Group**

##### **Terms of Reference**

This will be an informal advisory working group of the ITA, to meet 4 times a year, with the following terms of reference:

1. To monitor the implementation, delivery and progress of the Equality Act 2010 and the process that the ITA uses to ensure that equality considerations are included in its decision making: this is more in line with the new act.
2. To monitor outcomes arising from the above.
3. To give such advice, and make such recommendations to the ITA as it considers appropriate on any matters arising in relation to that Scheme or Equality Impact Assessment to better ensure effective outcomes.
4. To help develop an understanding of equalities legislation as it pertains to transport in general.
5. In order to assist its work in relation to 1, 2, 3 and 4 above, to act as a forum for dialogue with representatives of the various communities of interest in Tyne and Wear, and with transport operators and other service providers.

#### **(g) Bus Strategy Working Group**

##### **Terms of Reference**

This will be an informal advisory group of the ITA, to meet as and when required, with the following terms of reference:

1. To monitor progress, implementation and delivery of the Bus Strategy.



2. To monitor operation of the Accessible Bus Network.
3. To give such advice, and make such recommendations to the ITA as it considers appropriate on any matters arising in relation to that Plan, Project or Network to better ensure their effective outcome.
4. To help develop partnership arrangements with bus operators.
5. In order to assist its work in relation to 1, 2, 3 and 4 above, to act as a forum for dialogue with representatives of the commercial bus operators, bus users and other interest groups, where appropriate.

#### **(h) Tyne Tunnels Working Group**

##### **Terms of Reference**

This will be an informal advisory working group of the ITA, to meet 4 times a year, with the following terms of reference:

To monitor matters at the Tyne Tunnels, including tolls increase applications, performance of the concessionaire in operating the tunnels and delivery of the Phase 3 Improvement Works to the Pedestrian and Cyclist Tunnels.

#### **(i) Outside Bodies**

##### **1) Local Government Association**

The Tyne and Wear ITA is entitled to representation on the Local Government Association (LGA), particularly in relation to strategic and policy matters on transport.

##### **2) Special Interest Group**

The Chairman, Vice Chairmen and the Leader of Opposition (or their substitutes) to represent the Tyne and Wear ITA at meetings of the Special Interest Group which acts as a forum for the development of urban public transport policy on behalf of the Local Government Association and also for the discussion of matters of common concern and exchange good practice and experience.

(The Special Interest Group consists of representatives of 6 national ITAs. The representatives are appointed by the ITAs at their Annual Meeting, normally from Chairs, Vice Chairs and Leaders of Opposition).



---

**DATE:** 31 MAY 2012  
**SUBJECT:** CALENDAR OF MEETINGS 2012/13  
**REPORT OF:** THE CLERK

---

## **PURPOSE OF REPORT**

The purpose of the report is to invite the Authority to confirm its calendar of meetings for 2012/13.

## **RECOMMENDATIONS**

The Authority is recommended to approve its calendar of meetings for 2012/13 as in Appendix 1.

## **BACKGROUND DOCUMENTS**

The minutes of the Annual Meeting held on 26 May 2011.

## **CONTACT OFFICERS**

<i>name</i>	<i>email</i>	<i>phone</i>
Victoria Miller	<a href="mailto:victoria.miller@newcastle.gov.uk">victoria.miller@newcastle.gov.uk</a>	0191 211 5118

## **IMPACT ON OBJECTIVES**

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

## Appendix 1: Calendar of Meetings

<b>TYNE AND WEAR INTEGRATED TRANSPORT AUTHORITY (ITA)</b>		
<b>ITA Chairman and Vice-Chairmen's pre-agenda meeting</b>	<b>ITA Meetings</b>	<b>ITA Policy Seminars</b>
10am on 3 <sup>rd</sup> Monday, bi-monthly, Nexus House	10am on 4 <sup>th</sup> Thursday, bi-monthly, Newcastle Civic Centre  Annual Meeting: 10am on 5 <sup>th</sup> Thursday in May.	9.30am on 4 <sup>th</sup> Thursday in the month when the ITA does not meet, Nexus House/Newcastle Civic Centre/on site
	31 May 2012 - Annual Meeting	14 June 2012 - Away Day, Newcastle Civic Centre  28 June 2012 (to be confirmed)
16 July 2012	26 July 2012	23 or 30 August 2012 – Annual Inspection and Tour (to be confirmed).
17 September 2012	27 September 2012	25 October 2012
12 November 2012	22 November 2012	
14 January 2013	24 January 2013	28 February 2013
18 March 2013	28 March 2013	25 April 2013
	30 May 2013 - Annual Meeting	

### **ITA Metro Sub-Committee**

10.30am on Thursday, 4 meetings a year, Newcastle Civic Centre

Thursday 12 July 2012

Thursday 8 November 2012

Thursday 10 January 2013

Meeting 4 - to be confirmed

### **ITA Standards and Audit Committee\***

3 meetings a year, Newcastle Civic Centre

\*Dates to be confirmed





### **ITA Scrutiny Advisory Group**

1pm on 2<sup>nd</sup> Thursday, 4 meetings a year

12 July 2012 (Newcastle Civic Centre)

11 October 2012 (Sunderland Civic Centre)

14 February 2013 (North Tyneside Town Hall)

11 April 2013 (South Tyneside Town Hall)

### **ITA Tyne Tunnels Working Group**

10am on 3<sup>rd</sup> Friday, 4 meetings a year, TT2 Management Building

15 June 2012

21 September 2012

21 December 2012

15 March 2013

### **ITA Local Transport Plan Working Group**

10.30am on 2<sup>nd</sup> Thursday (with exceptions), 4 meetings a year,  
Newcastle Civic Centre/Mansion House

5 July 2012

11 October 2012 (Mansion House, Fernwood Avenue)

20 December 2012

11 April 2013

### **ITA Equality and Diversity Working Group**

10.30am on 3<sup>rd</sup> Thursday, 4 meetings a year, Newcastle Civic Centre

19 July 2012

18 October 2012

17 January 2013

18 April 2013

### **ITA Bus Strategy Working Group (serviced by Nexus)**

10.30am on Thursday, as and when required, Newcastle Civic Centre

5 July 2012

4 October 2012

13 December 2012

14 March 2013





---

## Tyne and Wear Integrated Transport Authority

22 March 2012  
(10.05 - 10.45 am)

---

### **Present:**

Councillor: D Wood (Chair)

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

### **In attendance:**

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

B Rowland - Clerk (ITA)  
P Woods - Deputy Clerk and Treasurer (ITA)  
I Poll - Head of Democratic Services  
H Emms - Transport Policy Adviser to the ITA  
E Goodman - Senior Accountant (ITA)  
G Grant - Senior Transport Policy Officer (ITA)  
J Davison - Policy and Information Officer, ITA Scrutiny Team  
N Whitefield - Press Officer  
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

### **114. APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

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

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

### **116. 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**

### **(i) Minutes of the previous meeting**

#### **(a) Metal theft on the Tyne and Wear Metro network**

(Minute 100 (b) refers)

On request from a member, officers provided an update on the issue of metal theft from the Metro network. It was noted that the problem was being addressed through working closely with the Police and also as the result of national initiatives which were now beginning to take effect. It was confirmed that there had been arrests and prosecutions.

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

(Minute 100 (f) refers)

B Garner provided an update on the work undertaken to consult with key stakeholders, including elected members and bus operators, on the Bus Strategy Delivery Project. He listed a number of the engagement events held and confirmed that the majority of stakeholders were supportive of the proposals.

### **(ii) ITA Budget 2012/13 and Medium Term Financial Strategy**

(Minute 101 refers)

#### **(a) The levy formula**

P Woods reported that officers were lobbying the Government for a revision of the legislation to ensure an equal position for metropolitan and non-metropolitan areas in relation to calculation of the levy and the threshold for triggering a Council Tax referendum.

#### **(b) The concessionary travel formula**

P Woods also reported that a national working group was reviewing the finding formula arrangements in relation to concessionary travel. Information on the results of this work would be provided to the Authority when available. In response to a member's request to clarify the matter, officers confirmed that the affordability of concessionary travel was a long-term national issue which was particularly exacerbated in areas such as Tyne and Wear. The forecast based on the existing formula predicted a significant deficit in funding in future years, which needed to be addressed.

A member spoke in support of a fairer funding formula for concessionary travel. He emphasised that there was a deficit between the grant received from the Government and the payments made by Nexus to cover the existing demand for concessionary travel.

**(c) Bus Strategy Delivery Project**

In response to a member's question, it was clarified that the Authority had instructed Nexus to prepare a draft Quality Contract Scheme. In parallel, discussions were being held with bus operators to explore the scope for developing meaningful partnerships to deliver better buses. A member welcomed the fact that both options were being given consideration.

**117. COUNCILLORS HANSON AND KEATING**

In the light of the forthcoming new municipal year, the Chair thanked all members for their work in 2011/12.

Special thanks were offered to Councillors Hanson and Keating who were not standing for election this year. Members commended Councillor Hanson's contribution in particular to the development of the New Tyne Crossing and Councillor Keating's long-term commitment to the work of the Authority.

**118. SEATON BURN PETITION**

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

T Hughes presented the report which informed members of a petition received from residents of Seaton Burn in relation to the diversion of bus services X14 and X15. The report also sought members' endorsement of the proposed response.

During the ensuing discussion, it was confirmed that the responsibility for the provision of the two commercial services remained with Arriva.

A member recommended that the response to the petitioners should include a reference to the Bus Strategy Delivery Project.

**RESOLVED** – That:

- (i) the petition be noted;
- (ii) the response to the petition as set out in section 5 of the report be endorsed subject to the inclusion of a reference to the Bus Strategy Delivery Project.

**119. REVENUE BUDGET MONITORING REPORT TO FEBRUARY 2012**

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

P Woods presented the budget monitoring report for the period 1 April 2011 -29 February 2012.

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

120. **RATE OF INCREASE OF MEMBERS' ALLOWANCES 2012/13**

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

Members considered the report which set out the recommendations of the Independent Remuneration Panel regarding the rate of increase of the Authority members' allowances for 2012/13.

**RESOLVED** – That:

- (i) With effect from 1 April 2012, the 2011/12 Members' Allowances Scheme be revoked;
- (ii) A new Members' Allowances Scheme be made for 2012/13 to take effect from 1 April 2012;
- (iii) For the purposes of the Members' Allowances Scheme 2012/13, members' allowances remain unchanged.

121. **BETTER BUS AREA FUND - FINAL SUBMITTED BID**

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

H Emms presented the report which provided an outline of the final content of the Authority's bid for Better Bus Area Fund as approved by the Delegated Committee on 20 February 2012 and submitted to the Department for Transport (DfT) on 24 February 2012.

During the ensuing discussion, a member noted that Section A5 of the Application Form read "Sunderland Council". It was noted that in future officers should ensure such references read "Sunderland City Council".

It was agreed that officers would provide members with information on the following:

- the subsidy provided to support Metro and secured bus services;

- the breakdown between the partners, namely the Tyne and Wear local authorities and Nexus, of the amalgamated budget allocated for the purpose of the Better Bus Area Fund bid.

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

**122. LOCAL SUSTAINABLE TRANSPORT FUND - KEY COMPONENT BID**

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

H Emms presented the report which informed members of the progress made towards the delivery of the Authority's Local Sustainable Transport Fund (LSTF) Key Component (KC) project.

**RESOLVED** – That

(i) the outputs and achievement of Year 1 be noted;

(ii) the actions currently underway in preparation for the outcome of the large bid, as in section 5 of the report, be endorsed.

**123. 2012/13 NON-METRO CAPITAL PROGRAMME UPDATE**

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 sought members' approval of the updated 2012/13 Non-Metro Capital Programme as a result of the additional LTP grant received in 2011/12.

During the ensuing discussion it was confirmed that the rolling out of the provision of real time information was one of the elements of the programme. A report on this and also on the respective position across Tyne and Wear would be provided to a future meeting.

**RESOLVED** – That:

- (i) The amended Nexus' non-Metro schemes for 2012/13 as detailed in Appendix A be approved;
- (ii) The utilisation of up to £135,000 in 2011/12 as the local contribution towards the bid for the Green Bus Fund, as part of delivering an enhanced service 700 in the Sunderland city centre, be approved.

**124. ELIGIBILITY FOR 16-18 METRO STUDENT CARD FARES**

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

B Garner presented the report which sought members' approval of the proposed extension of the eligibility of the existing 16-18 Metro Student Card to all young people aged 16-18 and re-naming it as "16-18 MetroSaver".

The Authority discussed the eligibility of 16-18 MetroSaver and the forecasted sales. In responding to a member's recommendation that the eligibility of the proposed 16-18 MetroSaver should include unemployed young people, officers confirmed that the product would target all young people of the specified age and this would be reflected in the marketing campaign.

**RESOLVED** – That the eligibility change outlined in the report be approved.

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

Thursday, 31 May 2012 at 10am (Annual Meeting).

The Chair suggested that members should have an Away Day in June 2012, perhaps as part of the Policy Seminar, to see how the Authority could re-focus its work to better achieve its goals and aspirations within the modern environment.

126. **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.





**DATE:** 31 May 2012

**SUBJECT:** The New Standards Regime – Proposed Arrangements

**REPORT OF:** ITA Standards and Audit Committee

---

## PURPOSE OF REPORT

To agree new local arrangements to regulate the conduct of ITA members from 1 July 2012.

## RECOMMENDATIONS

**The Authority** is asked to consider and approve the proposals set out in paragraphs 3.4, 4.5, 5.8, 6.10, 7.3, 8.3 and 10.6 of this report.

## BACKGROUND DOCUMENTS

None

## CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
Stuart Ovens, Head of Corporate Law	<a href="mailto:stuart.ovens@newcastle.gov.uk">stuart.ovens@newcastle.gov.uk</a>	ext 27122
Helen Wilson, Solicitor	<a href="mailto:helen.p.wilson@newcastle.gov.uk">helen.p.wilson@newcastle.gov.uk</a>	ext 25110

## IMPACT ON OBJECTIVES

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

1	<b>Executive Summary</b>
1.1	This report proposes new standards arrangements for the ITA from 1 July following recent legislative changes.
2	<b>Introduction and Background</b>
2.1	<p>The Committee has considered various reports on the changes to the standards regime made by the Localism Act 2011 (“the Act”). This report (a) describes those changes (b) identifies the issues the Authority needs to consider and (c) makes proposals on how the Authority might best implement a new regime.</p> <p>Standards for England ceased to exist on 31 March 2012 but the Government have indicated other parts of the existing standards regime will remain until 1 July 2012 when the new legislative provisions will come into force.</p>
2.2	<p>The new system has some mandatory elements, but much more scope for local discretion on what arrangements to put in place. Set out below is an overview of the new provisions:</p> <p>(a) The Authority will be under <b>a statutory duty to promote and maintain high standards of conduct</b> by its members and co-opted members.</p> <p>(b) The Authority <b>must adopt a code of conduct</b> dealing with the conduct of its elected and co-opted members when acting in that capacity. There will be no statutory model code. The Authority’s code can contain whatever it thinks appropriate, provided it is consistent (when viewed as a whole) with the following seven principles: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership. However, it must include such provision as the Authority thinks appropriate for the registration and disclosure of pecuniary and other interests.</p> <p>Members will no longer need to give a formal undertaking to comply with the code.</p> <p>(c) The Authority <b>must put in place arrangements under which written allegations of breach of the code of conduct can be investigated, and decisions on them can be made.</b> Alleged failures to comply with the code can only be dealt with under these arrangements, and in no other way. The arrangements can be whatever the Authority chooses except that –</p> <p>(d) They must include the appointment by the Authority of <b>at least one Independent Person</b>, recruited through public advertisement and approved by a majority of Authority members.</p>



The Independent Person's role is to give a view on any alleged breach of the code, if asked by either the Authority or any member who is the subject of a complaint. The Authority must ask for the Independent Person's views before finally determining any allegation it has investigated.

(e) The **existing statutory sanctions for a breach of the code of conduct are abolished**. Thus there will be no scope for partial or total suspension or disqualification of a member. The Authority will be limited to its common law powers, which essentially are (i) formal censure (ii) publication of the breach (in whatever way it might choose) (iii) removing a member from a particular committee (subject to approval of the member's political group where the political balance rules apply) and (iv) asking the member to undergo training.

(f) The Monitoring Officer must maintain a **Register of Members' interests**. This will be a new register, not a continuation of the existing one, and (subject to the next paragraph) it is for the Authority to decide what must be included in it. It must be published on the Authority's website, and be available for inspection at all reasonable times.

(g) **Disclosable Pecuniary Interests ("DPIs")** must be notified to the Monitoring Officer for entry on the Register within 28 days of a member being appointed to the Authority. These are still to be defined in regulations to be made by the Government. However, they will extend not only to a Member's own interests, but also to those of their spouse, civil partner, or other person with whom the member is living as if they were spouses or civil partners, so long as the member is aware that their spouse (etc) has such an interest.

Apart from DPIs, it is for the Authority to decide what other interests should be registered. Oddly, the Act does not require members to keep register entries up to date. The Authority could, however, include such a requirement in its code of conduct; otherwise the Register may be misleading.

Sensitive interests can be withheld from public access of the Register, but only where there is a danger of violence or intimidation.

(h) **A member at a meeting must disclose a DPI in any matter considered at the meeting if the DPI is not registered**. S/he must then register it with the Monitoring Officer within 28 days. If the interest is already registered, the Act does not require the Member to declare it at the meeting but the Authority could require this in its code of conduct.

(i) **If a member at a meeting has a DPI in any item of business, s/he**



	<p><b>may not take part in the debate, nor vote, unless they have obtained a dispensation.</b> There is no legal requirement to leave the room, but the Authority could require this in its standing orders.</p> <p>(j) There is a more generous regime of <b>dispensations</b> for members to speak and vote where they have a DPI. At present, the grounds for a dispensation are very limited. In future, members may be given a dispensation either to speak but not vote, or to speak <i>and</i> vote, on several grounds, including that it would be in the interests of local people to allow a dispensation, or that it is simply “appropriate to grant a dispensation”. Dispensations may last for up to 4 years.</p> <p>(k) It will be a <b>criminal offence</b> for a member, without reasonable excuse, to breach the statutory requirements on the registration, and disclosure, of DPis, as will knowingly or recklessly providing false or misleading information in relation to such interests. Any prosecution requires consent of the Director of Public Prosecutions. On conviction, a Member may be fined and/or disqualified for up to five years.</p>
<b>2.3</b>	<p>Thus, there are various decisions to be made about the design of a new standards system for the Authority from 1 July.</p> <p>The Committee was aware that Newcastle Council (as lead authority for the ITA) has been considering its own arrangements.</p> <p>Many of the proposals in this report are therefore based on the lead authority’s intentions which in turn may be very similar to those of the other four constituent councils. The Committee recommends the proposals in this report to the Authority.</p>
<b>3.</b>	<b>A New Code of Conduct for Members</b>
<b>3.1</b>	<p>This is a key area for decision: the Authority can choose its own code of conduct, provided it is consistent with the seven Nolan principles, and contains some provision about the registration and disclosure of pecuniary and non-pecuniary interests.</p>
<b>3.2</b>	<p>Until it is known how Disclosable Pecuniary Interests (“DPis”) are to be defined by the Government, it is hard to know what remaining interests might be included in a new code.</p>
<b>3.3</b>	<p>In April, the Local Government Association (“LGA”) issued a draft ‘template code’ and the Department for Communities and Local Government (“CLG”) also issued an ‘illustrative text’ of a code. They are both drafted in similar (very general) terms. They describe broad principles but give no clear indication, either for members or the</p>



public, about the behaviour expected of members or what exactly will comprise a failure to comply with the code. We agreed with officers that these drafts were not very satisfactory.

Instead we took the view the Authority's existing code of conduct (essentially the statutory model code) was a sensible starting point for deciding what provisions the Authority might want to see in its new one. We felt it had largely proved satisfactory and was supported by precedent, and guidance from Standards for England, over the past 12 years

We analysed the existing provisions and considered possible additional ones. We also considered the issue of personal interests, noting this largely depends upon the statutory definition of DPIs which at the time of writing this report is still not available.

We were also advised that local Monitoring Officers had prepared and endorsed a draft "North East Region Code", which is largely based on the existing model code and was likely to be recommended to each of the north-east local authorities.

That draft is set out at **Appendix 1**. We recommend it for adoption by the Authority, subject only to any necessary amendment once the Government's regulations defining DPIs are published.

---

**3.4 Recommendation 1:**

**(a) That the draft Code of Conduct at Appendix 1 fairly represents what the Authority would wish to see in its code and that that draft be adopted subject only to considering the statutory definition of DPIs once known.**

**(b) That once the Regulations defining DPIs are to hand, the Monitoring Officer, after consultation with the Chairs of the Authority and of its Standards and Audit Committee, suitably amend the draft at Appendix 1 before referral to the Authority for formal adoption.**

---

**4. Standards Committee**

**4.1** Whilst there will be no duty to have a Standards Committee, there will still be a need for a group of members to consider any alleged breaches of the code and, if appropriate, decide what sanction to impose.

It seems sensible to retain a Standards Committee of some sort, and one with decision-making powers, to avoid complaints being referred to the full Authority.

It will be a normal committee, without the unique features conferred



by the previous legislation. Thus:

(a) It will be governed by the political balance rules (unless the Authority votes otherwise with no member voting against).

(b) The current statutory co-opted independent members will cease to hold office. The new statutory Independent Person may be invited to meetings but cannot in law be co-opted onto the Committee.

(c) The Authority can however, if it wishes, co-opt other independent members onto its Standards Committee. However, if it is to be decision-making, any such co-optee would have no voting rights.

Continuing to have independent members on the Committee (albeit non-voting) would help maintain its political impartiality. We think this benefit outweighs any concern about potential confusion over the respective roles of independent members of the Committee and the statutory Independent Person. We therefore recommend any future standards committee continue to have some independent members on it.

---

**4.2** The existing Standards and Audit Committee comprises five elected members of the Authority and four independent members. We consider this will remain a sensible membership of a future standards committee.

It is difficult however to retain a single committee. This is because on standards issues, the committee can only sensibly operate if it is a decision making body (with its independent members being non-voting) whereas the audit function is an advisory one in respect of which independent members should have the right to vote.

We therefore recommend that from 1 July the existing committee be reconstituted into two separate committees, a Standards Committee and an Audit Committee, but with exactly the same membership (5 elected members and 4 independents) and with meetings of the two committees taking place on the same day, one immediately after the other. When sitting on the Standards Committee, the independent members would be non-voting but, when sitting on the Audit Committee, they would have voting rights.

---

**4.3** The current Standards and Audit Committee is chaired by one of its independent members.

The chair of the new Audit Committee should certainly continue to be an independent member.

One question we considered was whether the chair of the new Standards Committee should also be one of its independent



members, despite the fact that person would not have any right to vote?

This would be unusual and would prevent the use of any second or casting vote by the chair in the event of a tied vote.

We were advised that a non-voting chair is probably legally permissible. There is no statutory provision preventing this. Legislation does provide that a committee chair shall have a second or casting vote but this can probably be construed as only intended to apply if the chair has the right to vote in the first place.

We noted that in practice, on standards matters, tied votes are unusual and where they do arise, the 'status quo in the absence of a positive vote' rule can be applied.

We recognised that an independent chair might further encourage continued political impartiality of the Standards Committee (despite it having to be politically balanced) and help replicate its existing culture, as far as is possible, under the new legislation. We were advised that for this reason the lead authority was likely to have an independent chair of its new standards committee.

However, during discussion, it became clear that one or more of the other constituent authorities may not necessarily take the same view about having an independent non-voting chair.

In the circumstances, the Committee did not think it was appropriate to make a recommendation to the Authority on this but to simply raise the issue for the Authority to decide.

---

**4.4** **Appendix 2** lists suggested delegated powers for the new Standards Committee based on the proposals in this report.

---

**4.5** **Recommendation 2 –**

**(a) The creation of two separate committees, on the basis described in 4.2, be agreed to replace the existing Standards and Audit Committee;**

**(b) The new Standards Committee (as well as the Audit Committee) comprise the same 5 elected members of the Authority, appointed on a politically balanced basis, and four independent members;**

**(c) Both committees comprise the same four independent members, but with voting rights when sitting on Audit Committee and no voting rights when sitting on Standards Committee;**

**(d) Standards Committee be given the delegated powers set out in Appendix 2 and the new Audit Committee's delegations be amended**



accordingly.

Updated terms of reference for the Audit Committee are set out in the report on the “Review of Corporate Governance Arrangements” which is also on today’s agenda.

**(e) That the Authority consider whether or not the Chair of the Standards Committee should be either one of its (non-voting) independent members or one of its elected members.**

## 5. Independent Persons

- 5.1 The law requires the Authority to appoint at least one Independent Person, to perform the following functions:
- Their views **must** be sought and taken into account by the Authority before it makes its decision on an allegation which it has decided to investigate;
  - Their views **may** be sought by the Authority in relation to an allegation in other circumstances (e.g. before a decision to investigate is taken, and/or in relation to issues other than the final decision on an allegation);
  - Their views **may** be sought by a Authority member whose behaviour is the subject of an alleged breach of the code of conduct.

5.2 A person does not qualify as “independent” if they are (or at any time in the last 5 years have been) a member, co-opted member or officer of the Authority, or if they are a relative or close friend of such a member, co-opted member or officer. “Co-opted” member is defined so as to include current independent members of Standards Committee.

Despite this, the Government has recently announced its intention make transitional provisions to allow authorities to appoint a person as an Independent Person who, although not a member or chairman of a standards committee at the time of appointment (or thereafter), has held such a post within the last five years.

This concession will apply for the first year of the new arrangements (i.e. until 30 June 2013), but any person appointed would be able to continue in office for whatever term the authority thinks fit.

At the time of writing this report, the transitional provisions referred to have not been published.

## 5.3 Number of Independent Persons?





	<p>The legal minimum is one. We considered the need for more than one in the event of illness or other unavailability. However, as there has never been a complaint made against a member of the Authority under its code of conduct since 2000, it was felt that one Independent Person would suffice.</p>
<b>5.4</b>	<p><b>Period of appointment?</b></p> <p>The legislation offers no guidance. A maximum period of five years without further advertisement is suggested (but subject to ratification by the Authority after two years) to strike a balance between acquiring proficiency and potential perceived diminution of independence.</p>
<b>5.5</b>	<p><b>Description of Role?</b></p> <p>It is suggested the Authority adopt a formal description of the Independent Person role. A draft is attached as <b>Appendix 3</b>.</p>
<b>5.6</b>	<p><b>Remuneration?</b></p> <p>As the Independent Person is not a member of the authority or its committees, remuneration does not come within the members' allowances scheme, and can be fixed without reference to the Independent Remuneration Panel.</p> <p>It is anticipated the role will be very limited, given the Authority only has 16 members and the lack of any past complaints against them. It proposed that the Independent Person will be paid his/her expenses and a nominal allowance of £100.</p>
<b>5.7</b>	<p><b>Recruitment</b></p> <p>The Monitoring Officers for the five Tyne and Wear districts and Northumberland have agreed a joint recruitment exercise to save on advertisement costs. This exercise will include the ITA.</p> <p>To save on additional training, and given the very limited role of the Authority's Independent Person, it is proposed the person appointed should be one of the Independent Persons of one of the five Tyne and Wear councils. The Committee understood that Newcastle Council as the lead authority is likely to appoint two Independent Persons. We took the view that it might be most convenient to appoint one of them to perform the same role for the ITA.</p>
<b>5.8</b>	<p><b>Recommendation 3 –</b></p> <p><b>(a) There be one Independent Person appointed and that the Monitoring Officer proceed to advertise the position using the role</b></p>



**description at Appendix 3, as part of a joint exercise with other neighbouring authorities;**

**(b) The appointment be for two years but with provision to extend for a further three years without re-advertisement, with an allowance to be set by the Monitoring Officer after consultation with the Chairs of the Authority and Standards Committee and the Head of HR;**

**(c) The Chair and Vice Chair of the Authority, in consultation with the Monitoring Officer, will decide on a suitable candidate to recommend to the Authority for appointment but on the basis preference be given to one of the Independent Persons appointed by the lead authority or (if they are unwilling to accept) one of the other four constituent councils.**

---

## **6. Dealing with Misconduct Complaints**

---

### **6.1 Arrangements**

The Authority must adopt “arrangements” to deal with any alleged breach of the code. Complaints can only be dealt with in accordance with such arrangements. Thus, they must set out in some detail the process and possible actions.

The Act repeals the current need for separate Assessment, Review and Hearings Sub-Committees. It allows the Authority to establish its own process, which can include delegation of decisions on complaints. Indeed, as the legislation no longer gives the Standards Committee or Monitoring Officer any special powers to deal with complaints, it is necessary for the Authority to expressly delegate appropriate powers.

---

### **6.2 Decision whether to investigate a complaint**

It seems sensible to take advantage of this new flexibility by delegating to the Monitoring Officer the initial decision on whether a complaint requires investigation subject to him (a) consulting the Independent Person where he considers it appropriate and (b) referring particular complaints to the Standards Committee where he feels that it would be inadvisable for him to take a decision e.g. where he has previously advised the member on the matter or the complaint is particularly sensitive.

These arrangements would also give the Monitoring Officer opportunity to try to resolve a complaint informally, before taking a decision on the need for a formal investigation.

If this function is delegated to the Monitoring Officer, he should be accountable, keeping the Standards Committee informed of any



complaints received, how they were dealt with and drawing the Committee's attention to areas where training or other action might avoid further complaints.

Standards and Audit Committee agreed a set of Assessment Criteria (based on Standards Board guidance) in May 2008 to help determine when complaints could be filtered out as being trivial or tit-for-tat. It is suggested the Monitoring Officer in assessing any complaint should apply similar but suitably revised criteria as set out at **Appendix 4**.

---

**6.3 A "No Breach of Code" finding on investigation**

Where a formal investigation finds no evidence of breach of the Code, the current requirement is that this is reported to a Sub-Committee, which formally decides whether to take no further action.

In future, it seems reasonable to delegate this decision to the Monitoring Officer, but with the power to refer to Standards Committee if he feels appropriate.

Before exercising this power, the Monitoring Officer should consult the Independent Person and the Chair of the Standards Committee and take their views into account. We also propose he should provide a summary report of each such investigation to Standards Committee for information.

---

**6.4 A "Breach of Code" finding on investigation**

Where a formal investigation finds evidence of breach of the Code, there may still be an opportunity for local resolution, avoiding the need for a full hearing. An investigation report can cause a member to recognise his/her conduct gave offence, and the complainant may be satisfied for instance by recognition of this and an apology and/or other remedial action.

We suggest that it would only be appropriate for the Monitoring Officer to agree a local resolution at this stage after consulting the Independent Person and the Chair of the Standards Committee and only if the complainant was satisfied with the outcome. Again we propose a summary report on any resolved cases should be reported for information to the Standards Committee.

In all other cases, where the formal investigation finds evidence of a failure to comply with the Code, Standards Committee would hold a hearing to decide if it agrees with that conclusion and, if so, what sanction to impose.

---

**6.5 Action following a hearing finding a failure to comply with Code**



The Act does not give the Authority, or its Standards Committee, any powers to impose sanctions. In future the actions the Authority can take are limited to its common law powers. Pre-2000 case law suggest available sanctions include:

- Standards Committee issuing a formal censure;
- The Authority issuing a formal censure;
- Referral of the Standards Committee findings to the Authority, for information;
- Publication of the Standards Committee's findings by such means as it thinks fit;
- The Authority removing the member from any or all Committees or Sub-Committees for a specified period (subject to the approval of the member's Group if applicable);
- The Authority removing the member for a specified time from all or specified outside appointments to which s/he has been appointed or nominated by the Authority;
- The Authority offering training to the member.

---

**6.6 Appeals**

Currently, there are two statutory rights of appeal: (i) by a complainant aggrieved at a decision to take no action on a complaint, who can appeal to a sub-committee of Standards Committee (ii) by a member found guilty of a breach, who can appeal against that finding or any sanction to the First Tier Tribunal for Local Government Standards (which is about to be abolished).

There is no requirement in future to have any appeals mechanism against such decisions. They would be open to judicial review by the High Court if they were patently unreasonable, or taken improperly, or if the Authority sought to impose a sanction which it had no power to impose. There may also be scope to complain to the Local Ombudsman. We accepted officers' advice that these remedies, coupled with the arrangements referred to above, satisfy any requirements of Article 6 of the European Convention on Human Rights (right to a fair trial).

---

**6.7**

The logical scope for any future appeals would be against any decision by the Monitoring Officer to either (a) not investigate a complaint or (b) not refer to Standards Committee a complaint which has been investigated with a finding of no failure to comply with the Code.



We suggest provision be made to allow any complainant aggrieved by either of these decisions to ask the Monitoring Officer to reconsider them, in which event he would then be required to consult both the Independent Person and the Chair of the Standards Committee before deciding whether to (a) uphold his original decision or (b) investigate the complaint or (as the case may be) refer the investigation finding to Standards Committee for it to decide if a hearing is nevertheless appropriate.

In addition, provision could also be made to allow an appeal by a councillor against a finding of a failure to comply with the Code. A suggested mechanism for this would be to allow an aggrieved member to ask for the adverse finding, and/or any sanction, to be referred to the Independent Person of another authority for review. That Independent Person would consider whether or not the finding (or sanction) was reasonable and, if not, give reasons why not. If the Independent Person did criticise the decision, Standards Committee would then be required to meet again to reconsider its original verdict in the light of those further, external, independent views.

---

**6.8 Written Procedures**

Once members agree these suggested arrangements, or any variation thereof, it is proposed the Monitoring Officer prepare a written version of the arrangements for publication, to include a standard Form of Complaint and procedures for the investigation of complaints and the local determination of them.

These will be based on our existing procedures, modified to try and simplify the process whilst retaining essential elements of fairness and transparency.

It is proposed that the new Standards Committee be given express delegated power by the Authority to approve such documentation and amend it from time to time as it thinks fit.

---

**6.9 Confidentiality**

In future normal access to information and public access to meeting rules will apply to Standards Committee. The previous special rules which automatically gave confidential status to reports on the assessment and determination of complaints are being repealed. It will thus be for the new Standards Committee to decide on a case by case basis whether reports and committee proceedings should be public, given the normal criteria for deciding this, particularly the public interest test.



**6.10 Recommendation 4 –**

**(a) The Monitoring Officer be appointed as the Proper Officer to receive complaints of failure to comply with the Code of Conduct;**

**(b) The Monitoring Officer have delegated power, after consulting the Independent Person, to decide if a complaint merits formal investigation and to arrange such investigation. He be authorised to seek resolution of complaints without formal investigation wherever practicable, and to refer decisions on investigation to the Standards Committee where he feels this appropriate, and to report regularly to Standards Committee on the discharge of these delegated powers;**

**(c) In deciding whether a complaint should be investigated the Monitoring Officer take into account the criteria at Appendix 4 and Standards Committee have delegated power to amend those criteria;**

**(d) Where an investigation finds no evidence of breach of the Code, the Monitoring Officer be authorised to close the matter (unless after consulting the Independent Person and Chair of Standards Committee he considers it appropriate to refer the findings to Standards Committee to decide if a hearing is nevertheless called for). On closing a matter, he will provide a copy of the report and investigation findings to the complainant, the subject member and the Independent Person, and also report the findings to Standards Committee for information;**

**(e) Where an investigation finds evidence of a breach of the Code, the Monitoring Officer (after consulting the Independent Person and Chair of the Standards Committee) be authorised to seek local resolution to the satisfaction of the complainant in appropriate cases, with a summary report for information to Standards Committee. Where local resolution is inappropriate or not possible, he will report the investigation findings to Standards Committee for a local hearing;**

**(f) The Authority delegate to Standards Committee the following powers in respect of a member found on hearing to have failed to comply with the Code–**

- Issue a formal censure by the Committee;**
- Recommend to the Authority the issue of a formal censure by it;**
- Refer its findings to the Authority, for information;**
- Publish its findings by such means as the Committee thinks fit;**
- Recommend to the Authority that the member be removed from any or all Committees or Sub-Committees (subject to the approval of the member's Group if applicable);**



- Recommend to the Authority that the member be removed from the office of Chair/Vice Chair of any or all Committees or Sub-Committees;
- Recommend to the Authority that the member be removed from all outside appointments to which s/he has been appointed or nominated by the Authority;
- Instruct the Monitoring Officer to offer training to the member;
- Such other recommendations as the Committee may think appropriate.

(g) There be the following provision for appeal:

- Any complainant aggrieved by a Monitoring Officer decision (a) not to investigate a complaint or (b) not to refer it to Standards Committee after an investigation finding of no breach of the Code, may ask the Monitoring Officer to reconsider his decision. The Monitoring Officer will then seek the views of the Independent Person and the Chair of Standards Committee before deciding whether to (a) uphold his original decision or (b) investigate the complaint or (as the case may be) refer the investigation finding to Standards Committee for it to decide if a hearing is nevertheless appropriate.
- A member aggrieved by a Standards Committee finding that s/he has failed to comply with the Code will have a right to request a review by an Independent Person of another local authority whose views, if critical of the original finding or sanction imposed, will result in Standards Committee being required to reconsider its original decision.

It is proposed the Monitoring Officer arrange with one of the five constituent councils that one of its Independent Persons be made available for this purpose.

(h) That the Monitoring Officer in due course prepare a written version of the agreed arrangements for publication, to include a template Form of Complaint and procedures to be followed on any investigation or hearing of a complaint and that the new Standards Committee have delegated power to amend those procedures when it thinks appropriate.

---

**7. The Register of Members Interests**

**7.1** The Monitoring Officer must keep a Register which must include any DPs, as well as any other interests which the Authority decides should



	<p>be registered under its code of conduct.</p> <p>We do not yet know what DPIs will comprise, but they are likely to be broadly equivalent to the current prejudicial interests. The intention was to simplify the registration requirements, but in fact the Act extends the requirement for registration of DPIs to cover not just a member's own interests, but also those of his/her spouse or civil partner, or someone living with him/her in a similar capacity.</p> <p>The Register must be available for public inspection and on the Authority's website.</p>
<b>7.2</b>	<p>Failure to register all DPIs within 28 days of becoming a member of the Authority will be a criminal offence, but will not prevent the member from still acting as a member.</p> <p>The proposed Code of Conduct at Appendix 1 provides for other interests to be registered. Failure to do so would not be a criminal offence, but merely a breach of the Code.</p> <p>Whilst there is no continuing requirement legally on a member to keep the register up to date, except on appointment or re-appointment, the draft Code at Appendix 1 makes provision for this.</p>
<b>7.3</b>	<p><b>Recommendation 5 –</b></p> <p><b>(a) The Monitoring Officer prepare and maintain a new register of members interests to comply with the Act and the Authority's Code of Conduct, once adopted, and ensure that it is available for inspection as required by the Act;</b></p> <p><b>(b) The Monitoring Officer ensure that all members are informed of their duty to register interests;</b></p>
<b>8.</b>	<p><b>Disclosure of Interests and Withdrawal from meetings</b></p>
<b>8.1</b>	<p>If a member has registered a DPI, or sent off a request to the Monitoring Officer to register it (a 'pending notification'), s/he is not required by the Act to declare it at any meeting where that DPI becomes relevant (although the member is precluded from taking part in the discussion or vote).</p> <p>It is only where the DPI is not registered, or not subject to a pending notification, that a formal declaration must be made at the meeting.</p> <p>The Authority could however (through its Code) require all interests (i.e. both DPIs and other interests) to be declared, even if registered, so that there is a public record of the interest in relation to a specific item of business.</p>





	<p>Subject to seeing the DPI regulations, it is suggested that such provision would be appropriate and the proposed Code at Appendix 1 has been drafted accordingly.</p>
<b>8.2</b>	<p>If a member has a DPI in any item of business, s/he may not take part in any discussion of the matter at the meeting, or vote on it (unless a dispensation has been obtained). However the Act does not require the member to leave the meeting.</p> <p>A requirement to withdraw from the meeting room could be covered by Standing Orders, with a specific requirement in the Code that the member must comply with that standing order.</p> <p>We suggest it would be appropriate to voluntarily adopt such a requirement. The draft Code at Appendix 1 makes provision for this.</p>
<b>8.3</b>	<p><b>Recommendation 6 – The Authority be recommended to adopt a Standing Order requiring a member to withdraw from the meeting room during the whole of the consideration of any item of business in which s/he has a DPI, except where permitted to remain as a result of a dispensation.</b></p>
<b>9.</b>	<p><b>Sensitive Interests</b></p>
<b>9.1</b>	<p>The Act effectively re-enacts existing provisions on Sensitive Interests. Hence, where a member is concerned that disclosure of the detail of an interest (either a DPI or any other interest which s/he is required to disclose under the Code) either at a meeting or on the Register of Members' Interests would lead to the member or a person connected with him/her being subject to violence or intimidation, s/he may request the Monitoring Officer to agree that the interest is a "sensitive interest".</p> <p>If the Monitoring Officer agrees, the member then merely has to disclose the existence of an interest (rather than any details of it) at any meeting, and the Monitoring Officer can exclude any detail from the published version of the Register.</p>
<b>10.</b>	<p><b>Dispensations</b></p>
<b>10.1</b>	<p>The provisions on dispensations are significantly changed by the Act.</p>
<b>10.2</b>	<p>At present, a member who has a prejudicial interest may apply to Standards Committee for a dispensation on two very limited grounds. In practice it is rare for either ground to apply.</p>



<b>10.3</b>	<p>In future, a dispensation can be granted if –</p> <p>(i) So many members have a DPI in a matter that it would “impede the transaction of the business”. Effectively this means the decision-making body would be otherwise inquorate;</p> <p>(ii) Representation of different political groups on the decision-making body would be so upset as to alter the outcome of any vote on the matter;</p> <p>(iii) The Authority considers that a dispensation is in the interests of persons living in its area;</p> <p>(iv) The Authority considers that it is otherwise appropriate to grant a dispensation.</p>
<b>10.4</b>	<p>Any grant of a dispensation must specify how long it lasts for, up to a maximum of 4 years.</p>
<b>10.5</b>	<p>Currently dispensations can only be granted by Standards Committee. The new Act allows this power to be delegated to Standards Committee or the Monitoring Officer.</p> <p>Ground (i) above is objective, so it may be appropriate to delegate dispensations on this ground to the Monitoring Officer, with an appeal to the Standards Committee, thus enabling dispensations to be granted “at the door of the meeting”.</p> <p>The other Grounds are more subjective and so we suggest discretion to grant dispensations on these grounds remains with Standards Committee, after consultation with the Independent Person.</p>
<b>10.6</b>	<p><b>Recommendation 7 – The Authority delegate the power to grant dispensations –</b></p> <p><b>(a) on the Ground set out in paragraph 10.3(i) of this report to the Monitoring Officer with an appeal to Standards Committee, and</b></p> <p><b>(b) on Grounds 10.3(ii), (iii) and (iv) to the Standards Committee, after consultation with the Independent Person.</b></p>
<b>11.</b>	<b>Next Steps</b>
<b>11.1</b>	<p>The recommendations on the code of conduct are subject to consideration of Government regulations on DPIs. At the time of writing this report, the exact timing of their publication is still unknown.</p>



If they are not available before the Authority's May meeting, the Committee thinks it would be prudent for the Authority to agree to continue with its existing code of conduct from 1 July until at least the end of July when the Authority next meets (26 July).

In the meantime, steps will be taken to appoint the Independent Person in anticipation of the new arrangements.

---

**12. Potential impact on objectives**

---

Neutral

---

---

**Appendices to Report:**

- 1. Draft of a proposed new Code of Conduct**
- 2. Proposed Delegated Powers to new Standards Committee**
- 3. Proposed Role Description for Independent Person**
- 4. Proposed Assessment Criteria**



## Appendix 1

### **Draft Code of Conduct for Members (based on the North East Region Draft Code of Conduct for Members)**

The Tyne and Wear Integrated Transport Authority (“the Authority”) has adopted the following code which has effect from 1 July 2012 and which sets out the conduct that is expected of elected and co-opted members of the Authority when they are acting in that capacity.

**This means the code applies whenever you (a) conduct the business of the Authority (including the business of your office as an elected councillor or co-opted member) or (b) act, claim to act or give the impression you are acting as a representative of the Authority.**

‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Authority but is not one of its elected members

The code is intended to be consistent with Nolan’s Seven Principles of Public Life, and should be read in the light of those principles, namely that Authority Members will act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Those Principles are not part of this Code but are set out in full at Annex 1 for information.

#### **General Conduct**

1. You must treat others with respect, including Authority officers and other elected members.
2. You must not bully any person (including specifically any Authority employee) and you must not intimidate or attempt to intimidate any person who is involved in any complaint about any alleged breach of this code of conduct.
3. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Authority.
4. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Authority, or your office as a member of the Authority, into disrepute.
5. You must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.



6. You must comply with any Protocol adopted by the Authority which seeks to regulate the conduct of its elected members or co-opted members and which the Authority has specifically declared should fall within the provisions of this code of conduct and which is listed in the annex to this Code.
7. When using or authorising the use by others of the resources of the Authority, you must act in accordance with the Authority's reasonable requirements (as set out in such protocol as it may adopt from time to time for these purposes) and must ensure they are not used for party political purposes.
8. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
9. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
  - (a) You have the consent of a person authorised to give it; or
  - (b) You are required by law to do so; or
  - (c) The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
  - (d) The disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Authority.
10. Where you have been involved in making any decision by the Authority which is subsequently subject to scrutiny by an overview and scrutiny committee of the Authority, you must not take part in that scrutiny process. In this paragraph, 'scrutiny' means the formal examination of a policy or decision previously approved or taken by or on behalf of the Authority in order to reach a view as to its merits or effectiveness.

### **Registration of Interests**

11. Subject to paragraph 13, you must register in the Authority's Register of Members Interests information about your personal interests. In this code of conduct 'your personal interests' means:



- (a) any 'Disclosable Pecuniary Interest' (as defined by regulations made from time to time by the Secretary of State) which you know about and which is held by
- you, or
  - your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you were civil partners;

and

- (b) any other interests held by you as set out in paragraph 12.

(Note: A list of Disclosable Pecuniary Interests as currently defined by regulations is set out in Annex 2)

You must register information about your personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:

- your appointment as a member of the Authority; and
- any change taking place in your personal interests.

(Note: Failure without reasonable excuse to register a Disclosable Pecuniary Interest is a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code)

12. The following are personal interests for the purposes of paragraph 11(b):

- (a) Any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Authority;
- (b) Any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management);
- (c) Any business which you are involved in carrying on;
- (d) Any partnership of which you are a partner;
- (e) Any employer for whom you work;
- (f) Any contract for goods, services or works between the Authority and you or any firm of which you are a partner or any company of which you are a remunerated director or in which you hold shares with a value exceeding £25,000 or 1% of its issued share capital;
- (g) Any person (other than the Authority) who has made a payment to you in connection with you carrying out your duties as an Authority Member;



- (h) Any land in the Authority's area in which you have a beneficial interest or a licence to occupy;
- (i) Any land owned by the Authority of which you are the tenant or licensee;
- (j) Any person from whom you have received the offer of a gift or hospitality with an estimated value of more than £25 (whether or not you accept the offer) which is attributable to your position as an elected or co-opted member of the Authority.

*(Reminder: The above list will need to be reviewed once regulations defining Disclosable Pecuniary Interests are published)*

13. Where you think that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the Register to the effect that you have a personal interest, details of which are withheld under Section 32 of the Localism Act 2011.

### **Declaration of Interests**

14. Where you attend a meeting of the Authority, or one of its committees or sub-committees, and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then unless the interest is one which has been noted under paragraph 13, you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.
15. Where you attend a meeting of the Authority, or one of its committees or sub-committees, and you are, or ought reasonably to be, aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described in paragraph 16 to a greater extent than most inhabitants of the area affected by the decision, then you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.
16. The persons referred to in paragraph 15 are:
- (a) a member of your family;
  - (b) any person with whom you have a close association;



(c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

17. When you attend a meeting of the Authority, or one of its committees or sub-committees, and you are aware that you have a Disclosable Pecuniary Interest in any matter to be considered, or being considered at that meeting, you may not (unless you have a relevant dispensation granted under section 33 of the Localism Act 2011) :

- (a) participate (or further participate) in any discussion of the matter at the meeting; or
- (b) participate in any vote (or further vote) taken on the matter at the meeting.

(Note: Failure, without reasonable excuse, to comply with paragraph 17 is a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code)

18. You must comply with any standing order adopted by the Authority which requires Members to leave the room during any meeting at which a matter in which they have a Disclosable Pecuniary Interest is being discussed.

## **Annex 1 to Code of Conduct**

### **Nolan's Seven Principles of Public Life**

#### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

#### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

#### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.





### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## **Annex 2 to Code of Conduct**

### **Disclosable Pecuniary Interests**

*(To be inserted once regulations defining DPIs are published)*

## **Annex 3 to Code of Conduct**

### **Associated Protocols**

The Authority has adopted the following Protocols which are intended to regulate the conduct of its elected members or co-opted members and which the Authority has specifically declared should fall within the provisions of this code of conduct pursuant to paragraph 6 of the code:



*(Insert here names of any relevant Protocols)*



**Appendix 2**

**Proposed Delegated Powers to new Standards Committee**

1. Promoting and maintaining high standards of conduct by councillors and co-opted members;
2. Assisting the councillors and co-opted members to observe the Members' Code of Conduct;
3. Advising the Authority on the adoption or revision of the Members' Code of Conduct;
4. Monitoring the operation of the Members' Code of Conduct;
5. Advising, training or arranging to train councillors and co-opted members on matters relating to the Members' Code of Conduct;
6. Granting dispensations to councillors and co-opted members from requirements relating to interests set out in the Members' Code of Conduct so far as not delegated to the Monitoring Officer;
7. Dealing with written allegations that a councillor or co-opted member (or former councillor or co-opted member) of the Authority has failed, or may have failed, to comply with the Members' Code of Conduct.
8. Dealing with complaints that a councillor or co-opted member of the Authority has failed, or may have failed, to comply with one of the Authority's local protocols.



### Appendix 3

#### **Role Description for the Independent Person appointed by Tyne and Wear Integrated Transport Authority for Standards of Conduct Issues affecting Authority Members**

1. The Authority is to appoint one individual to carry out the role of “Independent Person” which is a new role created under Section 28(7) of the Localism Act 2011. The Authority has a duty under that Act to promote and maintain high standards of conduct for its elected and co-opted members. The Authority has delegated these responsibilities to its Standards Committee comprising five elected members of the Authority.
2. The statutory role of the Independent Person arises where the Authority has received an allegation that one of its members has breached the Authority’s Code of Conduct for Members.

In those circumstances:

- (a) if the Authority decides to investigate the allegation, the Authority **must** consult the Independent Person, and take their views into account, before making a decision on that allegation; and
  - (b) the Authority **may** seek the views of the Independent Person about any other aspect of the allegation, whether or not it decides to investigate; and
  - (c) the member of the Authority who is the subject of the allegation **may** also seek the views of the Independent Person at any time.
3. In practice when the Authority receives a written allegation of a breach of the Code of Conduct, its Monitoring Officer will decide whether the complaint merits formal investigation or should be dealt with in some other way. If the Monitoring Officer considers it appropriate, s/he may well consult the Independent Person at that stage, and will take into account any view the Independent Person may have before deciding how to proceed.
  4. When a complaint has been investigated, the Independent Person will receive a copy of the investigation report from the Authority and asked for his or her view on it and any views s/he may have upon how the Authority should determine the allegation. These views will then be taken into account in the final decision making process. The final decision may be made by the Monitoring Officer where the investigation has concluded that there has been no breach of the Code, but otherwise is likely to be made by the Standards Committee after a hearing.



5. The views of the Independent Person may be sought by the Authority at other stages in the process, for instance by the Monitoring Officer to assist in deciding how an allegation should be dealt with or resolved.

6. It is envisaged the views of the Independent Person will usually be sought by the Authority (through its Monitoring Officer) in writing, either by letter or e mail, and that the response of the Independent Person will usually be conveyed in the same way. On occasions however advice may be sought by telephone or at a meeting.

The Independent Person is likely to be expected to attend any hearing which is held by the Standards Committee to decide whether there has been a breach of the code of conduct. If it is decided at that hearing that there has been a breach, the Independent Person will be asked for his or her view as to what action, if any, should be taken as a result.

7. As part of the statutory role, the Independent Person will also be available for consultation by any Authority member who is the subject of an alleged breach of the Code of Conduct. Such consultation may be sought at any time during the process and may be carried out by telephone, written correspondence (e mail or letter) or at a meeting (including at a final hearing before the Standards Committee).

(This advisory role to an individual Authority member will only arise where the member is subject to an alleged breach of the relevant code of conduct. An Independent Person will not be expected – and should decline - to give advice to Authority members in any other circumstances. Where such advice is required, Authority members will be expected to seek it from the Monitoring Officer, or some other appropriate Authority officer).

8. In addition to this statutory role, the Independent Person may from time to time be asked by the Standards Committee or the Authority's Monitoring Officer for his or her views about other aspects of its work, for instance the suitability of the Authority's Code of Conduct or the procedures which the Committee adopts for the handling of any allegations of member misconduct. The Independent Person may be invited to attend meetings of the Standards Committee for this purpose.

9. The Independent Person will be encouraged to acquire some understanding of the work of the Authority and how it operates. Support will be provided by the Authority's Monitoring Officer, who will arrange any necessary training and the provision of such information which is considered necessary to enable the Independent Person to perform the role properly.





## **Appendix 4**

### **Assessment Criteria**

The following criteria will be taken into account in deciding what action, if any, to take:

- 1. Has the complainant submitted enough information to satisfy the Monitoring Officer (or the Standards Committee if appropriate) that the complaint should be referred for investigation or other action?**

If not:

The information provided is insufficient to make a decision. So unless, or until, further information is received, no further action will be taken on the complaint.

- 2. Is the complaint about someone who is no longer a member of the Authority, but is a member of another authority? If so, should the complaint be referred to the monitoring officer of that other authority?**

If yes:

The complaint will be referred to the monitoring officer of that other authority to consider.

- 3. Has the complaint already been the subject of an investigation or other action relating to the Code of Conduct? Similarly, has the complaint been the subject of an investigation by other regulatory authorities?**

If yes:

There may be nothing more to be gained by further action being taken.

- 4. Is the complaint about something which happened so long ago that there would be little benefit in taking action now?**

If yes:

Further action may not be warranted.

- 5. Does the complaint appear too trivial to justify the cost or inconvenience of further action?**



If yes:

Further action will not be warranted.

**6. Does the complaint appear to be simply malicious, politically motivated or tit-for-tat?**

If yes:

Further action will not normally be warranted.

**7. Is the complaint anonymous?**

If yes:

No action will normally be taken unless there are compelling reasons to suggest otherwise, e.g. if it includes documentary or photographic evidence indicating an exceptionally serious or significant matter.





---

**DATE:** ANNUAL MEETING - 31 MAY 2012

**SUBJECT:** REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS

**REPORT OF:** THE CLERK AND THE LEGAL ADVISER AND MONITORING OFFICER

---

## **PURPOSE OF REPORT**

The purpose of this report is to advise the Authority that a review of its corporate governance arrangements has been carried out.

## **RECOMMENDATIONS**

The Authority is recommended to note that a review of its corporate governance arrangements has been completed.

## **BACKGROUND DOCUMENTS**

Held by Legal Adviser and Monitoring Officer on file OOC-3466

1. Standing Orders – effective from 28 May 2009
2. Delegations to Officers (Excluding Specific Delegations Conferred by Standing Orders or Financial Regulations) – effective from 28 May 2009
3. Standards and Audit Committee – Terms of Reference – effective from 26 May 2011

## **CONTACT OFFICER**

<i>name</i>	<i>email</i>	<i>phone</i>
<i>Helen Wilson</i>	<i>helen.p.wilson@newcastle.gov.uk</i>	<i>0191 2115110</i>

## **IMPACT ON OBJECTIVES**

To support economic development and regeneration	Neutral
--	---------

To address climate change	Neutral
---------------------------	---------



To support safe and sustainable communities

Neutral

## **1 Executive Summary**

- 1.1 The purpose of this report is to advise the Authority that a review of its corporate governance arrangements has been carried out.

## **2 Introduction and Background**

- 2.1 In 2003, the Audit Commission reported on the Authority's corporate governance arrangements. It included a recommendation that the Authority should undertake regular reviews of its Standing Orders, Scheme of Delegations and the Terms of reference of the Standards and Audit Committee.

These reviews have therefore been undertaken annually since 2005 and reported to the Authority.

- 2.2 Officers have carried out a review again this year to ensure that the relevant documents remain up to date and appropriate.

## **3 Standing Orders**

- 3.1 Officers consider that the following amendments are required to the standing orders:

### (i) Petitions

It is proposed that Standing Order B.20 is amended to read as follows:

"Any person or body wishing to present a petition to the Authority shall notify the Clerk in writing and provide him/her with a copy of the petition not less than ten working days before a meeting of the Authority. On receipt of such petition the Clerk shall check that it relates to the work of the Authority and, if so, include an appropriate item on the agenda. All petitions addressed to the ITA shall be reported to the Authority at its next meeting."

The purpose of this amendment is to clarify the procedure for presenting petitions.

### (ii) Withdrawal from a meeting if a Member has a Disclosable Pecuniary Interest

As referred to in a report elsewhere on today's agenda, it is proposed that the following Standing Order be inserted:

"A member must withdraw from the meeting room during the whole



of the consideration of any item of business in which s/he has a Disclosable Pecuniary Interest, except where permitted to remain as a result of a dispensation”

This latter amendment is to take effect from the start of the new standards regime, i.e. 1 July 2012.

In addition, a small number of consequential amendments will be needed following the implementation of the new standards regime.

#### **4 Scheme of Delegations**

- 4.1 Officers consider these remain satisfactory save for the following amendments:

As the post of Engineer to the Tyne Tunnel is currently vacant, the first two of the current delegations to the Engineer are to be transferred to the New Tyne Crossing Project Director.

The third delegation to the Engineer is to be transferred to the Deputy Clerk and Treasurer.

There is one typographical amendment in the delegations to the Personnel Officer.

A copy of the amended delegations is attached.

#### **5 Terms of Reference for Standards and Audit Committee**

- 5.1 There is a separate report on today’s agenda on the new standards regime. As members will see, it is expected that the new regime will come into force on 1 July 2012.

In the meantime, however, officers consider that the Committee’s current terms of reference so far as standards issues are concerned remain satisfactory.

So far as they relate to audit, officers consider that these too remain satisfactory, subject to one amendment to reflect the fact that the Audit Commission will cease to exist.

#### **6 Financial Regulations**

- 6.1 The Financial Regulations have been updated to reflect the removal of the vacant post of Engineer to the Tyne Tunnels from the list of



Designated Officers. This list has also been updated to reflect the role that the Director of Housing, Planning and Transport, Newcastle City Council, plays in providing support to the ITA, including acting as a non-Executive Director of Nexus.

References to the Accounts and Audit Regulations 2003 have been replaced by Accounts and Audit Regulations 2011 where relevant.

## **7 Next Steps**

- 7.1 The Standing Orders, Scheme of Delegations and the Terms of Reference of the Standards and Audit Committee will be reviewed again in 2013.

## **8 Potential impact on objectives**

Neutral





# Tyne and Wear Integrated Transport Authority

(Formerly Tyne and Wear Passenger Transport Authority)

---

## DELEGATIONS TO OFFICERS (EXCLUDING SPECIFIC DELEGATIONS CONFERRED BY STANDING ORDERS OR FINANCIAL REGULATIONS) EFFECTIVE FROM 31 MAY 2012.

---

### GENERAL INSTRUCTIONS

1. The exercise of delegated powers by officers shall be in conformity with the policies of the Authority, its Standing Orders and Financial Regulations and any budgetary constraints applying from time to time.
2. Officers shall be accountable to Members for their actions under these delegations and shall be under a duty to consult with other appropriate Officers of the Authority before acting under delegated powers.
3. Where it might reasonably be considered that any matter is of such a nature that Members should deal with it, it shall be referred to the Clerk who shall advise on the course of action to be followed.
4. Each officer of the Authority shall make appropriate arrangements for the daily routine management, supervision and control of services or functions provided by them or through their Departments.
5. The actions of officers under delegated powers shall be deemed to be acts of the Authority.
6. Any delegation issued to an officer may be in his absence be exercised by a sufficient deputy.

### DELEGATIONS TO THE CLERK

1. To provide comprehensive policy advice to the Authority on the implications for Tyne and Wear of all aspects of public transport at local, regional, national and international levels together with related matters.
2. To approve the attendance of members at conferences and seminars following consultation with the Chairman and to authorise the payment of travelling and subsistence allowances in connection therewith.
3. To consider and determine any request from a member of the Authority for an indemnity in accordance with Part 6 of its Protocol for Dealing with Complaints against Councillors.

## **DELEGATIONS TO THE DEPUTY CLERK AND TREASURER**

1. To effect the proper administration of the Authority's financial affairs in accordance with Section 73 of the Local Government Act 1985.
2. To sign certificates under Regulation 7 of the Local Authorities (Contracts) Regulations 1997 on behalf of the Authority.
3. To provide comprehensive administrative services for the Authority.
4. To certify on behalf of the Authority claims for grant, including acceptance of any terms and conditions, from Central Government (for example under s31 local Government Act 2003) or from other organisations.
5. To co-ordinate the Service Level Agreement with Newcastle City Council on behalf of the Authority.

## **DELEGATIONS TO THE LEGAL ADVISER**

1. To provide comprehensive legal services to the Authority.
2. To exercise the duties of Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 (reports relating to contraventions of any enactment or rule of law or maladministration after an investigation by the Ombudsman) and Part III of the Local Government Act 2000 (investigation of breaches of the members' code of conduct).

## **DELEGATIONS TO THE PERSONNEL OFFICER**

1. To arrange for the provision of appropriate advice to the Authority on employment matters.
2. To arrange for the provision of appropriate advice to the Authority on health and safety in relation to its employees and to assist the Authority in its role of monitoring the operation of the tunnels in respect of health and safety.
3. To authorise the implementation of staffing, pay and grading proposals (including payment for temporary additional duties) for ITA employees for which appropriate financial provision has been made.
4. To authorise amendments to conditions of service of employment.
5. To determine applications for redundancy, retirement and early release of pension benefits in conjunction with the Deputy Clerk and Treasurer.



## **DELEGATIONS TO THE NEW TYNE CROSSING PROJECT DIRECTOR**

1. The following decisions in relation to the New Tyne Crossing:
  - (a) urgent decisions (after consultation with the Chair) which because of their urgency cannot otherwise be made by the Authority or the Delegated Committee
  - (b) decisions that are complementary to the Authority's strategic decisions in relation to the New Tyne Crossing and/or in line with the commitment to support the project (subject to any such decision being reported to the Delegated Committee for information).

All such decisions to be made in accordance with the Authority's standing orders and financial regulations.

- (c) waiver of the deduction of penalty points under Performance Standard PS5.Target C of the Project Agreement equivalent to penalty sums of up to £5,000 in any calendar month where the Project Director is reasonably satisfied the reason for the non-compliance lies beyond the direct control of the Concessionaire.
- (d) detailed variations of the Project Agreement, as proposed on behalf of the ITA, where those variations may involve a cost to the ITA, provided such cost is not likely to exceed £25,000 for any single variation and that each variation shall be reported to the next appropriate meeting of both the Project Board and the ITA for information.

Provided that neither (c) nor (d) shall be exercised without the Project Director first consulting the Chair of the ITA (or in his absence one of the Vice-Chairs) and the Deputy Clerk and Treasurer.

2. To act as the ITA nominated representative under the Project Agreement with TT2 and to discharge all that representative's functions under that Agreement.
3. To oversee the contractual arrangement with TT2 for the operation of the Tyne Tunnel (comprising the vehicle, pedestrian and cyclist tunnels) and to arrange for the provision of advice on any matter pertaining to that operation.
4. To provide advice and lead on all matters pertaining to the New Tyne Crossing on behalf of the Authority.





---

**DATE:** 31<sup>st</sup> May 2012

**SUBJECT:** Bus Strategy Delivery Project Update

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

---

## **PURPOSE OF REPORT**

To update Members on progress made in the Bus Strategy Delivery Project to date, and to seek confirmation of next steps.

## **RECOMMENDATIONS**

Members are recommended to :

- a) Note the informal consultation outcome report in Appendix A;
- b) confirm the use of the 'Key Output Measures' as amended to inform the assessment of the effectiveness of the different proposals brought forward by the Bus Strategy Delivery Project (see 4.2 and 4.3 below);
- c) endorse the intention of the Clerk and the Director General to:
  - complete preparation of a QCS proposal in draft, including consultation with local bus operators, Trade Unions and adjacent Local Transport Authorities (see 5.3 and 5.4 below)
  - hold further discussions with bus operators regarding the development of an Operator Partnership proposal (see 6.5 below);
  - bring a further update to the ITA at its meeting in September 2012

## **BACKGROUND DOCUMENTS**

Tyne and Wear ITA and Nexus Bus Strategy

<http://www.nexus.org.uk/sites/nexus.org.uk/files/documents/page/Bus%20Strategy.pdf>



## CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
<i>Tobyn Hughes</i>	<i>tobyn.hughes@nexus.org.uk</i>	<i>0191 203 3246</i>

## IMPACT ON OBJECTIVES

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

<b>1</b>	<b>Executive Summary</b>
1.1	Nexus expects to complete development of the draft proposals for a Quality Contracts Scheme (QCS) in summer 2012, at which point it is recommended to provide a copy to local bus operators, Trade Unions and adjacent Local Transport Authorities for comment prior to the ITA receiving the full document.
1.2	In parallel discussions are underway with local bus operators regarding the development of a proposal for an operator partnership arrangement (Operator Partnership), following similar timescales.
1.3	This report has been prepared on the assumption by Nexus that the most likely scenario is that a QCS proposal will be considered in parallel with a proposal for an Operator Partnership, however dependent upon the strength of the QCS and Operator Partnership proposals prepared, there may be circumstances in which Nexus should take forward only one proposal following this next stage of the Bus Strategy Delivery Project (see 5.5 below).
<b>2</b>	<b>Introduction and Background</b>
2.1	At its meeting in November 2011, the ITA instructed Nexus to: <ul style="list-style-type: none"> <li>a) prepare a draft QCS proposal for Tyne and Wear; and</li> <li>b) explore with bus operators and District councils the scope for developing meaningful quality bus partnerships as a possible alternative delivery route for better buses.</li> </ul>
2.2	The parallel workstreams are being taken forward by Nexus through a project known as the 'Bus Strategy Delivery Project'.
2.3	Under the Transport Act 2000 the final decision over whether to progress a QCS, develop a VPA, or to take another course of action rests solely with the ITA.
2.4	The Director General (on behalf of the Nexus Executive Board) is responsible for determining the advice given to the ITA, after consultation with the Clerk to the Authority, Chief Executives and Leaders/Elected Mayors as appropriate. A Nexus Project Board oversees the development work at officer level, consulting from time to time with a group of Senior Officers from the local authorities in Tyne



	and Wear, Durham and Northumberland.
2.5	This report is intended to update Members on progress made to date, and to seek confirmation of next steps.
<b>3</b>	<b>Informal Consultation</b>
3.1	A round of informal preliminary stakeholder engagement took place over the Bus Strategy Delivery Project in January and February 2012.
3.2	The outcome report is attached at Appendix A. In summary, 234 people attended councillor and stakeholder meetings and 111 written responses were submitted. The responses showed a substantial majority positive reaction to the outline proposals.
3.3	Feedback from this process will be used to inform the development of the refreshed Bus Strategy, which will be presented to the ITA at a future meeting.
<b>4</b>	<b>Objectives</b>
4.1	The Bus Strategy Delivery Project is intended to deliver the ITA's high level objectives. In 2011 the ITA published the third Local Transport Plan for Tyne and Wear (LTP3). The LTP3 Delivery Plan, Chapter 5 ('Monitoring') sets out the Performance Management Framework, based on monitoring the 12 main policies identified in the LTP3 Strategy. The Performance Management Framework is reviewed elsewhere on the agenda, so that it matches current reporting practice, provides updated baseline measurements for the metrics covering public transport, and sets key targets for public transport.
4.2	The most relevant metrics to the Bus Strategy Delivery Project are currently considered to be Bus Patronage and Accessibility. These metrics and the modelling based on them will be used to inform the consultation process relating to the proposed options for the Bus Strategy Delivery Project.
4.3	Bus Patronage is reported at Tyne and Wear level, by mode, using data collected by Nexus Continuous Monitoring Surveys. Patronage can be further disaggregated by District of boarding, where required. Nexus intends to use the DfT's National Bus Model, populated with a



	<p>dataset specific to Tyne and Wear, in order to model the impact of proposals on bus patronage.</p>
4.4	<p>Accessibility modelling is used to measure average journey length to key trip attractors including facilities, services, and employment sites. It can also measure access to frequent services. The Tyne and Wear Accessibility model has been used to measure the accessibility of the public transport network as of March 2012. This will be further used to monitor changes in the future. It is proposed that reporting to the ITA will be at a Tyne and Wear level, although the model is capable of providing individual Districts with more localised statistics.</p>
4.5	<p>Subject to the outcome of the consultation process and any revisions to the proposed options and underlying metrics arising from that process the ITA will be recommended to endorse the measurement of the effectiveness of both the draft QCS and the proposed Operator Partnership against these measures, and use the result to inform its decision over the most appropriate option to pursue.</p>
<b>5</b>	<b>Draft QCS Development Update</b>
5.1	<p>In order to develop a draft QCS, a project has been initiated to cover the various aspects of the proposal. The key workstreams cover network design, fares and ticketing, governance and procurement. Nexus expects to complete its preparation of a draft QCS during the early summer of 2012, in line with previously advised timescales.</p>
5.2	<p>As part of the process of information gathering, a series of meetings is taking place to seek Members' views over options for improving the design of the bus network.</p>
5.3	<p>Given the potential impact of a QCS on local bus companies and their employees, the ITA is recommended to endorse the intention to make the draft QCS available to local bus operators and Trade Union representatives for comment at the start of August 2012, subject to approval of the draft from the Nexus Executive Board after consultation with Chief Executives and Leaders/Elected Mayors. Feedback would be expected to be provided within six weeks.</p> <p>It is considered that early disclosure of the proposal for the QCS will help inform the thinking of the North East's Bus Operators Association</p>



(NEBOA) and, also, individual bus operators in relation to the development of an effective alternative proposal or proposals for an Operator Partnership. Nexus wants to encourage NEBOA and the individual operators to engage in this process in a constructive and timely manner.

---

5.4 Bus services in adjacent Local Authority areas may also be impacted by a QCS and so detailed discussions have taken place with officers from Northumberland County Council and Durham County Council throughout the development process to date. The ITA is recommended to endorse the intention to make the draft QCS available to officers from Northumberland County Council and Durham County Council concurrent with the step in 5.3 and under the same conditions.

---

5.5 A summary of the draft QCS will be provided to the ITA at its meeting in September 2012, although further development work may be needed depending on guidance from the ITA and feedback from the bodies named in 5.3 and 5.4 above.

Prior to commencing the consultation process it is currently proposed to give NEBOA and the individual bus operators a fair opportunity to develop an Operator Partnership proposal and that this should then be consulted on in parallel with any QCS proposal. Clearly, this approach is dependent on NEBOA and/or the bus operators continuing to cooperate with Nexus to develop an Operator Partnership within a realistic timeframe and Nexus and the ITA being satisfied that any Operator Partnership proposal meets the objectives of the Bus strategy and hence is a realistic option for further consultation.

If no draft Operator Partnership proposal is produced or what is produced is considered unacceptable by Nexus as an alternative proposal to the draft QCS then Nexus will have to report to the ITA and seek its direction as to how to proceed further. at this stage Nexus considers that the likely options will be:

- to further engage with NEBOA and/or the individual bus operators to seek a revised Operator Partnership proposal
- for Nexus to put forward its own revised Operator Partnership





proposal on terms that it considers should form a viable basis for consultation and would be acceptable to the ITA; or

- for Nexus to recommend and the ITA to determine to proceed with consultation on the basis of the QCS proposal alone ( this option would still allow proponents of an Operator Partnership to advance their case in commenting on the QCS.)

Equally, if a proposal for an Operator Partnership is made to Nexus which Nexus considers is clearly preferable to the QCS proposal (including Nexus being satisfied that such a partnership is deliverable) then it will report to the ITA and seek its direction how to proceed further. At this stage Nexus considers that the likely options will be:

- to consider any further changes that could be made to the QCS proposal which would provide even greater benefits than the Operator Partnership proposal; or
- for Nexus to recommend, and the ITA to determine, that Nexus should abandon further consultation on the QCS proposal, and proceed with negotiations on the partnership scheme alone with approval for a revised timeline for delivery of such a partnership based scheme.

---

5.6 Members are reminded that at this information-gathering stage the ITA has not determined to pursue or adopt a QCS or an Operator Partnership. However should it wish to do so at any point in the future, an indicative timescale follows, which requires a minimum of 24 months before services under a QCS commence:

- Month 1- decision by ITA on preliminary options to be put forward for consultation
- Month 1-3: Formal public consultation over proposed scheme ( including time allowance to make initial revisions to draft proposals and re-consult if required)
- Month 4-6: Evaluation of feedback and scheme revision ( including final time for revisions and comments on revisions)
- Month 6 -Delivery to ITA by Nexus of full report on consultation process and recommendations for ITA to considered
- Month 7: ITA independent analysis of Nexus report and decision



	<p>over whether to make a QCS, enter into an Operator Partnership or proceed with no scheme (this may include deferral and further consultation)</p>
5.7	<p><i>Time line if QCS Option is adopted</i></p> <ul style="list-style-type: none"><li>• Month 8-10: QCS Board considers ITA decision</li><li>• Month 11-17: Procurement process</li><li>• Month 18-23: Transition and mobilisation period</li><li>• Month 24: Commencement of services under QCS</li></ul>
5.8	<p><i>Time line if an Operator Partnership is adopted</i></p> <p>This will be dependent upon the timescales within the final Operator Partnership proposal.</p> <p>If the ITA decides not to approve a scheme or seeks to defer the scheme or seek further consultation then clearly the likely procedure will be dictated by the nature of the ITA's decision and it is not realistic to speculate on the likely timeline or steps to be taken at this stage.</p>
5.9	<p>It should be noted that this timescale does not allow for iterations of the QCS Board, nor for time consumed by possible legal challenge. At this point in time one of the major bus companies has indicated that it would be highly likely to challenge the process. At this stage it is considered that the ITA decision at Month 7 is likely to be a potential trigger point for a legal challenge. The level of risk of a challenge if a decision to develop an Operator Partnership is made is likely to be lower as this is likely to be a proposal that was largely promoted by NEBOA. The highest risk of a challenge is likely to be a decision to proceed with a QCS, however, any challenge at this stage might be premature as such a scheme will not be finally promulgated until finally approved by the QCS board.</p>
<b>6</b>	<b>Partnership Discussion Update</b>
6.1	<p>17 local bus operators have formed NEBOA, the North East Bus Operators' Association. NEBOA's purpose is 'to provide responses to the ITA and Nexus on the Nexus/ITA bus strategy which proposes a Quality Contract Scheme (QCS) or Statutory Quality Partnership (SQP)</p>



	covering all Tyne and Wear internal and cross boundary bus services’.
6.2	NEBOA has written to the Director General requesting a number of detailed pieces of information relating to QCS development, as well as an extension to the ITA’s deadline of 30th June for a final confirmed partnership offer. In its response Nexus reiterated that the project is at the information gathering stage, and that the bulk of the information requested is not available at this point. In line with the recommendation in 5.3, it is intended to make the draft QCS and any relevant background information available to local bus operators at the start of August 2012.
6.3	Two engagement sessions took place with local bus operators on 9th December 2011 and 17th January 2012. Minutes from the first meeting were circulated to Members following a request at an ITA meeting.
6.4	The first formal meeting between NEBOA, the Clerk to the ITA and Nexus took place on 19 <sup>th</sup> April 2012. The agenda covered the ITA’s objectives, key principles of a partnership agreement, and a schedule of future meetings to progress the development of a partnership agreement. Meetings will take place regularly over coming months.
6.5	It is intended to formally agree on high-level principles with NEBOA by 30th June 2012, and for the basis of a draft Operator Partnership proposal to be achieved by 14th September 2012. The ITA is recommended to endorse this timescale.
6.6	Any partnership agreement would need to be fully compliant with the requirements of competition law, and deliverable from a procurement perspective.
<b>7</b>	<b>Next Steps</b>
7.1	Nexus expects to complete its preparation of a draft QCS during the early summer of 2012, in line with previously advised timescales.
7.2	It is intended to make the draft QCS available to local bus operators and Trade Union representatives at the start of August 2012, subject to approval of the draft from the Nexus Executive Board after



	consultation with Chief Executives and Leaders/Elected Mayors. Feedback would be expected to be provided within six weeks.
7.3	It is intended to formally agree on high-level principles with NEBOA by 30th June 2012, and for the basis of a draft Operator Partnership proposal to be achieved by 14th September 2012.
7.4	A further update will be provided to the ITA at its meeting in September 2012, at which point it may wish to provide further advice on how to proceed. In doing so the ITA will be required to consider the implications of any such advice on its medium term financial strategy, which is predicated on the achievement of sizeable efficiency savings, currently expected to be implemented from April 2014 whilst reserve funding is used to protect services in the interim.
7.5	Development of the refreshed Bus Strategy is underway, with the intention to present it to the ITA at a future meeting.
<b>8</b>	<b>Potential impact on objectives</b>
8.1	Successful delivery of the Bus Strategy is intended to: <ul style="list-style-type: none"><li>• support economic development and regeneration and safe and sustainable communities by maintaining or growing access to key facilities, services and employment sites by public transport;</li><li>• address climate change by increasing the use of public transport and thus reducing harmful emissions generated by use of the private car, and by promoting the use of fuel-efficient vehicles.</li></ul>



all change

Because buses *matter*

## Bus Strategy Delivery Project

Options for Delivery of the Bus Strategy in Tyne and Wear  
Informal Stakeholder Engagement Results  
(December 2011 – February 2012)





## Summary

1. A three-month informal engagement period, on options for the future delivery of the bus network in Tyne and Wear, ran from 1st December 2011 until 29th February 2012. This was an outcome of a request from the ITA to Nexus in November 2011 to investigate two potential models for delivery: a Quality Contracts Scheme (QCS) and Voluntary Partnership Agreement(s) (VPA).
2. The informal consultation consisted of meetings with councillors in all five districts plus up to three meetings in each district for invited stakeholders, as well as a series of meetings for bus operators. There were also a number of meetings for specific interests including Northumberland and Durham councils, regional MPs, Trades Union representatives and others. In addition, information about the proposals and an opportunity to respond was available on the Nexus website.
3. Feedback was sought at the meetings, via a feedback form in the information brochure and via the website. In total, 234 people attended councillor and stakeholder meetings and 111 written responses were submitted. Except for the bus operators, the responses showed a substantial majority positive reaction to the proposals, with a potential Quality Contracts Scheme receiving substantially more support than Voluntary Partnership Agreements.
4. Bus operators were generally averse to a QCS but are actively considering the Voluntary Partnership approach. A number of operators, including the three main ones active in the region, have set up a North East Bus Operators Association to progress proposals for Voluntary Partnership Agreements and to be the formal point of contact between the ITA, Nexus and the bus operators for the purpose of this project.
5. The main areas of concern and comment from all consultees related to:
  - The need for a more integrated network with consistent standards across all services
  - Better solutions for fully integrated ticketing
  - The need to reduce the number of service changes / service cuts
  - Implications of both options on Cross-boundary services
  - Consultation on proposed changes
  - What is involved in implementing the legislation

# 1. Introduction

## Background

### 1.1

In November 2011, the Tyne and Wear Integrated Transport Authority requested Nexus to investigate proposals relating to the delivery of the Bus Strategy. Specifically, it asked Nexus to consider two options for the delivery of the bus network in Tyne and Wear: to develop a draft Quality Contracts Scheme (QCS) for bus services in Tyne and Wear; and in parallel to ask the bus operators active in Tyne and Wear to put forward alternative proposals to achieve similar benefits involving one or more Voluntary Partnership Agreements (VPA). The current intention is that the two sets of proposals will be returned to the ITA later in 2012 for a decision as to which option to adopt.

### 1.2

Currently within Tyne and Wear there is much good practice and high levels of customer satisfaction with bus services where the operators choose to operate. However, there are significant issues relating to integration (including routes, timetables and fares and ticketing), the delivery of an overall network rather than a set of individual routes, and the variability of standards between operators. These mean that passengers in some areas cannot access equivalent levels of service in terms of frequency, quality and consistency compared to that offered to passengers who have access to the best services. There are also issues of accessibility where operators simply choose not to run services due to commercial reasons.

### 1.3

The Department for Transport has produced statutory guidance to local transport authorities about exercise of their function relating to Quality Contracts Schemes. Part of this guidance relates to undertaking a formal consultation process which includes publishing a statutory consultation document, setting out the rationale and details of the proposed QCS. It is anticipated that formal consultation would be undertaken in late 2012 if the ITA decide to adopt this option. This consultation would be targeted at all interested parties in Tyne and Wear and neighbouring authority areas. An approach to consultation within any VPA will be developed.

### 1.4

As part of the initial development process, Nexus decided to undertake a period of informal engagement with the councils in Tyne and Wear and key stakeholders including Northumberland and Durham councils, to raise people's awareness of the options being considered for the delivery of bus services in Tyne and Wear. The purpose of this engagement was to seek people's views on the options themselves and also to identify the major areas of interest. The responses received during the informal consultation period will inform further scheme development.



### 1.5

The informal consultation consisted of briefings offered to all councillors in Tyne and Wear together with a number of events for key stakeholders and a page on the Nexus website. These events generally consisted of a presentation by a Nexus Director outlining the project followed by the opportunity for questions and comments. Printed brochures were available to all participants, and the same information was provided on the website. The brochures are provided as Attachments A and B. The programme of events is shown in Appendix 1. All events were by invitation to councillors and key stakeholders. The stakeholders were identified in agreement with appropriate officers in each district.

### 1.6

All feedback and comments at events and submitted by post and online have been recorded and logged, and a summary of the results is given in section 2, with more detail in section 3.

### 1.7

This document is supplied to the Tyne and Wear Integrated Transport Authority. It will be provided to all stakeholder organisations which were invited to stakeholder briefings, and will also be made available to interested parties on the Nexus website, and in printed form on request to Nexus.



## 2. Consultation and results

### Consultees and responses received

#### 2.1

Briefings were held with a range of key stakeholders. There were meetings for Councillors and relevant Officers to a schedule agreed with each of the five districts of Tyne and Wear to explain the two options (QCS and VPA) under consideration and provide an opportunity for comments and questions. In addition, three briefings for key stakeholders were organised across each of the five districts, of which nine meetings took place, the remainder being merged due to a smaller number of responses. The overall attendance was highest in Sunderland. Additional meetings have been held with individual groups including regional MPs, trade union representatives, and colleges and universities.

#### 2.2

Further briefings and meetings are ongoing with relevant Members and Officers in Northumberland and Durham Councils and with the local bus operators. All bus and taxi operators currently active in Tyne and Wear have been invited to briefings and 12 have been engaged, including all three major operators. The bus operators have set up the North East Bus Operators Association to negotiate with Nexus on the proposals for QCS and VPA.

#### 2.3

The information was also available on the Nexus website from 16th January – 29th February for interested parties not otherwise engaged. There was significant discussion by members of the public on the issues around the Bus Strategy on social media sites including the Nexus discussion board and Go North East Facebook page.

#### 2.4

A total of 234 people attended councillor and stakeholder meetings and 77 written responses were received during the consultation period, which ran between 1st December 2011 and 29th February 2012. The relevant thread on the main Nexus discussion forum has received 34 posts to date. The geographic spread of responses covered all districts within Tyne and Wear, with a smaller number of website responses from Northumberland and County Durham.

#### 2.5

The ITA's decision to ask Nexus to explore the respective merits of a Voluntary Partnership Agreement and Quality Contracts Scheme led to a number of news, analysis and comment articles in local newspapers before the start of the informal consultation period. Towards the end of the period there was further coverage in the broadcast and print media, following the publication of Go North East proposals for voluntary change. All coverage examined the nature of proposals at a strategic level. Whilst the media has reported and given prominence to the hostile comments made about the proposals by certain bus operators Nexus's assessment is that over 70% of the actual commentary on/ analysis of the proposals in the media coverage during the informal consultation period has been positive.

## 2.6

Responses and feedback from Councillors indicate that all five districts are in favour of progressing the proposals further; they have concerns over the untried nature of the legislation and the risks involved in developing and implementing a Quality Contracts Scheme, but on balance there is currently more support for this approach than a Voluntary Partnership. Councillors were supportive of the concepts of an integrated public transport network and for simplified fares and ticketing. They requested further opportunities to discuss the network proposals in March through to early April.

## 2.7

A significant majority of responses from stakeholders through briefings and via post and email have been supportive of the project and particularly of the Quality Contract option. Stakeholders especially are supportive of the project being developed further and currently support the principle of the QCS rather than the VPA. Only four respondents supported the status quo out of the 77 written responses plus feedback at meetings. Questions raised by stakeholders focused around concerns over cross boundary services and whether a QCS was achievable. Stakeholders wanted to see accessibility improvements, and better fares and ticketing integration between bus and Metro. The main issues stakeholders had with the current situation was unreliability of services, expensive and confusing fares, current fares for 16-18 year olds, inadequate frequencies and issues with routes within the existing network; particularly in terms of accessibility and stability of the network.

## 2.8

Bus operators are generally opposed to the Quality Contract proposal but are developing a partnership proposal. One operator has engaged a PR agency and has actively approached district authorities for meetings. They have also organised their own stakeholder events and launched a website.

Nexus' current understanding of the operators' position is that they are supportive in principle of the underlying objectives which have led to the proposal of a QCS but object to the formal legal constraints that they perceive would be imposed on them by a QCS and hence the resultant loss of autonomy. The extent to which the operators are prepared in practice to co-operate with Nexus and the ITA to give practical effect to the objectives will become clearer as the current dialogue progresses and the operators come forward with their partnership proposal.

## 2.9

Northumberland and Durham county councils are not against the principles but want reassurances on the impact on them and their residents. They have jointly appointed a consultant to advise them. Nexus will gain a clearer understanding of their position as the detail of the schemes and hence their potential cross border impacts are fleshed out.

### 3. Comments about the proposals

#### 3.1

Respondents provided a number of comments about the proposals which have been sorted during the data analysis into different categories, as shown in Table 3-1. Overall, more than 9 out of every 10 (91%) of respondents who expressed an opinion either in writing or at meetings were in favour of the vision, though a number acknowledged that further details were needed before they could fully support it.

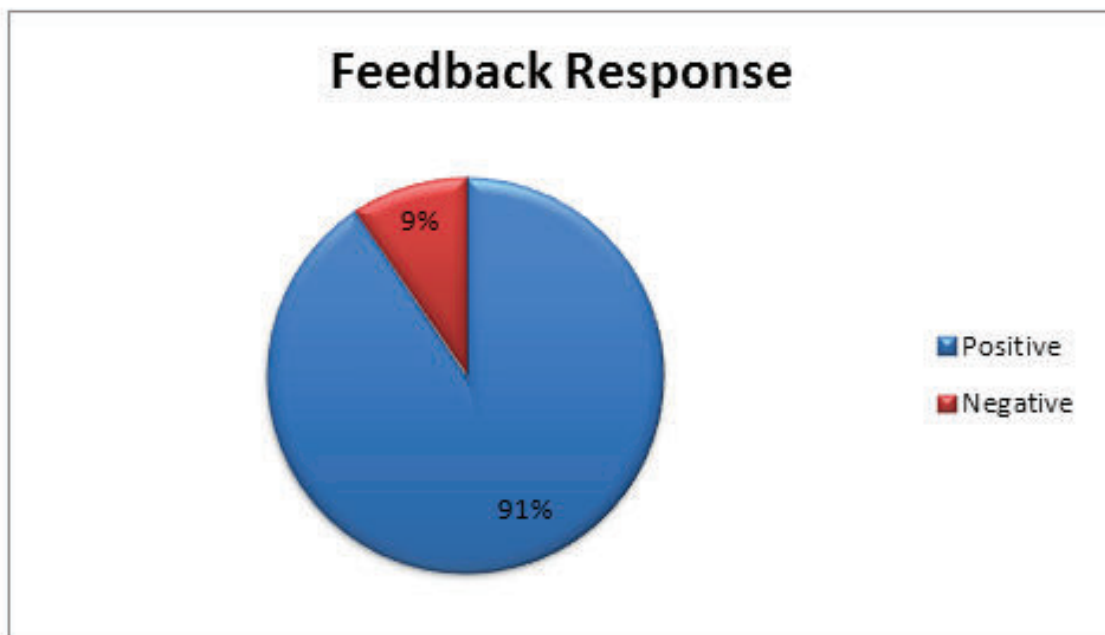


Figure 3.1 Overall responses

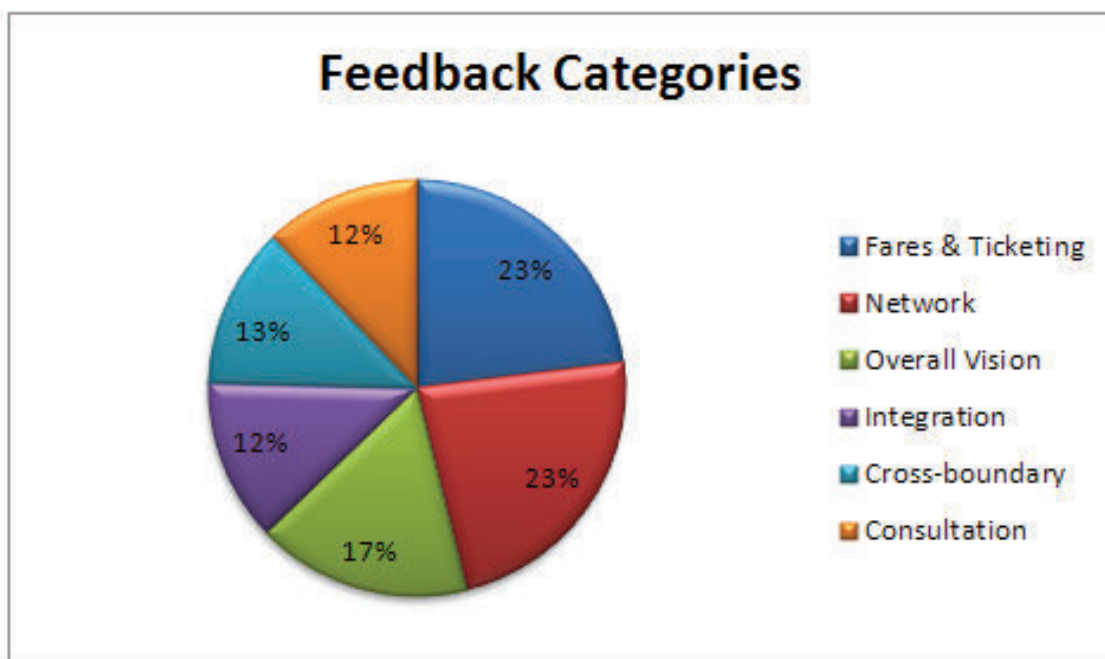


Figure 3.2 Feedback categories

TABLE 3-1

Examples of comments about the overall vision for bus services in Tyne and Wear included:

Comment category	Example quotes	Type of respondent
Overall vision	We have long supported the idea of Quality Contracts and feel that this is probably the best way to improve Bus Transport in Tyne and Wear.	Older people's organisation
(32 comments)	QC appears to be the gold standard whilst the voluntary option is just 'A' standard	Councillor
	QCS is a no brainer. But can you outline the risks associated with it?	Voluntary organisation
	I have recently returned to using public transport and agree with all your comments.	Individual
	In principle the changes sound positive and good for the future but without specific detail such as how much would fares be and how would current services be affected it is difficult to make useful comments.	Residents organisation
	The new proposal Nexus are offering, which is called Quality Contracts, gives us a chance to influence bus strategy and place the public interest above the commercial interest.	Trade Union representative
	I believe firmly that the 'Quality Contract Scheme' is the right way to go, so that the service pattern resulting is operationally-efficient, without lots of duplication, which will mean it can satisfy maximum consumer demand at minimum cost.	Managing Director, local business
	Is there a specific sample area you can test first to prove the concept as it would take 34 months for the full Quality Contract across Tyne and Wear?	User group
	I do not think that Quality partnerships [sic] would provide a better service. The service that I receive at the moment is a very good service and I would not wish for it to be changed.	Resident

Comment category	Example quotes	Type of respondent
Fares and ticketing	Integrated ticketing with the metro and move to cashless transport.	Educational institution
(44 comments)	Fares are too high and too complicated	Councillor
	Would welcome a one ticket suits all option.	Travel planner
	One single source for marketing and ticketing.	Organisation
	Fare structure is also important, especially for young people.	Councillor
	For me, the biggest benefit of doing so is the opportunity to have a fully unified fare system that doesn't penalise those who have to use buses from different companies to complete a single journey within Tyne & Wear.	Passenger
	Hope common fare structure across bus and metro network does not mean bus fares will rise to match current metro pricing structure.	Resident
	NEXUS are going to have to be very careful with the ticketing arrangements to ensure that those of us living on the edge of the area in question are not penalised as a result. [refers to current zone boundaries]	Passenger
Cross-boundary considerations	What consideration has been given to buses that operate cross boundary, into Durham?	Councillor
(24 comments)	How will cross-boundary services be managed?	Voluntary organisation
	The scheme needs to include travel options for regionwide travel, as well as just Tyne and Wear.	Local businessperson
	You need to integrate Tyne and Wear more with Northumberland as it's very expensive for those of us who live just across the border!	Northumberland resident
Network	Coordination of timetables on major routes	Educational institution
(44 comments)	There is also a need to ensure that all communities have a guaranteed level of service, and that evening and weekend services are provided.	Voluntary organisation
	It needs to be looked at whereby feeder services link in to major bus routes like spiders legs.	Councillor
	Private operators focus too much on core services and take away from less frequent services forcing them into decline.	User group

Comment category	Example quotes	Type of respondent
Integration	I feel a much better integrated transport system would greatly improve the City of Newcastle	Resident
(24 comments)	An integrated approach will be useful when planning new developments.	Social housing provider
	Metros and buses should be co-ordinated	Passenger
	At the moment I don't think that there are enough connections between the Metro and the buses.	Passenger
Consultation (23 comments)	Something like this we need to get right – we only have one shot at it. It needs a lot of consultation.	Councillor
	What about local transport workers, will you consult with local unions and take their views into consideration?	Transport employee

Note that the total number of comments is different from the number of respondents as some respondents commented on more than one area. Comments are drawn both from meetings and from written responses.

## Appendix 1 General Stakeholder Events Programme

District	Venue	Date
Newcastle	Civic Centre	17th January
Newcastle	Chillingham Road School	19th January
Sunderland	City Library	23rd January
Sunderland	Washington Library	25th January
Sunderland	Hetton Centre	26th January
Gateshead	Civic Centre	31st January
North Tyneside	Saville Exchange, North Shields	9th February
North Tyneside	North Tyneside Council, Quadrant	14th February
South Tyneside	Town Hall, South Shields	24th February

Bus Strategy, Nexus, Freepost NT277, Newcastle upon Tyne, NE1 1BR,  
or email [bus.strategy@nexus.org.uk](mailto:bus.strategy@nexus.org.uk)





**DATE**                    **31<sup>st</sup> May 2012**

**SUBJECT:**                **ITA LTP 3 Measures and Targets**

**REPORT OF:**            **The Chair of the Joint Transport Steering Group**

---

## **PURPOSE OF REPORT**

To seek the ITA's approval for a monitoring framework to measure the effectiveness of the transport policies and interventions set out in the third Local Transport Plan for Tyne and Wear (LTP3), and to propose targets for public transport.

## **RECOMMENDATIONS**

Members are recommended to:

- a) Agree the revised LTP3 Performance Management Framework as set out in this document.
- b) Approve the public transport targets set out in this report.
- c) Note that Joint Transport Steering Group intends to present a further report in September covering the remainder of the LTP3 metrics and targets.

## **BACKGROUND DOCUMENTS**

Tyne and Wear Local Transport Plan 3 Delivery Plan 2011-14, available at [www.tyneandwearltp.gov.uk](http://www.tyneandwearltp.gov.uk)

## **CONTACT OFFICERS**

*name*

*email*

*phone*



Nick Clennett Chair of  
Joint Transport  
Steering Group [nickclennett@gateshead.gov.uk](mailto:nickclennett@gateshead.gov.uk) 0191 4332526

Jessica Anderson  
LTP Team Leader [Jessica.anderson@newcastle.gov.uk](mailto:Jessica.anderson@newcastle.gov.uk) 0191 6494883

Graham Grant ITA  
Policy Officer [Graham.Grant@newcastle.gov.uk](mailto:Graham.Grant@newcastle.gov.uk) 0191 2116011

Helen Mathews Head  
of Business [Helen.Mathews@Nexus.org.uk](mailto:Helen.Mathews@Nexus.org.uk) 0191 203 3455  
Development Nexus

#### **IMPACT ON OBJECTIVES**

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

<b>1</b>	<b>Executive Summary</b>
1.1	<p>This paper:</p> <ul style="list-style-type: none"> <li>• proposes some revisions to the LTP3 Performance Management Framework so that it matches current reporting practice;</li> <li>• provides updated baseline measurements for the metrics covering public transport;</li> <li>• proposes targets for a number of public transport metrics, including patronage, punctuality and accessibility</li> </ul>
<b>2</b>	<b>Introduction and Background</b>
2.1	<p>In June 2010 the ITA approved a paper setting out its proposed 'Key Output Measures', which were a set of metrics designed to allow the ITA to assess its performance in improving transport in Tyne and Wear. The paper envisaged that the Key Output Measures would be refined by the upcoming Local Transport Plan.</p>
2.2	<p>In 2011 the ITA published the third Local Transport Plan for Tyne and Wear (LTP3). The LTP3 Delivery Plan, Chapter 5 ('Monitoring') sets out the Performance Management Framework, based on monitoring the 12 main policies identified in the LTP3 Strategy</p>
2.3	<p>This paper:</p> <ul style="list-style-type: none"> <li>• proposes some revisions to the LTP3 Performance Management Framework so that it matches current reporting practice;</li> <li>• provides updated baseline measurements for the metrics covering public transport;</li> <li>• proposes targets for a number of public transport metrics, including patronage, punctuality and accessibility</li> </ul>
2.4	<p>The proposed framework was discussed in depth at the ITA LTP Working Group in April 2012.</p>
<b>3</b>	<b>Public transport Metrics</b>
3.1	<p>The proposed public transport targets for LTP3 cover the main modes of transport and set targets against, patronage, punctuality and reliability, accessibility and satisfaction. This set of metrics aim to provide a rounded view of the success of public transport and identify areas for intervention.</p> <p>Targets for bus will be reviewed annually and re-based if a QCS or</p>



VPA should come into force, based on what has formally been agreed to.

Heavy Rail covers those passengers coming into and out of Tyne and Wear on the main routes to and from the Metro Centre and Sunderland.

**4 Patronage**

4.1 Public Transport Patronage is reported at Tyne and Wear level, by mode, using data collected by Nexus Continuous Monitoring Surveys. Patronage can be further disaggregated by District of boarding, where required.

A summary of the methodology used in the Continuous Monitoring Surveys is available from Nexus on request.

The short-term target is to maintain or grow patronage in all modes in 2013. The recommended ten-year target for Bus Patronage is based on forecasts produced by a Tyne and Wear version of the National Bus Model which utilises a number of key data sources including the DfT Temporo model projections of economic and demographic change, economic forecast indices and bus industry standard demand elasticities. The model also provides the functionality to model the effect of applying different interventions to the bus market with regards to estimating the impact on demand, costs and revenue.

Mode, measure	Benchmark (2011/12 unless otherwise stated)	Target (2021/22 unless otherwise stated)
Bus Patronage	139 million	149 million
Metro Patronage	37 million	41 million
Ferry Patronage	0.5 million	0.5 million
Heavy Rail Patronage	1.5 million	1.5 million

**5 Punctuality and Reliability**

5.1 Public Transport Punctuality and Reliability are reported at Tyne and Wear level, by mode, using data collected by Nexus.

Metro Punctuality is measured through a system called 'Train Log'.



Bus punctuality and reliability have statutory targets set by the Traffic Commissioner.

In 2011 improvements were made to the methodology used to collect data in partnership with the bus operators to ensure a consistent approach. In light of the amendments to the methodology, performance has been re-benchmarked.

A summary of the methodology used by Nexus is available on request.

Reliability refers to the service actually running, punctuality refers to the service running to time. Bus punctuality must be within Traffic Commission rules of no more than 1 minute early / 5 minutes late.

Measure	Benchmark (2011/12 unless otherwise stated)	Target (2021/22 unless otherwise stated)
Non-frequent bus services running on time.	89.2%	95.0%*
Average Excess Waiting Time for frequent bus services	0.81 minutes	1.25 minutes*
Reliability of Bus	99.0%	99.5% *
Charter Punctuality Metro	88.0%	88.0% (2012/13)
Reliability Metro (train km operated)	99.3%	99.5%
Punctuality Ferry	99.0%	99.0%
Reliability Ferry	99.0%	99.0%

\*Target set nationally by the Traffic Commissioner

**6 Accessibility**

6.1 Accessibility modelling can be used to measure average journey time to key trip attractors including facilities, services, and employment sites. It can also measure access to frequent services.

The Tyne and Wear Accessibility model has been used to measure the accessibility of the public transport network as of March 2012. This will be further used to monitor changes in the future. It is proposed that reporting to the ITA will be at a Tyne and Wear level, although the model is capable of providing individual Districts with more localised statistics. By 2021/22 the target is for accessibility to be better than or



equal to the benchmark for 2012, at both Tyne and Wear and District level. This position will be reviewed from time to time to take account of population shift, location of key trip attractors and affordability of transport provision.

A list of the key trip attractors used is available in Appendix A.

Detailed information on the functionality of the Tyne and Wear Accessibility model is available in Appendix B.

Measure	Benchmark (2011-12)	Target (2021/22)
Access to main centres within 30mins (% of Households in T&W) Day time (10am)	57.1%	Maintain or grow
Access to main centres within 30 mins (% of Households in T&W) Evening (8pm)	52.1%	Maintain or grow
Access to local Centres within 30 mins (% of households in T&W) Day time (10 am)	97.7%	Maintain or grow
Access to local Centres within 30mins (% of households in T&W) Evening (8pm)	95.5%	Maintain or grow
Access to key employment sites within 30 mins (% of Households in T&W) Day time (10 am)	62.2%	Maintain or grow
Access to key employment sites within 30 mins (% of Households in T&W) Evening (8pm)	41%	Maintain or grow
Access to a General hospital within 30 mins (% of households in T&W) day Time (10am)	67.5%	Maintain or grow
Access to a General hospital within 30 mins (% of households in T&W) Evening (8pm)	57.6%	Maintain or grow
Access (within 400m) to frequent (10 minute) Service Day time (10am)	56.8%	Maintain or grow
Access (within 400m) to frequent (10 minute) Service Evening (8pm)	0.2%	Maintain or grow
Access (within 400m) of a 15 min	77.7%	Maintain or



Service Day time (10am)		grow
Access (within 400m) of a 15 min Service Evening (8pm)	17.5%	Maintain or grow

7 **Satisfaction**

7.1 A range of satisfaction measures is reported at Tyne and Wear level, by mode, using data collected by Nexus.

A summary of the methodology used by Nexus is available on request.

Metro satisfaction targets are contractualised and backed by penalties for non-delivery; these will be refreshed as part of the Metro Strategy.

Measure	Benchmark (2011-12)	Target (2021/22 unless otherwise stated)
Satisfaction with public transport information (all modes)	92%	97% (2016/17)
Satisfaction with cost of fares on bus	58%	68%
Satisfaction with the range of tickets on bus	76%	85%
Satisfaction with costs of fares on Metro (value for money)	45%	50% (2012/13)
Satisfaction with the range of tickets on Metro	75%	78% (2012/13)
Overall customer satisfaction (Bus)	80%	85%
Overall customer satisfaction (Metro)	83%	85% (2012/13)

8 **Other Metrics**

Other metrics (for example traffic flows, journey time reliability, freight movements) were described in the LTP3 Delivery Plan published in March 2011. It was proposed that targets be set for a selection of them.

8.1 **Sustainable Journeys**



Three indicators have been identified to measure sustainable journeys. These are:

- Mode of Journey to School. The methodology for collecting this data has recently changed; previously it was collected as part of the annual DfE school census; however the requirement for this has now ceased. Data collected as part of the LSTF key components activities via hands up survey is currently being analysed, in order to agree a methodology and a benchmark for this indicator.
- Mode Share (Short trips). Data from the 2011 census will be used to set the benchmark for journey to work; this data has not yet been received. The target will depend on whether the LSTF Large Bid submission is successful (decision due early June)
- Cycling A set of indicators is currently being developed

---

8.2 **Environment**

The bus strategy will set and monitor the environmental impact of the bus network across Tyne and Wear.

The LTP proposes to set two environmental targets:

- Air Quality will continue to be monitored. Further work needs to be done on determining the realistic timescale for revoking the AQMAs in Tyne and Wear.
- Climate change will be monitored through measuring CO<sub>2</sub> per capita, this can be measured at a Tyne and Wear level but also disaggregated by district.

---

8.3 **Maintenance**

Two targets will be monitored:

- Maintenance of Local Authority A roads
- Maintenance of Local Authority B and C roads

More details will be provided following completion of Highway Asset Management Plans for each district.

---

8.4 **Safety and Security (Road Traffic Accidents)**

Three targets are proposed to be monitored:

- People killed or seriously injured
- Children killed or seriously injured
- Slight accidents





<b>9</b>	<b>Next Steps</b>
9.1	Further work will be completed on the other indicators and measures and a report brought to the September meeting of the ITA.
<b>10</b>	<b>Potential impact on objectives</b>
10.1	The monitoring of these targets will assist the ITA to achieve its objectives as set out in LTP3.



Appendix A – Trip attractors:  
Local Centres

<b>Gateshead</b>	<b>Newcastle</b>	<b>North Tyneside</b>	<b>South Tyneside</b>
Birtley*	Benwell, Adelaide Terrace*	Killingworth*	Baldon Asda*
Blaydon*	Byker, Shields Road*	North Shields Town Centre*	Harton Nook*
Gateshead Town Centre*	Gosforth High Street*	Wallsend Town Centre*	Hebburn*
Low Fell High Street*	Kingston Park*	Whitley Bay Town Centre*	Jarrow*
Felling	Newcastle City Centre*		South Shields Town Centre*
Ryton*	West Denton Park Centre*		
Saltwell Road	Newburn		
Whickham Front Street*	Great Park*		
Wrekenton			
<b>Sunderland</b>	<b>County Durham</b>	<b>Northumberland</b>	
Castletown	Chester-le-Street*	Blyth*	
Concord	Consett*	Cramlington*	
Doxford Park	Durham City*	Prudhoe*	
Fencehouses	Seaham*		
Hetton-le-Hole	Stanley*		
Houghton-le-Spring*			
Ryhope			
Seaburn			
Shiney Row			
Silksworth			
Southwick			
Springwell			
Sunderland City Centre*			
Washington Galleries*			
<p>*In order to develop the best possible network for each local area, a sub-set of 'local centres' has been chosen for accessibility modelling. Those chosen generally represent places that offer a number of different shops, other facilities, and a GP surgery. The list of local centres shown is not intended to be exhaustive. The accessibility model can report accessibility at a local level.</p>			



Main employment Sites

<b>Gateshead</b>	<b>Newcastle</b>	<b>North Tyneside</b>	<b>South Tyneside</b>
East Gateshead Business Park, Felling Business Park	Regent Centre	Balliol Business Park	Boldon Business Park
MetroCentre	DSS Longbenton	Cobalt Business Park, Silverlink	Monkton Business Park
Team Valley Trading Estate	Newburn Haugh Business Park & Industrial Estate	North Shields Town Centre	South Shields Town Centre
Chainbridge Ind Estate, Blaydon Town Centre	Newcastle Business Park	Tyneview Park	Bede Industrial Estate
Gateshead Town Centre	Newcastle Great Park	Stephenson Industrial Estate	Jarrow Town Centre & Riverside
	Airport	North Tyneside & Bellway Industrial Estates	
	Newcastle City Centre		
<b>Sunderland</b>	<b>Northumberland</b>	<b>County Durham</b>	
Doxford International Business Park	Blyth Town Centre	Chester-le-Street Town Centre	
Rainton Bridge Business Park	Cramlington Town Centre & Industrial Estate	Stanley Town Centre & Tanfield Lea Industrial Estate	
North Hylton Business Park	Morpeth Town Centre & County Hall	Consett Town Centre & Number 1 Industrial Estate	
Sunderland City Centre	Prudhoe Town Centre & Industrial Estate	Durham City Centre	
Washington Galleries	Ashington Town Centre	Peterlee Town Centre & Industrial Estate	
Waterview Park			
Millfield/Deptford			
Riverside			
Nissan			

Hospitals

<b>Gateshead</b>	<b>Newcastle</b>	<b>North Tyneside</b>
Queen Elizabeth II	Royal Victoria Infirmary Freeman Hospital	North Tyneside General Hospital
<b>South Tyneside</b>	<b>Sunderland</b>	
South Tyneside General Hospital	Sunderland Royal	



## Appendix B – Tyne and Wear Accessibility Model

### Accessibility Calculations using Tyne & Wear Accessibility Model

Brief Summary of Method:-

- The Tyne and Wear public transport network and full timetables are input into the model.
- In the model Tyne and Wear is divided onto 50metre grid squares.
- The **average travel time** for each grid is calculate using the public transport data in the model to **all** the possible destination as identified in the model (covering 2 major centres, 31 local centres, 6 hospitals and 42 employment sites :- see list below)
- The **average travel time** is calculated as the average of quickest Public Transport travel time to arrive at the destination in each of the twelve 5 min time periods in the hour from weekdays 0800hrs to 0900hrs (peak) 1000hrs to 1100hrs (off peak) and 2000hrs to 2100hrs (evenings). This includes waiting time during the journey. Averaging the 12 time slices in each hour allows for bus frequency and interchanges available in the public transport network to be taken into account.
- The time to the Closest and 3<sup>rd</sup> Closest for Employment is derived and allocated to each grid.
- The number of household in each grid is assessed from the Tyne and Wear Gazetteers.
- Grids are allocated to summary areas (Districts, Wards)
- Travel time averages and percentage within a time period of households can then be calculated.

Destinations included in model as shown in appendix A, plus 3 major centres of Sunderland, Newcastle and Gateshead.



**DATE:** 31 May 2012

**SUBJECT:** 2011/12 CAPITAL PROGRAMME OUTTURN REPORT

**REPORT OF:** THE DEPUTY CLERK AND TREASURER, ITA AND DIRECTOR OF  
FINANCE AND RESOURCES, NEXUS

---

**Not confidential**

---

## **PURPOSE OF REPORT**

To advise Members of the provisional outturn for the 2011/12 Capital Programme. The report covers the diverse range of activities for which the ITA is the accountable body.

## **RECOMMENDATIONS**

The ITA is asked to approve the provisional outturn for the 2011/12 Capital Programme.

## **BACKGROUND DOCUMENTS**

2011/12 Quarter 3 – Non Metro Capital Programme Update

2011/12 Metro ARP and Major Project Capital Programme – Third Quarterly Review

## **CONTACT OFFICERS**

*Keith Nisbet*                      *keith.nisbet@nexus.org.uk*                      *0191 203 3264*

*Eleanor Goodman*              *eleanor.goodman@newcastle.gov.uk*              *0191 277 7518*

## **IMPACT ON OBJECTIVES**

To support economic development and regeneration              Positive

To address climate change              Positive



To support safe and sustainable communities

Positive

## 1 Executive Summary

This report sets out the provisional outturn for the 2011/12 Capital Programme. The report covers the diverse range of activities for which the ITA is the accountable body.

## 2 Introduction and Background

The projected outturn for the 2011/12 capital programme is set out below:-

Expenditure	Latest Approved 2011/12	Out turn 2011/12	Over / (Under) Spend
	£m	£m	£m
Metro Asset Renewal Plan <sup>1</sup>	35.764	33.011	(2.753)
Metro Ticketing and Gating	5.074	4.855	(0.219)
New Tyne Crossing	48.626	48.638	0.012
LTP Integrated Transport Block Allocation	9.440	9.440	0.000
Nexus/LTP Public Transport Allocation	5.747	2.973	(2.774)
NESTI	4.775	1.774	(3.001)
LSTF Projects	0.210	0.198	(0.012)
<b>Total Expenditure</b>	<b>109.636</b>	<b>100.889</b>	<b>(8.747)</b>

## 3 Metro Asset Renewal Plan

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

During the course of the year, the ITA and its Metro sub-committee have received various updates in regard to the management of the Metro Asset Renewal Plan. Whilst the provisional outturn of £33.011m, against an original approved programme of £39.223m would indicate a variation of £6.212m it should be noted that the original programme for

<sup>1</sup> At the end of the 3<sup>rd</sup> quarter of 2011/12, the ITA approved a revised programme of £41.725m. Since then, the programme has been further revised to £35.764m to reflect programme changes already reflected in the 2012/13 programme, where a number of projects slipped forward.



2011/12 had 10% over programming built in, a mechanism deployed in order to ensure that Metro Rail Grant funding from DfT was maximised.

Given that the minimum expenditure target for grant purposes was £31.700m, there will be no Metro Rail Grant lost as a result. It should be recalled that the 2011/12 expenditure represents the second year of an eleven year funded programme and by definition there will be flexibility as efficiencies and priorities change between years. The ultimate measure is that the asset renewal programme delivers a Metro network that is fit for purpose and performs to a high level of reliability. The year end demonstrated that overall performance was at its highest level since the renewal programme commenced with a 28% improvement year on year compared with 2011/12.

The under spend of £2.753m will largely carry forward to 2012/13, except where genuine efficiency savings have been delivered on certain projects. Metro Rail Grant will also be carried forward to 2012/13 in order to accommodate this movement in delivery across financial years.

During 2011/12 it was agreed that the DfT would fund 100% of the Metro Asset Renewal Plan through MRG funding meaning that the local contribution will be slipped into 2012/13. The 2011/12 Metro LTP funding of £2.705m has therefore been returned to the ITA and will be used in the 2012/13 financial year.

Appendix A provides a breakdown of by asset category in relation to the Metro Asset Renewal Plan.

---

A range of outputs have been delivered during the course of the second year of the delivery of the Metro Asset Renewal Plan. These include:-

- Major Civils works package delivering earthworks between North Shields and Howdon;
- Cable Duct replacement from Gateshead Stadium to South Shields;
- IP network equipment purchase;
- ¾ life Metro Car project progressed with two refurbished Metro Cars now operational;
- New Train Wash and Wheel Lathe projects implemented at the depot;
- Refurbishment works at North Shields, Meadow Well, Howdon and





Chillingham Road stations

---

**4 Metro Ticketing and Gating**

---

At the end of the 3<sup>rd</sup> quarter of 2011/12, the ITA approved a revised budget of £5.074m. This was in line with DfT approval to vire section 31 grant from 2011/12 to 2012/13.

The provisional outturn of £4.855m is within £0.219m of the revised budget and there are no implications for grant funding as a result.

As at 31 March 2012, 85 new Ticket Vending Machines had been deployed at 25 stations across the Metro network. Automatic Ticket Gates and station validators are in production. Software required to drive back office systems was deployed earlier in the financial year and a range of other software is also in development as the project moves into a critical phase of delivery during 2012/13.

---

**5 New Tyne Crossing**

---

The key milestone delivered in the year was the opening of the fully refurbished original Tunnel ahead of schedule on 21 November 2011, making two road tunnels available for the first time.

Outturn spend on the New Tyne Crossing capital programme was £48.638m against the revised budget of £48.626m. This is all to be funded by Prudential Borrowing in line with the long-term financing model for the New Tyne Crossing. The majority of the capital spend is made up of the final capital construction payments to TT2 totalling £45.377m and environmental milestone payments of £1.250m. Further expenditure has been incurred on environmental monitoring and professional fees.

Included within the figures above is £0.423m initial works and professional fees relating to the refurbishment of the Tyne Pedestrian and Cycle Tunnels. The contract for the refurbishment works is expected to be awarded in the summer of 2012, with the majority of the capital spend programmed for 2012/13.



**6 Nexus / LTP Public Transport Projects**

Local Transport Plan Integrated Transport block funding of £13.835m was available to the ITA in 2011/12 (including £0.282m brought forward from 2010/11 and a share of £50m of additional funding allocated at a national level in December 2011). This funding was allocated as follows:

	<b>2011/12</b>
<b>LTP Integrated Transport Block</b>	<b>£m</b>
Gateshead	1.969
Newcastle	2.366
North Tyneside	1.521
South Tyneside	1.208
Sunderland	2.376
<b>Total</b>	<b>9.440</b>
<b>Nexus/LTP Public Transport Allocation</b>	
Nexus LPT Allocation	4.113
B/F 2010/11 Allocation	0.282
<b>Total</b>	<b>4.395</b>
<b>Grand Total</b>	<b>13.835</b>

The public transport allocation of the Integrated Transport block funding amounted to £4.395m (including £0.282m funding carried forward from the previous year). This funding, alongside contributions made by Nexus to augment the overall amount available for investment in public transport, was allocated and paid as outlined in the following table:-

<b>Expenditure</b>	<b>Approved 2011/12</b>	<b>Outturn 2011/12</b>	<b>Over / (Under) Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gateshead	0.113	0.113	0.000
Newcastle	0.136	0.136	0.000
North Tyneside	0.087	0.087	0.000
South Tyneside	0.069	0.069	0.000
Sunderland	0.136	0.136	0.000



Nexus	0.721	0.721	0.000
LTP Core Team	0.146	0.146	0.000
Metro ARP local contribution	2.705	0.000	(2.705)
	<b>4.113</b>	<b>1.408</b>	<b>(2.705)</b>
B/F 2010/11 Allocation	0.282	0.215	(0.067)
Nexus Additional Contribution	1.352	1.350	(0.002)
<b>Total Expenditure</b>	<b>5.747</b>	<b>2.973</b>	<b>(2.774)</b>

As outlined earlier in section 3 of this report, this confirms that the Metro ARP contribution was returned to the ITA in 2011/12 and will be carried forward to use in 2012/13. A more detailed analysis is included in Appendix B.

## 7 NESTI

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

The provisional outturn for 2011/12 is £1.774m against an original approved budget of £4.775m. The reduced expenditure requirement is mainly as a result of £0.306m of savings made in relation to grant funding of bus operators for the installation of their smart ticketing equipment and £2.545m of slippage into 2012/13 in relation to the Metro ticketing and Gating project where NESTI will provide funding for station validators when deployed next year.

Main highlights during the year include the successful implementation and transfer of all travel concession authorities to the regional HOPS (the back office system that supports NESTI) and the establishment of legally binding agreements with bus operators which places certain obligations on the bus operators to participate in NESTI in return for grant funding

## 8 Local Sustainable Transport Fund

During 2011/12, the ITA was awarded £1.500m capital and £3.404m revenue grant by the DfT under its LSTF funding stream. The 'Schools Go



Smarter' programme aims to make a real impact on congestion by developing attractive and practical alternatives to car use to be used by schoolchildren and their parents so they are encouraged to adopt active and low carbon ways to get to and from school.

The 2011/12 approved capital budget was £0.210m, with a provisional outturn of £0.198m. The unused funding has been carried forward to the new financial year and no funding has been lost

A large project bid for a further £5.418m capital and £10.190m revenue LSTF funding was submitted to the DfT in December 2011 containing a series of proposals aimed at promoting economic growth and reducing transport-related barriers to accessing employment. A decision on the large bid is anticipated in June 2012.

## 9 Capital Programme Financing

The following table sets out how the ITA's capital programme for 2011/12 will be financed, based on the provisional outturn as set out in this report:-

Funding Type	Funding Allocated in 2011/12	
	£m	£m
Grant		
Metro Rail Grant	35.248	
Section 31	3.018	
LTP Integrated Transport Block	9.440	
LTP Public Transport Block	1.624	
LSTF	0.198	
Green Bus Fund	0.085	
Total Grant		49.613
Prudential Borrowing		48.638
NESTI		1.774
Nexus RCCO		0.864
<b>Total Funding</b>		<b>100.889</b>



<b>10</b>	<b>Next Steps</b>
	The provisional out turn is subject to external audit.
<b>11</b>	<b>Potential impact on objectives</b>
	There is no impact on objectives as a result of this report.

#### Appendix A – Metro Asset Renewal Plan

<b>Asset Category</b>	<b>Latest Approved Budget</b>	<b>Outturn Position 2011/12</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Civils	9.130	8.544	(0.586)
Communications	2.651	1.890	(0.762)
Depot Equipment	1.818	1.679	(0.139)
Level Crossings	0.186	0.168	(0.018)
Mechanical and Electrical	1.653	1.693	0.040
Metro Cars	2.621	2.630	0.009
Miscellaneous	0.956	0.932	(0.024)
Overhead Line	0.042	0.039	(0.004)
Permanent Way	2.823	2.820	(0.003)
Plant	0.385	0.376	(0.009)
Power	0.540	0.489	(0.050)
Signalling	2.330	1.912	(0.417)
Stations	10.628	9.840	(0.789)



<b>Total Approved 2011/12 Capital Programme</b>	<b>35.764</b>	<b>33.011</b>	<b>(2.753)</b>
---	---------------	---------------	----------------

#### Appendix B – Nexus/LTP Public Transport Projects

<b>Asset Category</b>	<b>Approved Budget</b>	<b>Outturn Position 2011/12</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>District Schemes</b>			
<b>Gateshead</b>			
Durham Rd QTC improvements	0.085	0.085	0.000
Bus infrastructure improvements	0.028	0.028	0.000
<b>Total</b>	<b>0.113</b>	<b>0.113</b>	<b>0.000</b>
<b>Newcastle</b>			
Shields Road/Byker Bridge Bus Corridor	0.009	0.009	0.000
Haymarket Bus Station Improvements	0.136	0.136	0.000
<b>Total</b>	<b>0.145</b>	<b>0.145</b>	<b>0.000</b>
<b>North Tyneside</b>			
A19 Corridor	0.181	0.171	(0.010)
<b>Total</b>	<b>0.181</b>	<b>0.171</b>	<b>(0.010)</b>
<b>South Tyneside</b>			
Bus Access Improvements	0.023	0.023	0.000
Quarry Lane Bus Improvements	0.012	0.012	0.000
Boldon Lane / Stanhope Road Junction	0.006	0.006	0.000
Prince Edward Road Bus Stop Improvements	0.017	0.017	0.000
Bus Stop Improvement Measures	0.012	0.012	0.000
<b>Total</b>	<b>0.069</b>	<b>0.069</b>	<b>0.000</b>
<b>Sunderland</b>			



Durham Road/Premier Road Junction	0.036	0.046	0.010
Bus Stop Clearway	0.023	0.000	(0.023)
Londonderry Triangle	0.079	0.019	(0.060)
Bus Stop Improvements	0.082	0.057	(0.024)
Stockton Road/Belvedere Road Improvements	0.020	0.037	0.017
Renewal of Signage, enforcement of TRO's (W'ton)	0.025	0.054	0.029
"Other Transport Improvements"	0.051	0.045	(0.006)
<b>Total</b>	<b>0.316</b>	<b>0.259</b>	<b>(0.057)</b>
<b>Total District Schemes</b>	<b>0.824</b>	<b>0.757</b>	<b>(0.070)</b>
Metro ARP LTP Allocation	2.705	0.000	(2.705)
LTP Core Team	0.146	0.146	0.000
<b>Nexus Schemes</b>			
Bus Infrastructure	0.081	0.083	0.002
Business Improvements	1.851	1.843	(0.008)
Ferry	0.141	0.144	0.003
<b>Total</b>	<b>2.072</b>	<b>2.070</b>	<b>(0.002)</b>
<b>Grand Total</b>	<b>5.747</b>	<b>2.973</b>	<b>(2.774)</b>

This page is intentionally left blank





---

REPORT FOR INFORMATION

**DATE:** 31 May 2012  
**SUBJECT:** Better Bus Area Fund  
**REPORT OF:** Deputy Clerk and Treasurer, ITA

---

Not confidential

---

## PURPOSE OF REPORT

The purpose of the report is to update members on the success of the Tyne and Wear Integrated Transport Authority bid to the Department for Transport (DfT) Better Bus Area Fund.

## RECOMMENDATIONS

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

## BACKGROUND DOCUMENTS

Better Bus Area Fund Application Form  
Delegated Committee papers – 20 February 2012

## CONTACT OFFICERS

Gary MacDonald      [gary.macdonald@newcastle.gov.uk](mailto:gary.macdonald@newcastle.gov.uk)      0191 277 8971

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

## IMPACT ON OBJECTIVES

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

<b>1</b>	<b>Executive Summary</b>																																								
1. 1	The ITA has been awarded £4.972m of Better Bus Area (BBA) Fund grant by DfT to fund bus improvement works over the next two years. This report sets out a summary of the proposed works and how delivery will be managed and monitored.																																								
<b>2</b>	<b>Introduction and Background</b>																																								
2. 1	At the meeting of 22 March 2012, the ITA received a report on the bid which had been signed off by Delegated Committee and submitted to DfT. Notification was given at the end of March that the bid had been successful, and the ITA was awarded £1.083m revenue and £3.889m capital funding. The ITA received the funding in full early in April 2012.																																								
<b>3</b>	<b>Proposed package of measures</b>																																								
3. 1	The focus of the proposals is to improve passenger confidence in bus services. The package of measures aims to improve reliability on key bus corridors and at junctions that cater for 22,000 buses a day, supplemented by a number of supporting measures that target areas which will more generally improve confidence in bus services.																																								
	The various elements of the programme are shown in the table below, with more detail to be found in appendix A:																																								
	<table border="1"> <thead> <tr> <th><b>Package Element</b></th> <th><b>Revenue e £000</b></th> <th><b>Capital £000</b></th> <th><b>Local £000</b></th> <th><b>Total £000</b></th> </tr> </thead> <tbody> <tr> <td>1 – Intelligent Transport Solutions on Key Bus Corridors</td> <td>473</td> <td>2,020</td> <td>0</td> <td><b>2,493</b></td> </tr> <tr> <td>2 – Signalisation of Junctions</td> <td>0</td> <td>461</td> <td>370</td> <td><b>831</b></td> </tr> <tr> <td>3 – Bus Lane Contra Flow</td> <td>0</td> <td>370</td> <td>280</td> <td><b>650</b></td> </tr> <tr> <td>4 – Improvements at Bus Interchanges</td> <td>0</td> <td>260</td> <td>245</td> <td><b>505</b></td> </tr> <tr> <td>5 – Bus Route Improvements</td> <td>70</td> <td>778</td> <td>654</td> <td><b>1,502</b></td> </tr> <tr> <td>6 – Marketing and</td> <td>540</td> <td>0</td> <td>130</td> <td><b>670</b></td> </tr> <tr> <td><b>Total</b></td> <td><b>1,083</b></td> <td><b>3,889</b></td> <td><b>1,679</b></td> <td><b>6,651</b></td> </tr> </tbody> </table>	<b>Package Element</b>	<b>Revenue e £000</b>	<b>Capital £000</b>	<b>Local £000</b>	<b>Total £000</b>	1 – Intelligent Transport Solutions on Key Bus Corridors	473	2,020	0	<b>2,493</b>	2 – Signalisation of Junctions	0	461	370	<b>831</b>	3 – Bus Lane Contra Flow	0	370	280	<b>650</b>	4 – Improvements at Bus Interchanges	0	260	245	<b>505</b>	5 – Bus Route Improvements	70	778	654	<b>1,502</b>	6 – Marketing and	540	0	130	<b>670</b>	<b>Total</b>	<b>1,083</b>	<b>3,889</b>	<b>1,679</b>	<b>6,651</b>
<b>Package Element</b>	<b>Revenue e £000</b>	<b>Capital £000</b>	<b>Local £000</b>	<b>Total £000</b>																																					
1 – Intelligent Transport Solutions on Key Bus Corridors	473	2,020	0	<b>2,493</b>																																					
2 – Signalisation of Junctions	0	461	370	<b>831</b>																																					
3 – Bus Lane Contra Flow	0	370	280	<b>650</b>																																					
4 – Improvements at Bus Interchanges	0	260	245	<b>505</b>																																					
5 – Bus Route Improvements	70	778	654	<b>1,502</b>																																					
6 – Marketing and	540	0	130	<b>670</b>																																					
<b>Total</b>	<b>1,083</b>	<b>3,889</b>	<b>1,679</b>	<b>6,651</b>																																					
<b>4</b>	<b>Management and monitoring of the programme</b>																																								



---

REPORT FOR INFORMATION

A task and finish delivery group has been set up to manage the programme under the direction of the Joint Transport Steering Group. The delivery group includes officers from each of the Tyne and Wear Districts, Nexus, UTMC and the ITA. Representatives from the major bus operators will also be invited to attend. Funding will be provided to each partner by the ITA in instalments on the achievement of agreed delivery milestones.

The capital elements of the package will be added to the ITA's capital programme for 2012/13, and progress reported as part of the regular capital programme monitoring report.

---

**5 Next Steps**

Progress will be reported six monthly to the DfT and the ITA. It is proposed that monitoring outcomes will be published on the ITA website ([www.twita.gov.uk](http://www.twita.gov.uk)).

---

**6 Potential impact on objectives**

The programme is designed to improve bus services in Tyne and Wear and the successful funding bid will therefore have a positive impact on delivering the ITA's objectives.



REPORT FOR INFORMATION

Appendix A – Detailed Breakdown of Proposed Package Elements

Package Element	DfT Fundin g £000	Local Fundin g £000	Total £000	Year 1 (12/13) £000	Year 2 (13/14) £000
<b>1 – Intelligent Transport Solutions on Key Bus Corridors</b>					
Closed Circuit TV, Automatic Number Plate Recognition, and co-ordination of traffic signal installations	2,493	0	2,493	2,373	120
<b>2 – Signalisation of Junctions</b>					
North Tyneside – A1058 Norham Rd Junction	130	120	250	250	0
Gateshead – Wardley Black Bull	331	250	581	450	131
<b>Total</b>	<b>461</b>	<b>370</b>	<b>831</b>	<b>700</b>	<b>131</b>
<b>3 – Bus Lane Contra Flow</b>					
Sunderland – Borough Rd	370	280	650	500	150
<b>4 – Improvements at Bus Interchanges</b>					
Nexus – Interchange Improvements	260	245	505	395	110
<b>5 – Bus Route Improvements</b>					
Gateshead	0	158	158	158	0
Newcastle	113	187	300	300	0
North Tyneside	200	0	200	200	0
South Tyneside	305	95	400	400	0
Nexus	230	214	444	144	300
<b>Total</b>	<b>848</b>	<b>654</b>	<b>1,502</b>	<b>1,202</b>	<b>300</b>
<b>6 – Marketing and Promotions</b>					
Market Research	40	30	70	70	0
Marketing and Promotion	300	100	400	180	220
NTL Day Rover	100	0	100	100	0
Voluntary Partnership	100	0	100	100	0
<b>Total</b>	<b>540</b>	<b>130</b>	<b>670</b>	<b>450</b>	<b>220</b>
<b>Package Total</b>	<b>4,972</b>	<b>1,679</b>	<b>6,651</b>	<b>5,751</b>	<b>900</b>



**DATE:** 31<sup>st</sup> May 2012

**SUBJECT:** Green Light for Better Buses, Department for Transport

**REPORT OF:** Director General

---

## PURPOSE OF REPORT

Provide the ITA with an overview of the Green light for Better Buses Paper and the implications for Tyne and Wear.

## RECOMMENDATIONS

The ITA are asked to note the report

## BACKGROUND DOCUMENTS

Green Light for Better Buses, DfT, March 2012 [www.dft.gov.uk](http://www.dft.gov.uk)

## CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
Helen Mathews	<a href="mailto:Helen.Mathews@nexus.org.uk">Helen.Mathews@nexus.org.uk</a>	0191 2033455

## IMPACT ON OBJECTIVES

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

<b>1</b>	<b>Executive Summary</b>
1.1	In March 2012 the Department for Transport published the Green Light for Better Buses paper. This paper outlines the contents and implications for Tyne and Wear of this paper.
<b>2</b>	<b>Introduction and Background</b>
2.1	According to DfT, 'A Green Light for Better Buses' sets out a series of reforms to improve local bus subsidy and regulation in England. The proposals have been carefully formulated to attract more people onto buses, to ensure better value for the taxpayer and to give local transport authorities more influence over their local bus networks.
2.2	The paper positions itself as a key element of the response to the Competition Commission report into local bus services outside of London; setting out plans to encourage competition in an industry 'where a lack of competition is costing passengers and taxpayers up to £300 million'. In addition the paper aims to cut emissions and improve the customer experience through reliability, frequency and ticketing. The focus of the solution is seen as partnerships and setting the policy and environmental context to promote 'collaboration'.
<b>3</b>	<b>Information</b>
3.1	<b>Policy Context</b> <ul style="list-style-type: none"> <li>• Local Transport White Paper – 'Creating Growth, Cutting Carbon' (2011)</li> <li>• The Plan for Growth (2011)</li> <li>• Open Public Services White Paper (2011)</li> <li>• Annual bus statistics (2011)</li> <li>• Bus passenger survey March 2012</li> </ul>
3.2	<b>Contents</b>
3.2.1	The document recognises the importance of bus services outside of London and references the high levels of bus customer satisfaction reported by Passenger Focus. It credits bus company investment, council investment and government regulation and funding for this and it does also recognise that declining usage is an issue.
3.2.2	Overall it feels that 'large parts' of England have very good 'frequent, reliable, clean and attractively priced' bus services, but reflects the Competition Commissions view that in some areas there is a lack of on-street competition and that small and medium sized operators



	struggle to break into the market, as well as recognising ticketing being a barrier to bus use. Value for money for the wider public purse is less well noted.
3.3.3	It sees the solution being a partnership approach between bus companies and local councils; whilst recognising that a different policy, regulatory and funding approaches are required.
3.3.4	Reform in the way in which BSOG is paid to make services more viable; this is seen being a key intervention to improve value for money. The rate of BSOG has been reduced by 20% from April 2012, the paper indicated that the impact on passengers in England should be limited to a 1% reduction in service levels and a 1% increase in fares. Future bus subsidy will be 'better targeted'; BSOG for tendered services in future will be paid direct to the local transport authority; this would not be ring-fenced in the longer-term although it will during transition. In 'Better Bus Areas' all BSOG would be paid to the Local Transport Authority (£12 million currently for Tyne and Wear).
3.3.5	Such partnerships are seen as the key way of improving quality and attracting passengers. Future funding will be used to incentivise partnerships by being paid to areas that have developed, in conjunction with local operators, plans to improve bus services and established a 'Better Bus Area'. The funding is for Local Transport Authorities, although two or more LTA's could join together to form a BBA; therefore at a minimum funding would be available to the ITA at a Tyne and Wear level if a BBA were to be established. Under a BBA the BSOG would be paid to the LTA to deliver the improvement plan; BBAs will also receive a share of a top-up fund created by DfT top-slicing a share of national BSOG. DfT hopes to see a dozen BBAs established in the first instance by 2013 and lasting for up to 4 years; the concept may then be rolled out more widely.
3.3.6	Improving the procurement of non-commercial services by local authorities is also considered important. The paper suggests that the cost of council tendered bus contracts is coming down; Innovation in bus service procurement is encouraged and LTAs must ensure that procurement criteria do not exclude the Community Transport sector by setting unachievable thresholds of contracts for areas that are too large for them to bid for.
3.3.7	General focus of document is to promote partnership working. Support from government will be for partnerships that improve quality and introduce multi-operator ticketing.
3.3.8	Quality Contracts Schemes are specifically referred to as covered by legislation that the DfT intends to retain unchanged; the DfT notes that it will be watching with interest the developments in areas considering QCS.



3.3. 9	In addition the paper notes that guidance was issued on Punctuality Improvement Partnerships in July 2011, emphasised collaborative working between operators and local authorities through partnerships. Punctuality is seen as a key issue to retaining and attracting customers. The paper sees Government intervention in the bus market is seen as having an economic, environmental and social rationale.
4	<b>Implications</b>
4.1	The vision reflects what passengers in Tyne and Wear tell Nexus they want, namely improved punctuality and better interconnectivity of services and recognises that not every passenger is getting value for money; punctuality is recognised as being a key element of retaining existing passengers and attracting new ones.
4.2	Some of the analysis of the market appears contradictory to experiences in Tyne and Wear, principally the paper states: <ul style="list-style-type: none"><li>• Cost of local council tendered services are coming down.</li><li>• Bus mileage is remaining broadly steady and service levels are being maintained.</li><li>• There has been a rapid rise in take-up permits enabling not-for-profit organisations to run local bus services.</li></ul>
4.3	The paper recognises a shift towards devolved decision making and governance, encouraging areas to make decisions on interventions that suit the local area; although the paper does provide policy direction.
4.4	BBA looks to be the key mechanism for obtaining funding for bus improvements in future years. The first BBAs are expected to be formed in 2013. Whilst the focus of the DfT's document is on partnerships, it does not explicitly exclude a QCS area becoming a BBA
4.5	Criteria for contracts to ensure the charitable sector is not excluded has implications on value for money and process for BSDP, as well as on going procurement of secured services
4.6	Consideration needs to be given to the development of PIP(s)
4.7	It must be noted that "in the medium term, central Government's role in paying subsidy will only be retained to the extent that it is judged necessary to meet (their) overriding objectives".
4.8	Directing BSOG for secured services away from operators is likely to result in higher tender prices for these services as operators seek to recoup the value. This therefore is unlikely to result in any additional





	resources for investment in new services.
<b>5</b>	<b>Future research/announcements</b>
5.1	DfT paper on valuing the social impacts of local public transport access is due to be completed in the Summer 2012.
5.2	Research has been commissioned by Greener Journeys, a campaign by major bus companies to promote modal shift.
5.3	Consultation on devolution of major schemes, including large investment in bus infrastructure.
5.4	Secondary legislation in 2012/13 to implement the recommendations made by the Competition Commission; this will include: <ul style="list-style-type: none"><li>• Preventing bus companies from engaging in predatory behaviour.</li><li>• Notification to the LTA of new registrations 14 days before an application</li></ul>
5.5	Guidance on mandatory, competitively priced bus only multi-operator ticketing
<b>4</b>	<b>Next Steps</b>
	None
<b>5</b>	<b>Potential impact on objectives</b>
	To be noted

This page is intentionally left blank



---

**DATE:** 31<sup>st</sup> May 2012  
**SUBJECT:** Smart Ticketing  
**REPORT OF:** Director General of Nexus

---

## PURPOSE OF REPORT

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

## RECOMMENDATIONS

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

## CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
<i>Tobyn Hughes</i>	<i>tobyn.hughes@nexus.org.uk</i>	<i>0191 203 3246</i>
<i>Sandra Cairns</i>	<i>sandra.cairns@nexus.org.uk</i>	<i>0191 203 3299</i>

## IMPACT ON OBJECTIVES

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

## 1 Executive Summary

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

Starting July 2012	All annual and corporate season ticket holders provided with a Pop Card; annual tickets no longer available for purchase on paper
September 2012	Student 4-weekly and annual season ticket holders provided with a Pop Card (or other smartcard); 4-weekly and annual student tickets no longer available for purchase on paper  New '16-18' product launched on the Pop Card
Starting October 2012	Adult 4-weekly customers' photocards replaced by Pop Cards in preparation for smart, but accompanying adult 4-weekly season tickets continue to be issued on paper
January-February 2013	4-weekly season tickets moved to smart and are no longer available on paper
Spring 2013	Pop Credits introduced to allow smart payment for single and daily tickets. Gold Card available as a smart ticket.

1.2 Members should note that there is no impact on the process to issue Network One tickets through this programme.

## 2 Introduction and Background

2.1 Through the Ticketing and Gating Scheme, Nexus is in the process of



	<p>introducing new ticket machines to all Metro stations, improving customer convenience by allowing payment by banknote and credit/debit cards, and a wider product range available for purchase at stations. The scheme will also see Automatic Ticket Gates installed at a number of stations over coming months which, when activated in early 2013 will bring additional benefits of security and ticket fraud reduction.</p>
2.2	<p>As a result of the creation of the North East Smart Ticketing Initiative (NESTI), Nexus determined to upgrade the capability of the new ticketing system to introduce smart ticketing on the Tyne and Wear Metro. Funding from NESTI, combined with specific grant funding from DfT and other additional resources has made this possible.</p>
2.3	<p>This paper describes the delivery programme through a transition period to the full introduction of smart ticketing on Metro.</p>
<b>3</b>	<b>Delivery Programme</b>
3.1	<p><b>Starting July 2012</b> - Annual and Corporate Annual customers</p> <p>7000 Annual and Corporate Annual season ticket holders will be moved onto the Pop card. Customers will be targeted through a marketing campaign encouraging them to apply for a Pop card at the same time as renewing their annual ticket through an online application process – the personalised Pop Card, with a smart annual ticket loaded onto it, will then be posted to them within seven days.</p> <p>Corporate customers will be provided with a personalised Pop Card, with a smart annual ticket loaded onto it, through their employer shortly before their old ticket expires.</p> <p>New customers wishing to buy an Annual ticket during this period will be required to go to a Travelshop to purchase a temporary paper ticket and photocard, both of which will be replaced by a personalised Pop Card with a smart annual ticket loaded onto it, that will be posted to them within seven days.</p>
3.2	<p><b>September 2012</b> – Students and '16-18' Customers</p> <p>2000 student customers will be moved to the Pop Card, for both Annual and 4-weekly products. Student customers will be targeted in</p>



advance through a specific campaign encouraging them to apply for a Pop card through the online process; a personalised Pop Card without any smart ticket products loaded will be posted to them within seven days. From that point onwards they will be able to purchase smart Student Annual and 4-weekly tickets at selected Travelshops.

In addition the NESTI project is running a pilot programme with Newcastle University in which the University provides new students with identification cards that also act as a transport smartcard. These students will be able to go to selected Travelshops to load Student Annual and 4-weekly tickets onto their cards, thus proving the use of Nexus smart products on third party smartcards.

NESTI is also working with Charles Thorpe Comprehensive sixth form pupils to pilot test NESTI Stored Travel Rights – the regional pay as you go product, similar to Pop Credits.

The ITA has approved the extension of the validity of the '16-18' product to cover anyone of that age, regardless of their educational status. The improved product will be launched in September through a specific campaign following the same process as for Student customers.

---

3.3 **Starting October 2012** – Adult 4-weekly customers upgrade their photocard to Pop

The process to issue Pop cards to approximately 5000 customers holding 4-weekly season tickets will begin. When these customers go to a Travelshop to renew their season ticket, they will be asked to provide the relevant information to allow a Pop Card to be produced and sent to them with seven days (a new photograph will also be taken free of charge). When they receive their Pop Card, they will be requested to use it in place of their existing photocard from that point onwards. However the process of travel ticket issuance will remain the same at this stage<sup>3</sup>, with 4-weekly tickets issued onto paper as today.

---

3.4 **January-February 2013** – Adult 4-weekly tickets moved to smart

On a date to be determined, all 4-weekly tickets will be sold at Travelshops as smart, and loaded onto customers' Pop Cards. 4-weekly tickets will no longer be available on paper.



At this stage, all Nexus season tickets will have been migrated to smart.

---

3.5 **Spring 2013** – ‘Touch Day’ and introduction of Pop Credits

During Spring 2013, the Automatic Ticket Gates will be activated along with smart ticket validators at ungated stations. At this point, all smartcard customers will be required to ‘touch in’ when entering a Metro station (by touching their smartcard to a reader on a validator or by passing through an Automatic Ticket Gate), and ‘touch out’ at their destination station. This has been given the working title of ‘Touch Day’, and widespread customer communications will be put into place to explain the process.

‘Touch Day’ marks the introduction of ‘Pop Credits’, a dedicated smartcard onto which customers can pre-load credits. This will allow people to pay as they travel without have to purchase a single, day ticket or season ticket in advance of boarding the train. Instead they will ‘touch in’ and ‘touch out’ at the station, and the system will automatically calculate the correct fare to be charged. If the customer makes multiple trips on the same day, the system will apply a ‘price cap’ to ensure that no more than the day ticket price is charged for the zones the customer has travelled through.

The prices to be charged for Pop Credits are under development, and will be incorporated into the ITA’s annual pricing review for decision in November 2012.

Single, day and weekly tickets will be available for purchase at station ticket machines throughout the introduction of smart ticketing, and will be delivered on a conventional magnetic stripe ticket. These tickets will also activate the Automatic Ticket Gates.

A smart version of the Gold Card will be available for the annual issue in April 2013.

---

3.6 **From 2014**

Later phases of delivery will see a range of further enhancements to way in which customers can purchase tickets, and interact with the smart ticketing system.

More information on developments will be provided as detailed



	designs are made available and delivery dates are confirmed.
3.7	<b>Network One tickets</b>  Nexus acts as an agent for the sale of Network One tickets which can be used on bus, Metro, Ferry and Northern Rail services throughout Tyne and Wear. Network One is an independent company that is responsible for determining its own smart ticketing strategy.  Any Network One tickets sold by Nexus Travelshops, by ticket machines at Metro stations, or through the Nexus website will be capable of activating the Automatic Ticket Gates.
4	<b>Next Steps</b>  Over the coming months the ITA will receive regular updates regarding the progress against the delivery plan and the number of Pop cards issued during the upcoming transition period.
5	<b>Potential impact on objectives</b>  To support economic development and regeneration – The introduction of smart ticketing is intended to increase the attractiveness of public transport as a means of travel. This can contribute to the reduction of congestion, while giving people greater choice in, and access to, employment and training.  To address climate change – the introduction of smart ticketing will increase the attractiveness of public transport as a mode of travel reducing the number of individual car users and therefore fuel consumption. Also the introduction of smart ticketing reduces the requirement for paper based tickets.





**DATE:** 31 May2012  
**SUBJECT:** Rail Devolution  
**REPORT OF:** Director General & Clerk to ITA

---

## **PURPOSE OF REPORT**

To inform members of the ITA on the Department for Transport's consultation on rail devolution, highlighting the key issues, implications for Tyne and Wear and the wider North East and also a recommended viewpoint for ITA Members to consider.

## **RECOMMENDATIONS**

ITA Members are asked to:

- Note the information contained within the report
- Consider a response to the DfT based on the information outlined in this report

## **BACKGROUND DOCUMENTS**

Consultation Documents available at

<http://www.dft.gov.uk/publications/reforming-our-railways/>

## **CONTACT OFFICERS**

<i>Ken Mackay</i>	<i><a href="mailto:Ken.Mackay@nexus.org">Ken.Mackay@nexus.org</a></i>	<i>0191 203 3241</i>
<i>Roger Gill</i>	<i><a href="mailto:Roger.Gill@nexus.org.uk">uk</a></i>	<i>0191 203 3361</i>
	<i><a href="mailto:Roger.Gill@nexus.org.uk">Roger.Gill@nexus.org.uk</a></i>	

## **IMPACT ON OBJECTIVES**

To support economic development and Positive



regeneration

To address climate change

Positive

To support safe and sustainable communities

Neutral

<b>1</b>	<b>Executive Summary</b>
1.1	The report sets out the background for the Government's rail devolution agenda. It outlines 5 options that have been put forward by Government to how the devolution of rail franchising could look. The report sets out the potential opportunities that rail devolution could bring, whilst being mindful of the significant risks associated with this. In addition, the report notes the work being undertaken by the Northern ITA areas and also the engagement that Nexus has undertaken in order to gauge views and aspirations across the North East rail network. ITA Members are asked to note the information in the report.
1.2	Detailed work is still being undertaken and is unlikely to conclude by the consultation deadline of 28 June, so a response welcoming the opportunities to explore rail devolution and investigating the potential benefits and disbenefits of different models for the North East is suggested.
<b>2</b>	<b>Introduction and Background</b>
2.1	The Government recently released a Rail Command Paper that, building on the success of TfL in London, Scotland and Wales and on the Merseyrail network, introduces the potential to decentralise the specification, procurement and management of local rail services to local authorities and sub-national bodies. This is set within the context of the Government's devolution and localism agenda. The Command Paper also provides an insight in to how the Department for Transport will deliver Value for Money, as identified by the McNulty Review which identified an ' <i>efficiency gap</i> ' in UK rail operations when compared to European rail operation. The headline numbers were that UK railways are 20% more expensive than their European counterparts.
2.2	As part of its Rail Command Paper, the Department for Transport has outlined five options for giving Integrated Transport Authorities through their Passenger Transport Executives together with other Local Authorities in England influence over the operation of local rail services as part of the process for letting regional rail franchises. It is consulting on these proposals and is asking for responses by the 28 June 2012. These options are summarised below:



1. **Co-signatory status:** The North of England PTEs are already co-signatories to the Northern Franchise. Although the Railways Act 2005 removed the PTEs right to this status from future franchises, the Secretary of State can still invite organisations to become co signatories;
2. **One franchise, one specification:** PTEs and other local authorities buy enhancements to the DfT's base specification for a particular franchise or reduce services/increase fares and retain the funding;
3. **One franchise, multiple specifications:** One operator for the whole franchise but PTEs or local authorities take responsibility for specific service groups. The franchise would be tendered as one, but bidders would have to price devolved service groups separately. The DfT would devolve funding to local bodies for the relevant services.
4. **One principal franchise, one or more micro franchises:** The DfT would procure and manage the principal franchise. However operationally self-contained service groups or routes could be separately tendered and managed by PTEs/local authorities or other bodies as 'micro-franchises'. Micro franchising could happen at the same time as, or more probably, after, the main tendering process is complete;
5. **Entire franchise devolved to a grouping of PTEs/local authorities:** A group of local authorities and/or PTEs would form a consortium to take responsibility for specifying, funding and managing a wider network of services. The DfT would allocate a grant to fund the devolved services.

---

2.3 Work has been undertaken at a metropolitan level between the cities in the North and the DfT to investigate the opportunities that could be realised through rail devolution. More recently, this work has been shared with officer colleagues in non-metropolitan areas through workshops, engagement directly with the DfT and the dissemination of information. It is clear that through discussions with our stakeholders that all approaches need to be explored in relation to the North East.



2.4 The work has identified a number of opportunities that can be released through greater devolution such as pooling funding sources and using local knowledge to ensure that rail networks meet the need of local economies. Rail devolution could further support economic growth by delivering better connectivity and more capacity. It could improve the quality of the railways in the north through replacement of older trains and enhanced improvements at stations. It could also make railways more accountable to local people through decisions being made by local people, rather than Civil Servants in Whitehall. It may deliver a more efficient railway by securing revenue growth and reinvesting these into improving services.

---

2.5 This work has generated the idea of an executive body (Rail in North Executive - RiNE) across the North assuming responsibility for the Northern franchise, and possibly for the Transpennine Express franchise if the two franchises are merged in to one. This group would be responsible for specifying, letting and managing the franchise, and would develop a long term strategy for rail services that reflects Local Transport Plans (LTPs) from across the franchise area. Appropriate governance would be essential under this scenario so that key stakeholders across the North East have sufficient influence in the specification and procurement of rail services. Funding sources would have to commensurate with desired outcomes. A number of work-streams are underway to investigate issues such as financial operation, governance, economic appraisal and franchise specification. These work-streams have not concluded, and further work is ongoing to understand and interpret the detail. We will continue to work with local stakeholders and the other Northern ITA's to understand all the options available and their implications for the North East.

---

**3 Issues to consider**

---

3.1 The rail network in the North East is relatively self-contained, as seen by the map attached as an appendix. The rolling stock on local services is of low quality and journey times are slow, with poor connectivity between places.



3.2	<p>There are some major challenges ahead, notably around what is on offer in terms of a financial deal. The DfT have not yet provided any detail as to the financial deal or 'dowry' that could accompany full devolution. In 2010/11 the proportion of Northern Rail's costs covered by fares was 22%, with the remaining 78% (£429m) covered by Government subsidy.</p>
3.3	<p>Governance proposals will need to be robust, and ensure appropriate accountability. A potential RiNE would be responsible for specifying the base specification and managing the franchise. Outline proposals are under development, and are being used to inform discussions with North East colleagues.</p>
3.4	<p>There are a number of questions that help to define the levels of risk associated with the various options for devolution:</p> <ul style="list-style-type: none"><li>• The cost of franchise operation;</li><li>• The potential level of financial support from the DfT;</li><li>• The level of 'efficiency gap' DfT may expect to see addressed;</li><li>• The implications of franchise failure;</li><li>• The number of parties prepared to participate in the risk element of the franchise, at what level of specification and for what level of influence.</li></ul>
3.5	<p>These are significant issues which will take some time to resolve, not only across the North East but across the Northern Franchise as a whole. The importance of fully understanding the financial incentives on offer will be integral to any decision – and this information is currently not available. It is therefore unlikely that the various parties will be in a position to commit to a preferred option (from those listed in 2.2) until well after the commencement of the next franchise (Spring 2014).</p>
<b>4</b>	<b>Next Steps</b>
4.1	<p>There are three high level options that could be set out to Government from a North East Perspective:</p> <p>a) Continue with the Status Quo;</p>



	<p>b) Support the principle of a Rail in the North Executive, whilst seeking assurances and guarantees on finance, governance and specification; and</p> <p>c) Support the concept of a separate, freestanding franchise for the North East, which requires further work to be undertaken in the coming months to evaluate and investigate options.</p>
4.2	<p>As outlined earlier in the report, there is a large amount of information that is still not readily available to help inform discussions and debate. Whilst we have been working closely with colleagues in other PTE areas to discuss the opportunities presented by rail devolution, we are also mindful that the North East is almost self-contained in its rail geography (most of which is outside Tyne and Wear's boundaries), and we need to seriously consider the challenges and opportunities that would be presented by a separate franchise for the North East. Further work on this will be taken forward over the coming months.</p>
4.3	<p>Through the Clerk to the ITA and Director General, we have engaged with colleagues from across the North East to discuss emerging thinking from the Local Authorities. This has resulted in a proposal that a response from the Association of North East Councils to this consultation on rail devolution could be submitted to represent the views of all twelve north eastern Local Authorities. There are further meetings planned with officers to progress this and a paper is being taken to the next meeting of the 12 Local Authority Leaders and Elected Mayors' on this subject to help inform a consultation response.</p>



**5** | **Potential impact on objectives**

---

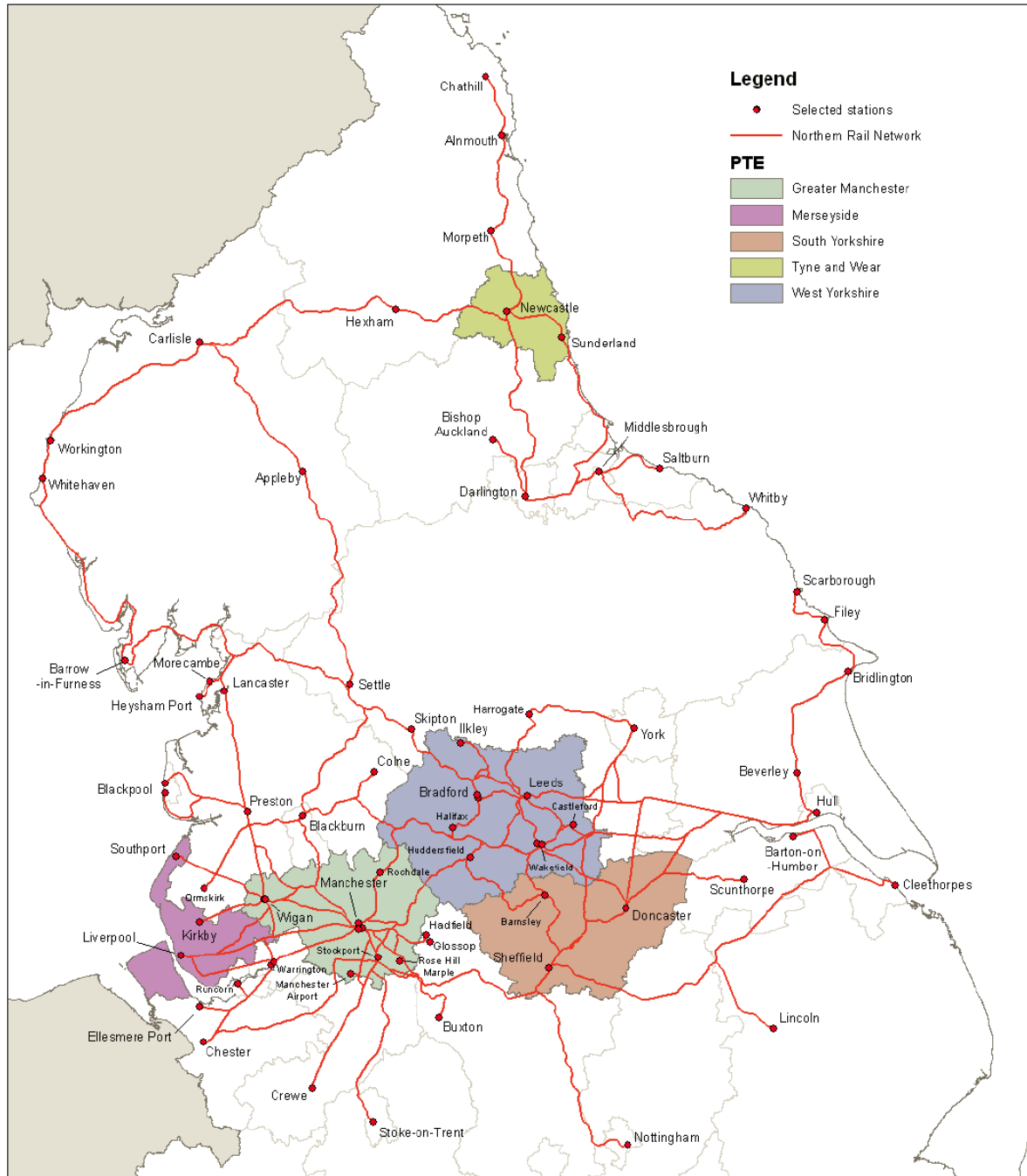
5.1 | With the right financial support from central government, rail devolution could help to positively impact on economic growth and development and addressing the impact of climate change. It allows for decisions to be made locally by people who know and understand their local area. Passenger growth across the North has increased, and a quality rail network and services are crucial in attracting more people to use the railways for their journeys and supporting the economic growth ambitions across the North.

---





Appendix A



This page is intentionally left blank



---

**DATE:** 31 May 2012  
**SUBJECT:** General Policy Update  
**REPORT OF:** Clerk to the ITA

---

## **PURPOSE OF REPORT**

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

## **RECOMMENDATIONS**

ITA Members are asked to note the report.

## **BACKGROUND DOCUMENTS**

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

## **CONTACT OFFICERS**

*Graham Grant*                      [graham.grant@newcastle.gov.uk](mailto:graham.grant@newcastle.gov.uk)                      0191 211 6011

## **IMPACT ON OBJECTIVES**

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

<b>1</b>	<b>Executive Summary</b>
1.1	<p>This paper outlines a range of policy decisions, consultations, funding decisions and trials announced by the government in the past year. The paper is not an exhaustive list of every aspect of relevance to transport but includes details that may be of interest to ITA Members across various themes including: rail, aviation, elements of road (both local and strategic), public transport (items 2-11), and also about two emerging policy positions that have close links to transport (items 12 and 13).</p>
<b>2</b>	<b>Reforming our railways – March 2012</b>
2.1	<p>This Command Paper contains the Department for Transport’s (hereafter DfT) proposals to address the issues outlined in the McNulty review of the rail industry. By working collaboratively it outlines how it intends to make annual savings of between £2.5-3.5bn by 2019. The Command Paper commits the government and industry to:</p> <ul style="list-style-type: none"> <li>- Reducing and then ending above-inflation rises in average regulated fares as soon as possible;</li> <li>- Expanding smart ticketing technology so that passengers across England and Wales can enjoy ‘Oyster-style’ smartcard payment options and more flexible season tickets;</li> <li>- Reforming rail franchises so that operators have to deliver more value and better levels of service for passengers while ensuring taxpayer subsidies are concentrated on safeguarding less profitable routes that remain crucial to communities;</li> <li>- Investing in Britain’s capacity to grow jobs and prosperity by funding thousands more carriages, extending electrification of the rail network and redeveloping railway stations;</li> <li>- Strengthening the rail regulator’s capacity to improve the passenger experience and oversee the crucial efficiency challenge;</li> <li>- Involving rail workers in plans to get the industry on a more sustainable footing, to grow jobs and to develop skills; and</li> <li>- Empowering passengers by providing better punctuality and</li> </ul>



	real-time travel information.
2.2	Alongside the Command Paper, the DfT has published two separate consultations on fares reform and devolving responsibilities for rail services to local authorities. The consultation on devolving responsibilities is the subject of another paper to this ITA meeting. Details on the consultation on fares reform follow. Both consultations close on June 28 2012.
<b>3</b>	<b>Rail Fares and Ticketing – March 2012</b>
3.1	<p>This 'initial' consultation invites views on the potential for new 'shoulder' peak fares and higher peak fares being introduced to reduce the pressure for major rail capacity enhancements to meet peak hour demand. Shoulder peak fares would be priced between the high peak and the off-peak fare.</p> <p>The DfT's fares and ticketing strategy also highlights the potential for smart ticketing technology to offer new products such as season tickets geared towards people who don't work a standard 9-5 five-day week (and therefore may not benefit from the existing season ticket arrangement).</p>
<b>4</b>	<b>High Speed Rail 2 (HS2) – January 2012</b>
4.1	<p>Following a public consultation on the national strategy for High Speed Rail the Secretary of State for Transport announced in January that work will commence on the next stage of HS2. This will incorporate design and environmental work, for a Hybrid Bill for the London to West Midlands line. Proposals for the line of route to Leeds and Manchester will also be established and the recommendations on the routes for phase two will be delivered to government later in 2012.</p> <p>The details of the intended connection from Leeds onto the East Coast Main Line are of particular importance to Tyne and Wear (and other areas). Officers from Tyne and Wear ITA continue to work with other areas as part of the Eastern Network Partnership to establish consistent and coherent evidence and support for the future</p>



	expansion of High Speed Rail, and corresponding improvements to the East Coast Main Line.
<b>5</b>	<b>Aviation</b>
5.1	<p>A Scoping Paper 'Developing a sustainable framework for UK aviation' was released in March 2011. The DfT is currently:</p> <ul style="list-style-type: none"><li>- Drafting its consultation document on a sustainable future for aviation; and</li><li>- Developing a call for evidence on maintaining the UK's hub airport capacity.</li></ul> <p>These two documents will be published in the summer, with the government also reaffirming its commitment to finalising the policy framework for aviation by next spring.</p>
<b>6</b>	<b>'Pipeline' schemes – May 2012</b>
6.1	<p>Work to support future improvements to the strategic road network was outlined in early May. Development work – to be carried out over the next three years – will ensure that there are schemes prepared and ready to be considered for delivery in the early years of the next spending review period (post 2015). A19 / A1058 Coast Road Junction improvement in North Tyneside was one of the six schemes identified to move forward with design and consultation along with progressing any statutory processes.</p>
<b>7</b>	<b>Development Pool funding – December 2011</b>
7.1	<p>The only Tyne and Wear scheme for consideration in the 'Development Pool' of local major schemes for this spending review period (up to 2015) – a new bridge over the River Wear – was awarded £82.5million from the DfT in December. Work on the bridge – to cross from Castletown on the northern banks to Pallion on the south – are due to start in 2012 with completion targeted for autumn 2015.</p>
<b>8</b>	<b>Pinch Point funding – announced November 2011</b>
8.1	<p>Among the transport infrastructure announcements in the</p>



	<p>Chancellor's Autumn Statement was a £220million fund to implement road schemes across England that reduce congestion at pinch points on the strategic road network. The specific criteria for this fund included that all potential schemes had to be deliverable on land owned by the Highways Agency (and not that of a third party).</p>
8.2	<p>The Highways Agency has asked the Local Enterprise Partnerships (LEPs) to liaise with local authorities to help them outline potential schemes which alleviate congestion and also contribute to economic growth. Further work is being done by the Highways Agency to identify which – if any – of the schemes in the North East can move forward to be considered for funding as part of this competitive national programme.</p>
<b>9</b>	<b>A Green Light for Better Buses – March 2012</b>
9.1	<p>This document sets out a series of reforms to improve local bus subsidy and regulation in England. A more detailed report on this is also on the agenda for this meeting of the ITA.</p>
<b>10</b>	<b>Trial of Tram Trains – May 2012</b>
10.1	<p>While this is not a policy decision per se, it is considered to be of note that the DfT is trialling Tram Trains in South Yorkshire. This £58million pilot project using Tram Trains on both tram and rail networks indicates that the government is willing to consider innovative and technological solutions that may not have been tested in this country.</p> <p>While it does not impact directly on the potential for future Metro expansion it is worth noting as part of the wider context for potential future improvements.</p>
<b>11</b>	<b>Local Major Scheme Funding – January 2012</b>
11.1	<p>This consultation paper outlined different options for a new system of prioritising and funding local major schemes after the end of the current Spending Review period. It is important for Members to note that this consultation focused on potential changes to the old 'Regional Funding Allocation' system – and does not propose</p>



	<p>changes to the format of delivery of transport schemes (this would still lie with the local highway / integrated transport authority).</p>
11.2	<p>The timescales for the potential devolution of local major scheme funding are:</p> <p>April 2012 – responses to initial consultation (district officers from every authority in the North Eastern LEP submitted a joint response).</p> <p>August 2012 – DfT to publish a range of indicative allocations per individual Local Enterprise Partnership area.</p> <p>December 2012 – LEP areas to submit proposals for sign-off of governance, financial management, accountability, and meeting and testing value for money.</p> <p>April 2013 – LEP areas to have agreed their programme of priorities for delivery after 2015.</p>
<b>12</b>	<b>Making Open Data Real – August 2011 onwards</b>
12.1	<p>A consultation on a proposed approach for the government's Transparency and Open Data Strategy commenced in August 2011. This followed various announcements from the Cabinet Office and Ministers and included a commitment to publish data across public services including transport in July 2011. In addition to this consultation a White Paper on Open Public Services was published in March 2012 and in mid-2012 the Cabinet Office will publish its Transparency and Open Data Strategy. All Departments (including DfT) are also due to publish their own individual Open Data Strategies in mid 2012.</p>
12.2	<p>Members may be interested to note that various sets of transport data have already been published by government organisations including:</p> <ul style="list-style-type: none"><li>- Information from Transport Direct and road works data on the strategic road network (October 2011);</li><li>- Real-time data on the strategic road network (speed and congestion) and weekly rail timetable data released by the DfT (December 2011);</li><li>- A range of highways and traffic data via the 'Roadworks' website, which includes data to help reduce congestion and</li></ul>





	<p>enable businesses to make more predictable travel and logistics decisions (March 2012); and</p> <ul style="list-style-type: none"><li>- Publication of timetable and real-time train and bus information from Network Rail and Traveline (April 2012).</li></ul>
12.3	<p>These commitments to transparency and 'open data' offer opportunities and risks for the ITA and PTE. Members may wish to receive a further more detailed paper to ITA in July on this subject.</p>
<b>13</b>	<b>Health and Social Care Act</b>
13.1	<p>The Health and Social Care Act received Royal Assent on 27 March, 2012. Along with changes to NHS structures there are new and expanded roles for top-tier English local authorities including a requirement to establish Health and Wellbeing Boards. Operating at district level, they will lead joint and comprehensive assessment of health and social care need and oversee the development of a Health and Wellbeing Strategy. Although secondary legislation and regulations are to follow, there is currently no role for sub-regional or regional bodies in the governance of the Boards. Much of the membership is fixed although councils can co-opt 'such other persons' as required.</p>
13.2	<p>Tyne and Wear councils have established shadow Health and Wellbeing Boards and are developing ways of working with emerging local policy priorities. Approaches encompass, to varying degrees, all of the wider determinants of health, such as economic and physical conditions where ITA/Nexus has a role; in both securing local services and continued involvement from earlier partnerships, projects and data sharing. Creating the economic and physical conditions which enable people to enjoy good health and positive wellbeing requires active consideration of how people connect with each other, across communities, into the labour market and to access sport, leisure and recreation as well as NHS services.</p>
13.3	<p>Given the well established impact of access to services and choice of travel mode on health and wellbeing, the ITA may wish to consider at a future meeting and / or Policy Seminars how it helps align policy and activity to support the development of Health and Wellbeing Boards – while recognising that different districts will have different formats and priorities for these new Boards.</p>



**4**

**Next Steps**

None

**5**

**Potential impact on objectives**

To be noted

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

Document is Restricted

This page is intentionally left blank