



Tyne and Wear Integrated Transport Authority

Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE99 2BN
on Thursday 28 July 2011 at 10.00 am

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

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

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ITA papers are available on the ITA website at www.twita.gov.uk

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1.	Apologies for absence	
2.	Declarations of Interest of Members or Officers in any matter to be discussed at the meeting	
	(If any Member has a personal/prejudicial interest please complete the appropriate form and hand this to the Democratic Services Officer before leaving the meeting. A blank form can be obtained from the DSO at the meeting).	
	Members are reminded to verbally declare their interest and the nature of it and, if prejudicial, leave where appropriate at the point of the meeting when the item is to be discussed.	
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NOTE: Under the Local Government (Access to Information) Act 1985 members of the public have a right to inspect any non-confidential background papers used in the production of a non-confidential report to the Authority. Requests for information should be made to the Department originating the report.



Tyne and Wear Integrated Transport Authority

26 May 2011

(10.00 - 11.45 am)

Meeting held in a Committee Room, Civic Centre, Newcastle upon Tyne

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:

P Woods	- Deputy Clerk and Treasurer (ITA), Newcastle City Council
M France	- Finance and Resources (ITA), Newcastle City Council
H Wilson	- Legal Adviser (ITA), Newcastle City Council
H Emms	- Policy Adviser (ITA), Newcastle City Council
P Staines	- Scrutiny (ITA), Newcastle City Council
P Fenwick	- New Tyne Crossing Project Director, Newcastle City Council
G MacDonald	- Transport Policy, Newcastle City Council
V Miller	- Democratic Services, Newcastle City Council
N Whitefield	- Press Office, Newcastle City Council

Nexus:

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

1. **APPOINTMENT OF CHAIRMAN**

RESOLVED – That Councillor D Wood be appointed as Chairman of the Authority for the municipal year 2011-2012.

2. **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

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

Councillors D Wood, Lott, S Green, McMillan, Blackburn, Hanson, Hodson and P Wood declared a personal interest due to having a concessionary travel pass.

4. MEMBERSHIP OF THE AUTHORITY

RESOLVED – That the membership of the Authority in 2011-2012 be confirmed as the following:

Councillor	District Council	Party
McElroy	Gateshead	Labour
S Green	Gateshead	Labour
Maughan	Gateshead	Lib Dem
D Wood	Newcastle	Labour
Stokel-Walker	Newcastle	Labour
Murison	Newcastle	Labour
Keating	Newcastle	Lib Dem
Lott	North Tyneside	Labour
Burdis	North Tyneside	Labour
Hodson	North Tyneside	Conservative
Hanson	South Tyneside	Labour
McMillan	South Tyneside	Labour
Blackburn	Sunderland	Labour
Hall	Sunderland	Labour
Emerson	Sunderland	Labour
P Wood	Sunderland	Conservative

5. APPOINTMENT OF VICE CHAIRMEN

(a) Appointment of Statutory Vice Chairman

RESOLVED – That Councillor Emerson be appointed as Statutory Vice-Chairman for the municipal year 2011-2012.

(b) Appointment of Other Vice Chairmen

RESOLVED – That Councillors Hanson and McElroy be appointed as Vice-Chairmen for the municipal year 2011-2012.

6. APPOINTMENT OF LEAD MEMBERS' PORTFOLIOS

RESOLVED – That the lead members' portfolios for the municipal year 2011-2012 be as follows:

- Councillor D Wood (Chairman) - Portfolio: Modal Shift
- Councillor Emerson
(Statutory Vice-Chairman) - Portfolio: Regeneration and Communication
- Councillor Hanson (Vice-Chairman) - Portfolio: Tyne Tunnel/New Tyne Crossing
- Councillor McElroy (Vice-Chairman) - Portfolio: Social Inclusion

7. APPOINTMENT OF LEADER OF THE OPPOSITION

RESOLVED – That Councillor P Wood be appointed as Leader of the Opposition for the municipal year 2011-2012.

8. **APPOINTMENTS TO COMMITTEES AND WORKING GROUPS 2011-2012**

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

RESOLVED – That:

- (i) The listed below committees and working groups be appointed for the municipal year 2011-2012;
- (ii) The outlined below membership of the committees and working groups be appointed for the municipal year 2011-2012;
- (iii) The terms of reference of the committees and working groups be agreed;
- (iv) The terms of reference of the Metro Sub-Committee, specifically the reference to the number of substitute members, be amended to reflect the new political balance so that the new substitute membership is 5 named substitutes from the majority political party, one named substitute from the Liberal Democrats and one substitute member from the Conservatives.

Appointments to Committees and Working Groups made for the municipal year 2011-2012:

(a) **Delegated Committee**

Day and time of meeting: as and when required

Membership (3 (2+1)):

Councillors D Wood, Emerson and P Wood

(b) **Standards and Audit Committee**

Day and time of meeting: Friday at 2pm, 3 meetings a year

Membership (5 (4+1) plus the 4 Independent members):

Councillors: Blackburn, Hall, McElroy, P Wood and vacancy (Labour Group)

Independent Chair: Mr M Scrimshaw

Independent Members: Ms E Green (Vice Chair), Mr A Atkinson and Mr G Clark

(c) **ITA Scrutiny Committee**

Day and time of meeting: 2nd Thursday at 1pm, 4 meetings a year

Membership (10):

Gateshead:

Councillors: M Graham and T Graham (Substitute: A Wheeler)

Newcastle upon Tyne:

Councillors: G Pattison and Preston (Substitute: vacancy)

North Tyneside:

Councillors: Birkenfield and M Green (Substitute: vacancy)

South Tyneside:

Councillors: B Watters and R Porthouse (Substitutes: A West and O Punchion)

Sunderland:

Councillors: Padgett and R D Tate (Substitutes: G Miller and D Richardson)

(d) **Metro Sub-Committee**

Day and time of meeting: Thursday at 10.30am, 4 meetings a year

Membership (8 (6+1+1) and Substitute Members 7 (5+1+1)):

Councillors: D Wood, Blackburn, Hanson, Lott, McElroy, Stokel-Walker, Maughan and Hodson

Substitute Members: Hall, McMillan, Emerson, Murison, Keating, P Wood and 1 vacancy (Labour Group)

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

Day and time of meeting: 2nd Thursday at 10.30am, quarterly

Membership (8):

ITA Representatives (Nominated by the ITA)

Chair - Councillor D Wood

Vice Chair - Councillor Emerson

Opposition Representative - Councillor P Wood

District Representatives (Nominated by the District Councils)

Councillor Murison - (Newcastle)

Councillor McElroy - (Gateshead)

Councillor: vacancy - (North Tyneside) – a nomination is awaited

Councillor Kerr - (South Tyneside)

Councillor Blackburn - (Sunderland)

(f) Equality and Diversity Working Group

Day and time of meeting: 3rd Thursday at 10.30am, quarterly

Membership (8):

ITA Representatives (Nominated by the ITA)

Chair - Councillor D Wood

Vice Chair - Councillor Emerson

Opposition Representative - Councillor Maughan

District Representatives (Nominated by the District Councils)

Councillor Todd - (Newcastle)

Councillor T Wright - (Sunderland)

Councillor L Green - (Gateshead)

Councillor: vacancy - (North Tyneside) – a nomination is awaited

Councillor Kerr - (South Tyneside)

(g) Bus Strategy Working Group

Day and time of meeting: as and when required

Membership (8):

ITA Representatives (Nominated by the ITA)

Chair - Councillor D Wood

Vice Chair - Councillor Emerson

Opposition Representative - Councillor Keating

District Representatives (Nominated by the District Councils)

Councillor Todd - (Newcastle)

Councillor Douglas - (Gateshead)

Councillor: vacancy - (North Tyneside) – a nomination is awaited

Councillor Hanson - (South Tyneside)

Councillor Blackburn - (Sunderland)

(h) **Tyne Tunnels Working Group**

Day and time of meeting: Thursday or Friday at 10am, bi-monthly

Membership (7):

Councillors: Hanson, Hall, Lott, McMillan, D Wood, Hodson and vacancy (Opposition Group)

(i) **Outside Bodies**

Membership:

(1) **Local Government Association**

Councillors: D Wood, Emerson, Blackburn and Keating

(2) **ITA Special Interest Group**

Councillors: D Wood, Emerson and P Wood (or their substitutes)

(j) **District Transport Spokesmen (ITA Members)**

Membership:

Councillor D Wood - (Newcastle)

Councillor McElroy - (Gateshead)

Councillor Lott - (North Tyneside)

Councillor Hanson - (South Tyneside)

Councillor Blackburn - (Sunderland)

9. **CALENDAR OF MEETINGS 2011-2012**

Submitted: A calendar of meetings of the Authority and its committees and working groups in 2011-2012 (previously circulated and copy attached to Official Minutes).

RESOLVED – That the calendar of meetings in 2011-2012 be agreed as the following:

<u>TYNE AND WEAR ITA</u>		
MEETINGS IN 2011-2012		
<u>Pre-Agenda Meeting</u> (for the Chairman and Vice Chairmen only) 3rd Monday, bi-monthly (all at 10.00am) Nexus House	<u>ITA Meetings</u> 4th Thursday, bi-monthly (all at 10am) Newcastle Civic Centre	<u>ITA Policy Seminars</u> (all at 9.30am) Nexus House
		30 June 2011
18 July 2011	28 July 2011	25 August 2011 Annual Inspection and Tour
12 September 2011	22 September 2011	27 October 2011
14 November 2011	24 November 2011	
16 January 2012	26 January 2012	23 February 2012
12 March 2012	22 March 2012	26 April 2012
21 May 2012	31 May 2012 Annual General Meeting	

<u>ITA Standards and Audit Committee</u>
Friday, 3 meetings a year (all at 2pm) Newcastle Civic Centre
8 July 2011
16 September 2011
February 2012 (the date is to be confirmed)

ITA Metro Sub-Committee

**Thursday, 4 meetings a year
(all at 10.30am)
Newcastle Civic Centre**

9 June 2011

1 September 2011

8 December 2011

1 March 2012

ITA Scrutiny Committee

2nd Thursday at 1pm, 4 meetings a year

14 July 2011 (Newcastle Civic Centre)

13 October 2011 (North Tyneside Quadrant)

12 January 2012 (South Shields Town Hall)

12 April 2012 (Gateshead Civic)

ITA Tyne Tunnels Working Group

**Thursday or Friday, bi-monthly
(all at 10am)
New Crossing House**

24 June 2011

September 2011

November 2011

January 2012

March 2012

May 2012

ITA Local Transport Plan Working Group

**2nd Thursday, quarterly
(all at 10.30am)
Newcastle Civic Centre**

14 July 2011

6 October 2011

2 February 2012

12 April 2012

<u>ITA Equality and Diversity Working Group</u>
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3rd Thursday, quarterly (all at 10.30am) Newcastle Civic Centre

21 July 2011

20 October 2011

19 January 2012

19 April 2012

<u>ITA Bus Strategy Working Group</u>
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as and when required (serviced by Nexus)

16 June 2011

29 September 2011 (the date might change)

1 December 2011

15 March 2012

10. **MINUTES OF THE MEETING HELD ON 24 MARCH 2011**

RESOLVED – That the minutes of the previous meeting held on 24 March 2011 subject to the indicated below amendments were approved as a correct record and signed by the Chair.

Amendments

(a) Minutes of the previous meeting – Christmas and New Year Services 2010/2011

(Minute 111 (a) refers)

The first sentence should read “In response to the Chair’s comment on a recent article....and the related settlement under the contractual agreement.”

(b) 2010/11 and 2011/12 public transport block allocation

(Minute 113 refers)

The resolution (ii) should read “a report on the recommended amendments to the distribution methodology for the Public Transport LTP Block Allocation agreed by Nexus and the District Councils to be provided to a future meeting.”

Matters Arising

(i) Also Present**The Tyne and Wear Public Transport User Group**

It was noted that an engagement event had been held with the Group. The minutes of this meeting were available on request.

(ii) Nexus (Non Metro), New Tyne Crossing and Local Transport Plan Capital Programme 2011/12 to 2013/14**Gold Card proposal**

(Minute 111 (f) refers)

A member recommended that the use of Gold Cards should be reviewed for the whole year to identify fluctuations and the impact of the recent increase in price. A report with the requested analysis would be provided to a future meeting. The report would also include data for other areas in the country for comparison.

(iii) Durham County Council budget reductions – impact on cross boundary bus services

(Minute 122 refers)

Changes to bus services in County Durham were expected from Sunday 29 May 2011. Nexus had held a range of discussions with bus operators with an objective to minimise the impact of the reduction in cross-boundary bus services on Tyne and Wear. Nexus would monitor the effect of changes, including passengers' response.

(iv) Rail Update

(Minute 128 refers)

High Speed Rail

B Garner confirmed that the Authority would be fully informed about any developments in relation to High Speed Rail, including any opportunities to contribute to discussions about the future expansion of the network.

Express passenger train service to and from London – journey times

Officers from Nexus would provide a report to a future meeting on the express passenger train service to and from London, including an explanation of the constraints which restricted the opportunity for shorter journey times on the East Coast Main Line.

11. KENTON PARK (GOSFORTH) RESIDENTS' PETITION

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

T Hughes presented the report which sought members' approval of the proposed response to the petition submitted by residents of the Kenton Park area of Gosforth, Newcastle upon Tyne.

RESOLVED – That the proposed response to the petition, as in paragraph 5.1 of the report, be agreed.

Paragraph 5.1 of the report reads:

“On behalf of the ITA, Nexus have recently undertaken a major review of the allocation of public funding on local bus services throughout the Tyne and Wear area. The results of this review (which included a major public consultation) have only recently (March 2011) been implemented and all resource in the area is currently fully committed. We are therefore at this stage unable to respond positively to the petition, however, we will continue to monitor the performance of all public funded services and will review this position should the available resource become available.”

12. 2010/11 NON-METRO CAPITAL PROGRAMME - OUT-TURN REPORT

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

P Woods presented the report which informed members about the out-turn position of the Non-Metro Capital Programme 2010-2011.

RESOLVED – That the out-turn position of the Non-Metro Capital Programme 2010/2011, as in Appendix A to the report, be noted.

13. REVISED NEXUS NON-METRO CAPITAL PROGRAMME 2011-12

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

J Fenwick presented the report which informed members about the changes to the Nexus Non-Metro Capital Programme 2011-2012, which had been made in line with the provisional out-turn for the previous year.

RESOLVED – That the revised Nexus Non-Metro Capital Programme 2011-2012 be approved.

14. METRO REINVIGORATION PHASE 3

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

B Garner presented the report which informed members of a proposed process to be followed in respect of the development of Metro Reinvigoration Phase 3.

Members commented on the importance of planning ahead for the potential extension of Metro across Tyne and Wear, including identifying possible financing options.

RESOLVED – That the report and members’ comments be noted.

15. **METRO CAPITAL PROGRAMME 2010/11 OUTTURN**

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

J Fenwick presented the report which advised members on the out-turn position of the Metro Asset Renewal Programme and Major Projects Capital Programme 2010-2011.

RESOLVED – That the position in relation to the Capital Programme 2010-2011, as in section of 4 and Appendix A of the report, be noted.

16. **2011/12 METRO ASSET RENEWAL PROGRAMME**

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

K Mackay presented the report which sought members’ approval of the Metro Capital Programme 2011-2012 which had been amended in line with the provisional out-turn position for the previous year.

K Mackay and J Fenwick provided clarification on the programming particulars of the 11-year long programme. Members were reassured that all essential asset renewal projects would be delivered. Members would continue to receive regular reports on progress.

The Chair on behalf of the Authority thanked all officers who were working on the programme.

RESOLVED – That:

- (i) the Metro Capital Programme 2011-2012 at a value of £39.1m which represents an over programming level of 10% above the expected funding available (which for 2010-2011 is £35.55m, excluding Major Project), as detailed in Appendix A of the report, be approved;
- (ii) the indicative Metro Capital Programme 2012-2013, as detailed in Appendix A of the report, be noted.

17. **COMPETITION COMMISSION LOCAL BUS SERVICES MARKET INVESTIGATION**

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

T Hughes presented the report which informed members about the provisional findings of the Competitive Commission's investigation into the supply of local bus services and also sought members' endorsement of the proposed response from the ITA and Nexus as summarised in Appendix A of the report. It was noted that a full document could be made available on request. It was also noted that a separate collective response from Passenger Transport Executive Group (PTEG), which would complement the response from the ITA and Nexus, would also be submitted to the Competition Commission.

During the discussion, it was noted that:

- The work on improving value for public money as part of addressing the effect of limited competition would complement the Bus Strategy for Tyne and Wear.
- The Competition Commission had referenced bus franchising as a potential remedy. To date, Nexus' development work on Quality Contracts was into the feasibility of a proposal.
- Whilst the ITA or Nexus could not have an overall control over fares, Nexus recommended that the Authority should have some oversight over integrated fares.
- In relation to section 5.13 of the report, it was noted that the new guidance to travel concession authorities would help prevent fares increases as a means of operators benefitting from reimbursement for the carriage of concessionary travel pass holders.

RESOLVED – That:

- (i) the report be noted;
- (ii) further information on integrated fares strategies and processes be provided directly to members;
- (iii) the summary response to the Competition Commission, as set out in Appendix A, be endorsed.

18. **SCRUTINY COMMITTEE ANNUAL REPORT**

Submitted: A report of the Chair of the Scrutiny Committee (previously circulated and copy attached to Official Minutes).

P Staines presented the report which provided information on the work of the Scrutiny Committee in 2010-2011.

It was agreed that the contents of the Authority's forward plan, as referred to in section 5.2 of the report, would be discussed at the next Policy Seminar.

The Chair on behalf of the Authority thanked members and officers of the Scrutiny Committee for their work.

RESOLVED – That:

- (i) the report be noted;
- (ii) the contents of the Authority's forward plan be discussed at the next Policy Seminar.

19. **REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS**

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

H Wilson presented the report which advised the Authority that a review of its corporate governance arrangements had been carried out.

RESOLVED – That the report be noted.

20. **PRIORITY LANES IN TYNE AND WEAR**

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

H Emms presented the report which provided a clarification of the framework in relation to the permitted use of priority lanes in Tyne and Wear.

During the discussion, it was noted that:

- A member was disappointed that there was no common policy for the permitted use of priority lanes in Tyne and Wear. As a result, the area was potentially missing out on the benefits of having a common approach, including the improved clarity for motorists, eased congestion and more effective enforcement. A member asked for the subject of priority lanes – common policy on permitted use across Tyne and Wear to be added to the Authority's forward plan.
- A member reminded members that the Authority had already approved the Tyne and Wear Priority Lanes scheme.
- The Chair commended the progress achieved to date and explained that the legislation in relation to priority lanes was complex. To achieve an enforceable common approach, each partner District Council would need to make a decision to that effect. As a way forward, the Chair encouraged all members to speak to their authorities with a view to align their current schemes to the scheme which had been previously approved by the ITA.
- It was noted that the Police were responsible for the enforcement of priority lanes, although this was a complex matter due to multiple conditions in relation to permitted use. Officers would continue to work on monitoring and addressing this matter.

RESOLVED – That:

- (i) the report be noted;
- (ii) members would address their Local Authorities to seek to align their current local practice in respect of priority lanes to the scheme which had been previously approved by the ITA.

21. **LOCAL SUSTAINABLE TRANSPORT FUND**

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

The report informed members about the progress of the current work to prepare a bid for the Local Sustainable Transport Fund.

Questions/Comments

- In relation to sustainable travel to schools, a member recommended that one of the key activities within the bid should be increasing the awareness of the school bus (the Yellow Bus) and encouraging children to use it.
- A member recommended that the bid should include a scope for making improvements to travel links to colleges and universities.
- A member recommended that the project should aim to achieve a balance between different modes of travel.
- A response on the Key Components bid submission was expected at the end of July.
- It was confirmed that due to its scale and features, this particular bid was not the appropriate mechanism for making improvements to bus corridors.
- B Garner commented that, given the composition of the bid and the timescales involved, it was important to understand details.

RESOLVED – That:

- (i) the report be noted;
- (ii) the decision-making on the final contents of the large project bid be delegated to the lead members who would meet before the deadline for submission (6 June 2011);
- (iii) a progress report be submitted to a future meeting of the Authority.

22. **NEW TYNE CROSSING - CONSTRUCTION PROGRESS REPORT**

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

P Fenwick presented the report which provided information on the final construction and landscaping works around the new vehicle tunnel, refurbishment of the existing tunnel and communication with users and other stakeholders. It was noted that the journey time monitoring system for the new tunnel had been ordered.

The Chair on behalf of the Authority thanked all members and officers who were involved in the New Tyne Crossing project.

The Chair suggested that members should be invited to inspect the existing vehicle tunnel and the pedestrian and cyclist tunnel as part of the Annual Inspection and Tour in August 2011.

RESOLVED – That:

- (i) the report be noted;
- (ii) a visit for members to the existing vehicle tunnel and the pedestrian and cyclist tunnel be organised in August 2011 as part of the Annual Inspection and Tour.

23. **DATE AND TIME OF THE NEXT ORDINARY MEETING**

Thursday, 28 July 2011 at 10am

24. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That press and public be excluded from the remainder of the meeting on the following grounds:

Agenda item for consideration:

Reason:

25 Confidential minutes of the previous meeting held on 24 March 2011

Paragraph 3 of part 1 of Schedule 12 A to the Local Government Act 1972



Tyne and Wear Integrated Transport Authority

DATE: 28 July 2011

TITLE: Outturn and Draft Financial Statements for the Financial Year 2010/11

REPORT OF: Deputy Clerk and Treasurer

Not confidential

District Implications - all

1. Summary / Purpose of Report

1.1 The purpose of this report is to provide members with a summary of the Authority's financial results in 2010/11 and its financial position; present the key accounting statements and provide an overview of significant financial matters which occurred during the year.

1.2 The report also sets out key changes to the Accounts in 2010/11 as compared with 2009/10, as the accounts are now produced on an International Financial Reporting Standard (IFRS) basis. Changes to the accounts approval process as a result of the revised Accounts and Audit Regulations are also explained.

1.3 This report was presented for information to the ITA Standards and Audit Committee meeting on 8 July 2011. No significant comments or issues were raised by Standards and Audit Committee members to be reported to the ITA.

2. Recommendations

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

3. Move to International Financial Reporting Standards

3.1 2010/11 is the first year that the ITA has been required to prepare its final accounts on an International Financial Reporting Standards (IFRS) basis. Previously, in line with all local authorities, the ITA's accounts were prepared in accordance with UK accounting standards and the Statement of Recommended Practice (SORP). The accounts are now prepared in accordance with the IFRS-based Code of Practice on Local Authority Accounting.

3.2 The move to IFRS has been made because it is seen as best practice and allows for international comparisons to be made. Although IFRS has been developed for the private sector, where there are specific public sector reasons to diverge from IFRS, International Public Sector Accounting Standards (IPSAS) are followed instead.

3.3 On first time adoption, IFRS requires the previous SORP based 2009/10 accounts and 2008/09 balance sheet to be restated to an IFRS basis to provide comparative figures.

The significant changes arising as a result of the move to IFRS can be summarised as follows:

3.4 **Financial Statements**

The main change as a result of IFRS to affect the ITA accounts is in the format of the Financial Statements. The accounts will look quite different to previous years, with some statements replaced and others modified.

The Income and Expenditure Account and the Statement of Recognised Gains and Losses have been consolidated into one Comprehensive Income and Expenditure Statement. The Statement of Movement on General Fund Balance has been replaced by the Movement in Reserves Statement. There are some format changes to the Balance Sheet, with lines simplified. Most notably, reserves are now presented as 'Usable' and 'Unusable' Reserves, with the breakdown of these being provided in the Notes to the Accounts. The Cash Flow Statement has also been simplified, with fewer lines. There are significant changes to the Notes to the Accounts, with some additional disclosures required and format changes. Further detail is provided in Section 10 and the 2010/11 Statements themselves are attached at Appendix 1.

3.5 **Capital Grants and Contributions**

Guidance for the treatment of capital grants and contributions has changed. Under UK GAAP and the SORP, grants and contributions were treated as deferred income and credited to the Income and Expenditure Account over the life of the asset to which they related. Under IFRS, grants and contributions are recognised in the Comprehensive Income and Expenditure Statement when any conditions attached to them (which might result in their repayment or return) have been met.

Where the conditions have not yet been met, grants and contributions are held on the Balance Sheet as Receipts in Advance. Where conditions have been met but the grants or contributions have not yet been applied to finance expenditure, they are held on the Balance Sheet as Capital Grants and Contributions Unapplied, a new category of Usable Reserve.

3.6 **Segmental Reporting**

Under IFRS, there is a new requirement to present the Authority's income and expenditure in a separate note to the accounts based on the format in which it is presented to management (for example, in revenue budget monitoring reports), rather than the Accounting Code of Practice (ACOP) basis specified for the Comprehensive Income and Expenditure Statement. This needs to be reconciled to the Comprehensive Income and Expenditure Statement, and is included within the ITA accounts as Note 22.

For the ITA, the two reportable segments are the Tyne Tunnels Trading Account and ITA Expenses.

3.7 **Leases**

There are other changes arising from the move to IFRS which have been carefully considered, but which have not affected the ITA's accounts this year. For example, the guidance for classifying leases between finance and operating leases has changed under IFRS, with eight classification tests introduced. All ITA leases have been reviewed against the new tests, and the classification as operating leases found still to be correct.

3.8 **Property, Plant and Equipment**

Under IFRS, fixed assets are known as 'Property, Plant and Equipment'. IFRS has an increased emphasis on component accounting compared with the SORP. This recognises that an asset may include different components with different useful economic lives and should be depreciated and valued separately where these components are significant. For the ITA, this means that the new tunnel has been valued on this basis. It is considered that the new tunnel has an economic life of 120 years. Various components such as Mechanical and Electrical Services and the toll plaza may have an economic life of 20 years and have been separately itemised within the valuation, but they form less than 20% of the overall valuation and therefore are not considered to be significant components.

4. **Accounts and Audit Regulations 2011**

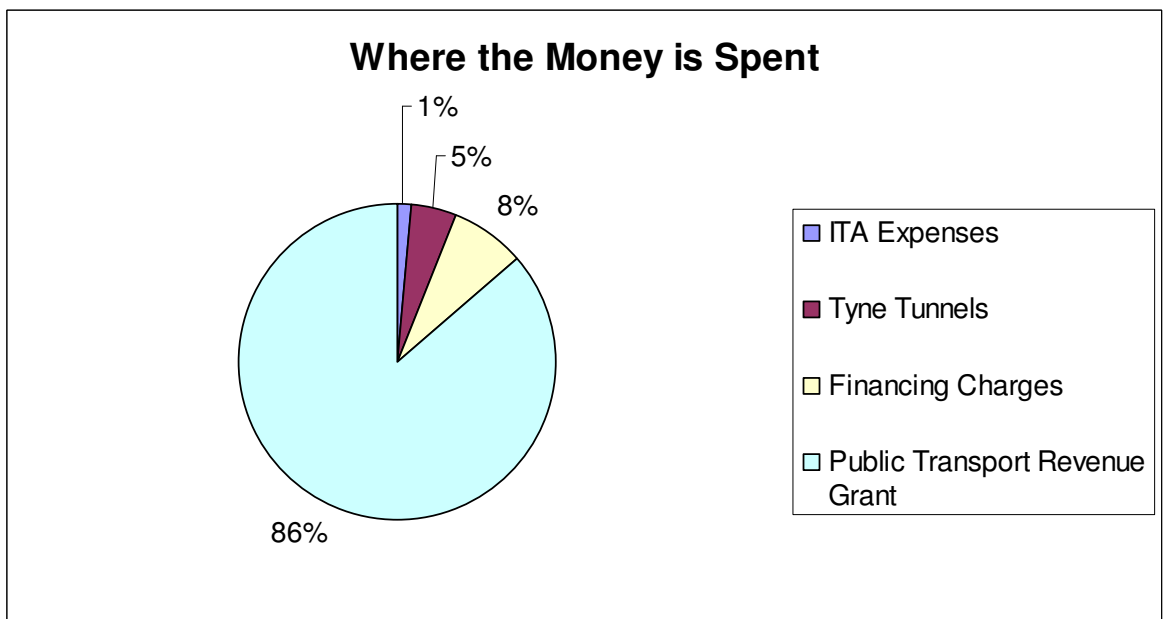
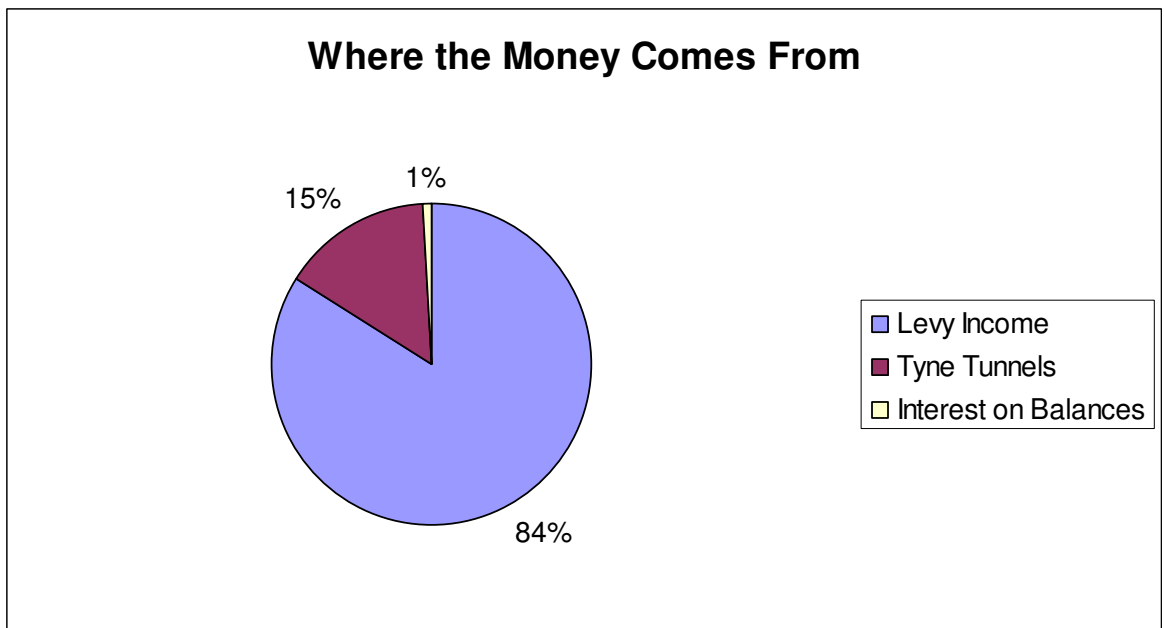
4.1 The Accounts and Audit Regulations 2011 were amended in March and apply to the 2010/11 Statement of Accounts.

4.2 The main change is the removal of the requirement for the Statement of Accounts to be formally approved by the ITA before 30 June, although they must still be signed by the ITA Treasurer by that date and published on the ITA website. Formal approval must now be given by Committee by 30 September.

4.3 This change has been introduced to align the approval process more closely with procedures applying elsewhere in the public and private sectors. It will mean that the ITA is now asked to formally approve the accounts after, rather than before, the findings of the audit are known.

5. Principal Financial Results for the Year

5.1 The ITA's total revenue expenditure in 2010/11 amounted to £79.34m and income amounted to £85.51m. The charts below illustrate where the income comes from and how it is spent:



5.2 The table below provides a summary of actual spend against the revised budget for 2010/11, as reported to the meeting of the ITA on 27 January 2011. To provide a comparison across years, the table also shows actual spend for 2009/10.

	2009/10	2010/11		
	Actual (£000)	Budget (£000)	Actual (£000)	Variance (£000)
ITA Budget				
Expenses of the ITA	562	570	558	(12)
Pensions	510	510	511	1
Financing Charges	2,966	2,809	2,811	2
Interest income	(202)	(60)	(61)	(1)
	3,836	3,829	3,819	(10)
Tyne Tunnels	(1,644)	(6,496)	(6,836)	(340)
Revenue Support to Nexus	67,595	68,555	68,555	-
Net Expenditure	69,787	65,888	65,538	(350)
Less Levy on Tyne & Wear Authorities	(70,646)	(71,706)	(71,706)	-
Expenditure Financed from Earmarked Reserve*	-	-	1,273	1,273
Interest on Earmarked Reserve*	(567)	-	(270)	(270)
Contribution to / (from) Earmarked Reserve*	567	-	(1,003)	(1,003)
Contribution (to) / from Reserves	(859)	(5,818)	(6,168)	(350)

* Interest on and expenditure met from the earmarked Metro Reinvigoration reserve was not included within budget estimates since this has a nil effect on the levy and the ITA's general fund.

5.3 The following table provides a more detailed analysis of the ITA's own retained budget.

Budget Heading	Budget (£000)	Actual (£000)	Variance (£000)
Staffing and Charges for Servicing Officers	348	334	(15)
Audit Fees	38	40	2
Members Allowances and Expenses	86	83	(3)
Accommodation Charges	6	8	2
Subscriptions	36	36	-
Conferences	1	1	-
Travel expenses and subsistence	3	2	(1)
IT Development	34	42	8
Printing costs and Professional Services	15	10	(5)
Advertising	2	2	-
Pension Deficiency Payments	510	511	1
Financing Charges	2,809	2,811	2
Interest on revenue balances and investments in year	(60)	(61)	(1)
Total	3,829	3,819	(10)

5.4 Overall, spending was within budget with small variations on some individual budget lines. Additional expenditure was incurred on ITA development, relating to one-off costs for the redevelopment of the ITA website. This work has enabled a reduced charge to be negotiated for the ITA website from 2011/12 onwards, which will realise a substantial saving.

5.5 Savings were made on staffing and charges for servicing officers due to lower pay as you go charges than anticipated in year. Printing costs were lower than budgeted due to a strategy of minimising any unnecessary printing.

5.6 There were small variations from the budget on Financing Charges, interest on investments in year and interest on revenue balances. However, taking these three related items together, actual net expenditure was £2,750k against a budgeted figure of £2,749k. As part of the Treasury Management strategy, external debt has been repaid and investments reduced. At 31 March 2011, the

ITA had no external investments as the funds that would have been invested externally were used to reduce external debt. The average rate of interest paid on loans in the year was 4.40%, and the average rate of interest received on balances was 2.01%.

5.7 Tyne Tunnels Expenditure

The table below details expenditure within the ring fenced Tyne Tunnels trading account, and compares it against the comparative figures for 2009/10 and the budget forecast.

	2009/10 Actual (£000)	2010/11 Budget (£000)	2010/11 Actual (£000)	Variance (£000)
Employees	35	33	33	-
Pensions	588	588	592	4
Premises, Supplies and Services and Other Expenses	67	59	88	29
Support Services	143	173	161	(12)
NTC Community Fund	3	10	2	(8)
Financing Charges	1,753	3,444	3,119	(325)
Capital Expenditure financed from Revenue	21	-	-	-
Usage Payments	2,859	2,962	2,915	(47)
Toll Income	(13,180)	(13,260)	(13,176)	84
Other Income	(15)	-	(1)	(1)
Interest on Tunnel Balances	(1,096)	(505)	(569)	(64)
NESTI Provision	7,178	-	-	-
Total Tunnel Operating Costs	(1,644)	(6,496)	(6,836)	(340)

5.8 There was a small overspend on Other Expenses, primarily due to requirement for the provision of a shuttle bus service as a result of lifts and escalators in the pedestrian tunnel being out of operation.

5.9 Financing charges have increased as additional borrowing has been taken on in order to meet the capital construction payments to the contractor as the New Tyne Crossing project progresses. Due to careful treasury management

practices, financing charges were under budget overall.

- 5.10 Tolls income received was within one percent of the budget estimate, although very slightly down on the 2009/10 figure. As a result of lower traffic than budgeted, the usage payment made to TT2 was also less than the forecast figure.

6. Capital Expenditure

- 6.1 Capital Expenditure has been incurred in 2010/11 in relation to the New Tyne Crossing Project and the refurbishment of the Tyne Pedestrian and Cycle Tunnel.

- 6.2 The following table compares capital expenditure in year against the budgeted figures.

Budget Heading	Budget	Actual	Difference
	£000	£000	£000
New Tyne Crossing			
Environmental Improvements	330	464	134
Land	253	221	(32)
Professional Fees	1,057	1,374	317
Construction Milestone Payments	37,800	37,800	-
Tyne Pedestrian and Cycle Tunnel			
Lift Replacement	520	460	(60)
Pedestrian Tunnel	575	50	(525)
Total Capital Programme	40,535	40,369	(166)

- 6.3 Overall capital expenditure in year was broadly in line with the budget (less than 1% variance). Variances on individual items are due to rephrasing and realignment of the Pedestrian and Cycle Tunnel works, and changes to timing of spend on Environmental Monitoring and Professional Fees.

7. Reserves Position

7.1 The table below sets out the movement on the ITA's usable reserves at 31 March 2011.

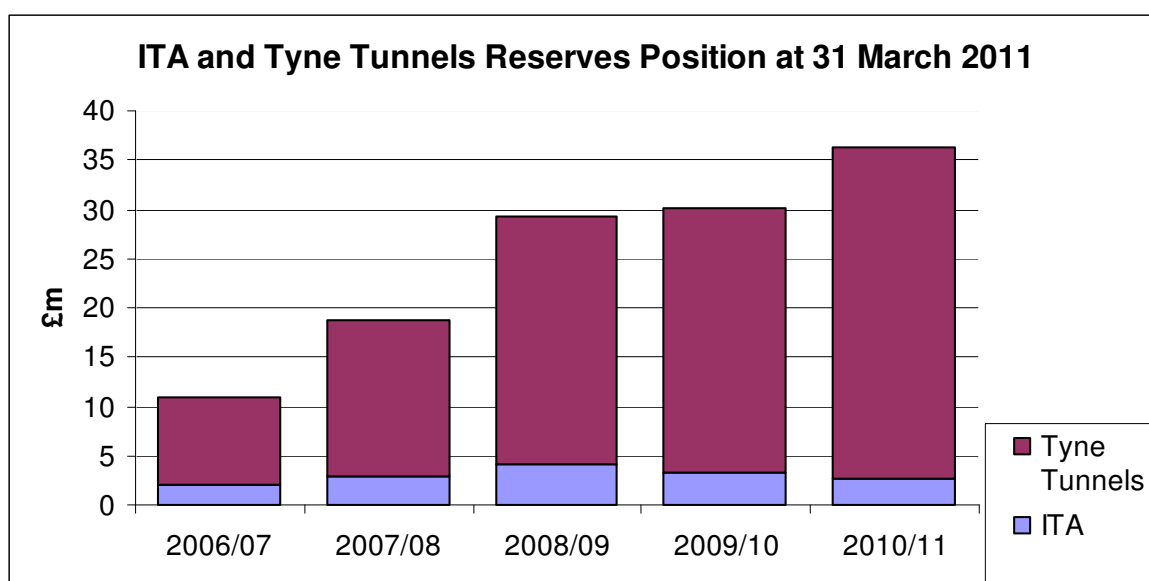
Reserve	March 2010	March 2011	Difference
	£000	£000	£000
Metro Reinvigoration Reserve	(13,441)	(12,438)	1,003
Integrated Transport Authority	(3,268)	(2,600)	668
Tyne Tunnel	(26,810)	(33,647)	(6,837)
Total	(43,519)	(48,685)	(5,166)

7.2 The balance on the earmarked Metro Reinvigoration reserve was reduced during 2010/11, as funding was drawn down to support capital expenditure incurred by Nexus in the year.

7.3 The ITA's unearmarked balances reduced during 2010/11 due to the planned use of reserves to limit the levy increase to 1.5% and to provide funding to Nexus to freeze Gold Card prices. The amount used was considerably less than originally budgeted: £668k compared with an original budget of £781k and a revised forecast of £678k. This has been achieved through careful management of the controllable elements of the ITA budget, particularly in Treasury Management. Due to historically low interest rates meaning low returns on investments, a strategy of repaying investments and reducing debt has been adopted in order to keep financing charges within budget and generate savings if possible.

7.4 Tyne Tunnel balances continue to be built up for the financing of the New Tyne Crossing project. The opening balance has been restated to reflect the revised accounting treatment adopted for the New Tyne Crossing model, which has led to the reversal of certain accounting adjustments made in the 2009/10 accounts. This is explained further in Section 8 below.

7.5 The chart below displays the position on the unearmarked reserves excluding the Metro Reinvigoration Reserve over the past five years. This shows Tyne Tunnel balances increasing, while the ITA's unearmarked balance has decreased as reserves have been used to support expenditure to minimise increases to the levy on Tyne and Wear Authorities.



8. Accounting for the New Tyne Crossing model

8.1 In 2009/10, a number of restatements were made to the accounts in relation to the way the New Tyne Crossing model was accounted for, under the guidelines set out in International Financial Reporting Interpretation Committee (IFRIC) 12.

This involved the value of the usage payments to the Concessionaire, TT2, being increased in the accounts to reflect the 'fair value' of the services provided. Although there was no cash change in the actual value of payments made to TT2, this treatment had a detrimental effect on the Tyne Tunnel Reserves position shown in the accounts.

8.2 During 2010/11, the accounting treatment has been reviewed in conjunction with the ITA's external auditors and with advice from PWC, who created the original model. As a result of this review, an alternative accounting treatment has been determined to be more appropriate. There are no cash changes to the actual arrangement with TT2, the changes are purely in the way the project is accounted for.

8.3 The review has concluded that the ITA has no long-term obligation to transfer economic resources to the concessionaire, TT2, since TT2 revenue is in substance transferred directly to it. The ITA therefore does not need to recognise a long term liability to finance the project assets, rather it should recognise as revenue the amounts it is allocated under the provisions of the Payment Mechanism.

8.5 To do this, a deferred credit balance has been recognised on the Balance Sheet, and this will be written down to the Comprehensive Income and Expenditure Statement over the life of the service concession, to reflect the ITA's discharge of its obligation to allow the concessionaire to earn revenue from the Tunnel.

Since the write down of the deferred income balance is not true cash income to the Tyne Tunnels, it is written out through the Movement in Reserves Statement, so that there is no impact on the General Fund.

9. Pension Liabilities

9.1 The ITA is a member of the Tyne and Wear Pension Fund, which is part of the Local Government Pension Scheme. This is a scheme which provides defined benefits based on members' final pensionable salary. In the ITA's accounts, a liability for future pension costs is recognised on the Balance Sheet, and pension contributions are shown in the Comprehensive Income and Expenditure Statement.

9.2 The figure presented within the annual accounts is prepared on an International Accounting Standard (IAS 19) basis. Under IAS 19, the ITA is required to disclose the total value of all pension payments that have accumulated (including deferred pensions) at the 31 March each year. This value is made up of:

- The total cost of pensions that are being paid out to former employees who have retired, and
- The total sum of the pension entitlements earned to date for current employees.

The standard also requires all investments (assets) of the Pension Fund to be shown at their market value at 31 March each year. In reality, the value of such investments fluctuates in value on a day-to-day basis but this is ignored for the purpose of the accounting standard.

Comparing the value of all future pension payments and the value of investments as at 31 March results in either an overall surplus or deficit for the Pension Fund. This is called the IAS 19 surplus or deficit.

9.3 In 2010/11, the actuaries have estimated that the IAS 19 deficit is £4.28m. This compares with an equivalent figure in the 2009/10 accounts of £15.39m. There are two main reasons for this significant improvement. The majority of the ITA's pension liabilities now relate to former Busways employees, where the ITA is liable to pay pension increases on periods of service before 1989. This means that the ITA's overall pension deficit is particularly sensitive to changes in assumptions for future pension increases. As part of the emergency budget in June 2010, the Chancellor announced that from April 2011, increases to public sector pensions would be linked to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). Over the long term, CPI increases are expected to be lower than RPI increases, and therefore the defined benefit obligations on the Balance Sheet have been reduced.

9.4 In addition to this change, the pension liability was also reduced substantially as a result of changes to the estimation method used by the actuaries, Aon Hewitt. In carrying out the IAS 19 valuation this year, the estimate of liabilities has been found to have been too high in previous years and has been reduced accordingly in the 2010/11 disclosure.

9.5 In addition, a contingent liability is disclosed within the accounts in relation to any gains or losses in the LGPS transferred assets and liabilities that were transferred to TT2 on 1 February 2008 and relate to membership accrued before that date. The project agreement provides that should there be a shortfall in the TT2 fund at the actuarial valuation, which can be attributed to pre-2008 benefits, the ITA will be required to reimburse the shortfall. At the most recent valuation the TT2 fund was found to be in surplus, therefore no reimbursement is currently due. The next valuation will take place in 2014.

10. North East Smart Ticketing Initiative (NESTI)

10.1 In 2009/10, the ITA agreed to take the role of Lead Authority in developing and implementing the NESTI programme on behalf of the twelve Local Authorities in the North East. The Authorities entered into a collaboration agreement in October 2010, in order to agree appropriate governance arrangements and to provide the necessary resources to support the project.

10.2 The objective of the NESTI project is to establish a smart ticketing infrastructure across the North East. NESTI will support the acquisition of smart ticket machines on buses and Metro stations and a smart back-office (called an ITSO HOPS) available for use by any participating local authority to make its Concessionary Travel Scheme smart. The programme will also explore further improvements including an 'e-purse' or 'stored travel rights' product which allows customers to pay as they travel using a smartcard, and will ultimately interface with other smartcard schemes. In its role as Lead Authority, the ITA will administer a budget of £10m and as accountable body is responsible for reporting progress bi-annually to the Association of North East Councils on behalf of the partner organisations, as required under the terms of the collaboration agreement. Nexus, in its role as the body responsible for delivering ITA policy for public transport, acts as project manager for NESTI.

10.3 The majority of the contributions (£7.2m) from the twelve local authorities were received in 2009/10 when, with the agreement of the local authorities, the funding was applied to capital works on the New Tyne Crossing. The amounts applied were then matched with a provision created from Tyne Tunnel reserves, which is held on the ITA's balance sheet. As works progress, this funding will be drawn down to meet the objectives of the NESTI project as set out in the collaboration agreement. The remainder of the £10m was received in 2010/11. These contributions are also held on the ITA's balance sheet within the Capital Grants

and Contributions Unapplied account. The majority of the works on NESTI are scheduled to take place in the next two financial years, when these contributions will be used to fund expenditure on the project delivered by Nexus.

11. Key Financial Statements

11.1 Movement in Reserves Statement

11.1.1 The Movement in Reserves statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce the levy) and other reserves. Whilst the statement doesn't separately identify all of the different funds and reserves, these are clearly set out within the Notes to the Accounts to provide the detail for readers. The surplus or deficit on the provision of services line shows the true economic cost of providing the ITA's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance for the purposes of setting the levy. The net increase or decrease before transfers to earmarked reserves line shows the statutory General Fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

11.1.2 The Movement in Reserves Statement shows the true surplus in year after adjusting for pensions and capital accounting. The total movement in the General Fund Balance is £6,167k which is made up from a deficit of £669k on the ITA and a surplus of £6,836k on the Tyne Tunnels.

11.1.3 This is probably the most important statement for members, since it shows whether the authority has a surplus or deficit compared to its budget and levy for the year.

11.2 Comprehensive Income and Expenditure Statement

11.2.1 The Comprehensive Income and Expenditure Statement consolidates all the gains and losses experienced by the Authority in the year. It shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from the levy and tolls. This is shown in the Movement in Reserves Statement.

11.2.2 The Comprehensive Income and Expenditure Statement shows a surplus on the Provision of Services of £3,087k in 2010/11. This is compared with a surplus of £8,677k in 2009/10. The reason for the reduction in this surplus is due to revaluation charges going through the Tyne Tunnels Income and Expenditure account, relating to bringing the new Tunnel asset on to the balance sheet at the appropriate value.

Since this is not a true cost, it is reversed out in the Movement in Reserves Statement to show the true position on the Tyne Tunnels reserve.

11.2.3 The other significant change from 2009/10 is in the Corporate and Democratic Core line. A large income balance is shown in 2010/11 that was not present in 2009/10. This relates to a negative past service cost on pensions which has arisen in 2010/11 as a result of past over-estimates of the extent of the IAS19 liability – as discussed in section 9 above.

11.3 **Balance Sheet**

11.3.1 The Balance Sheet summarises the Authority's financial position at 31 March each year. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category is Usable Reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "adjustments between accounting basis and funding basis under regulations".

11.3.2 In 2010/11 the value of Property, Plant and Equipment assets has increased significantly. This is to reflect the fact that the New Tyne Tunnel was completed in February 2011 and the value of the asset recognised on the Balance Sheet. A new category on the Balance Sheet – the deferred income balance relating to the New Tyne Crossing model is included in 2010/11, as discussed in Section 8 above.

11.3.3 The 'Other Long Term Liabilities' line represents the Pension Deficit. This has decreased significantly, as discussed in Section 9 above.

11.3.4 Other significant movements are on Short Term Investments and Cash and Cash Equivalents. The decrease in Short Term Investments and increase in Cash is due to amounts held by the lead authority on behalf of the ITA being shown as Short Term Investments in 2009/10 but as Cash and Cash Equivalents in 2010/11. The increase in Short Term Borrowing is largely offset by the decrease in Long Term Borrowing.

11.3.5 The Usable Reserves have increased in 2010/11, due to the creation of the new 'Capital Grants and Contributions Unapplied' Reserve, which holds a small balance of LTP monies carried forward from 2010/11 to 2011/12 (£289k) and contributions to the NESTI project received in 2010/11 which have not yet been

used to fund expenditure (£2,821k).

11.4 **Cash Flow Statement**

11.4.1 The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows from operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of the levy and grant income or from the recipients of services provided to the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

12. **Comments from Standards and Audit Committee**

12.1 This report was presented to Standards and Audit Committee at its meeting on 8th July 2011.

12. **Further comments by the:**

- **Clerk** none
- **Treasurer** see main report
- **Legal Advisor** none
- **Director General** none

13. **Background Papers**

13.1 2010/11 Draft Annual Report and Accounts

13.2 CIPFA / LAASAC Code of Practice on Local Authority Accounting

14. **Contact Officer (s)**

14.1 Eleanor Goodman, Senior Accountant, 0191 277 7518

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Appendix 1 – Key Financial Statements (Draft Subject to Audit)

Movement in Reserves Statement

	General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2009	(29,219)	(12,875)	-	(42,094)	(63,129)	(105,223)
<u>Movement in reserves during 2009/10</u>						
(Surplus) / Deficit on Provision of Services	(8,677)	-	-	(8,677)	-	(8,677)
Other Comprehensive Income & Expenditure	-	-	-	-	1,650	1,650
Total Comprehensive Income & Expenditure	(8,677)	-	-	(8,677)	1,650	(7,027)
	7,251	-	-	7,251	(7,251)	-
Adjustments between accounting basis & funding basis under regulations						
Net (Increase) / Decrease before transfers to Earmarked Reserves	(1,426)	-	-	(1,426)	(5,601)	(7,027)
Transfers (to) / from Earmarked Reserves	566	(566)	-	-	-	-
(Increase) / Decrease in 2009/10	(860)	(566)	-	(1,426)	(5,601)	(7,027)
Balance at 31 March 2010 carried forward	(30,079)	(13,441)	-	(43,520)	(68,730)	(112,250)
<u>Movement in reserves during 2010/11</u>						
(Surplus) / Deficit on Provision of Services	(3,087)	-	-	(3,087)	-	(3,087)
Other Comprehensive Income & Expenditure	-	-	-	-	(4,691)	(4,691)
Total Comprehensive Income & Expenditure	(3,087)	-	-	(3,087)	(4,691)	(7,778)
Adjustments between accounting basis & funding basis under regulations	(2,077)	-	(3,110)	(5,187)	5,187	-
Net (Increase) / Decrease before transfers to Earmarked Reserves	(5,164)	-	(3,110)	(8,274)	496	(7,778)
Transfers (to) / from Earmarked Reserves	(1,003)	1,003	-	-	-	-
(Increase) / Decrease in 2010/11	(6,167)	1,003	(3,110)	(8,274)	496	(7,778)
Balance at 31 March 2011 carried forward	(36,246)	(12,438)	(3,110)	(51,794)	(68,234)	(120,028)

Comprehensive Income and Expenditure Statement

← 2009/10 →			← 2010/11 →		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000	£000	£000	£000
609	(47)	562	556	(4,246)	(3,690)
73,685	(6,090)	67,595	74,413	(7,695)	66,718
11,873	(20,373)	(8,500)	18,409	(16,190)	2,219
86,167	(26,510)	59,657	93,378	(28,131)	65,247
		Cost of Services			
8,458	(6,146)	2,312	6,592	(3,221)	3,371
-	(70,646)	(70,646)	-	(71,706)	(71,706)
		(8,677)			(3,087)
					(121)
					(4,570)
		1,650			(4,691)
		(7,027)			(7,778)
		Other Comprehensive Income & Expenditure			
		Total Comprehensive Income & Expenditure			

Balance Sheet

1 April 2009	31 March 2010		31 March 2011
£000	£000		£000
130,828	162,254	Property, Plant & Equipment	352,772
54,254	52,165	Long Term Debtors	51,178
185,082	214,419	Long Term Assets	403,950
126,263	44,966	Short Term Investments	-
7,547	7,889	Short Term Debtors	6,692
25,667	18,862	Cash and Cash Equivalents	45,832
159,477	71,717	Current Assets	52,524
(38,142)	(1,438)	Short Term Borrowing	(36,426)
(3,988)	(4,320)	Short Term Creditors	(4,908)
(42,130)	(5,758)	Current Liabilities	(41,334)
-	-	New Tyne Crossing - Deferred Income Balance	(163,149)
-	(7,178)	Provisions	(7,126)
(183,365)	(145,560)	Long Term Borrowing	(120,560)
(13,841)	(15,390)	Other Long Term Liabilities	(4,277)
(197,206)	(168,128)	Long Term Liabilities	(295,112)
105,223	112,250	Net Assets	120,028
(42,094)	(43,519)	Usable Reserves	(51,794)
(63,129)	(68,731)	Unusable Reserves	(68,234)
(105,223)	(112,250)		(120,028)

Cash Flow Statement

2009/10 £000	2010/11 £000
(8,677) Net (surplus) or deficit on the provision of services	(3,087)
(95,979) Adjustments to net surplus or deficit on the provision of services for non cash movements	(55,843)
13,429 Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	53,903
<hr/>	<hr/>
(91,227) Net cash flows from Operating Activities	(5,027)
24,032 Investing activities	(11,943)
74,000 Financing activities	(10,000)
<hr/>	<hr/>
6,805 Net increase or decrease in cash and cash equivalents	(26,970)
(25,667) Cash and cash equivalents at the beginning of the reporting period	(18,862)
<hr/>	<hr/>
(18,862) Cash and cash equivalents at the end of the reporting period	(45,832)



Tyne and Wear Integrated Transport Authority

DATE: 28 July 2011

TITLE: Revenue Budget Monitoring Report to June 2011

REPORT OF: Deputy Clerk and Treasurer

Not confidential

District Implications - all

1. Summary / Purpose of Report

- 1.1 The purpose of this report is to provide members with a revenue budget monitor report for the period 1 April 2011 to 30 June 2011.
- 1.2 The monitor includes current financial information relating to ITA administration and financing and the Tyne Tunnels.
- 1.3 The report sets out expenditure to date and compares this with the budget for the year presented to the ITA at its meeting of 27 January 2011. It shows that the likely outturn position is anticipated to be within the budget.
- 1.4 The report also provides an update on the level of the ITA's borrowing and lending for information.

2. Recommendations

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

3. Introduction / Background

- 3.1 The budget monitor has been prepared by comparing the actual income and expenditure (analysed into ITA and Tyne Tunnels) from April 2011 to June 2011 with the original budget for 2011/12. Appendices 1 and 2 summarise the recorded spending position as at 30 June 2011.
- 3.2 For the ITA, expenditure at £18.4m is 25% of the budget for the year, with no unexpected costs incurred to date. There is some variation in the percentage spend on individual budget items, but this is broadly in line with expectations.

Forecast expenditure, revenue and grant levels in 2011/12 indicate that the latest anticipated net spending of the ITA itself will be within the original budgeted resources available for the year.

In response to suggestions made by ITA members, a policy of charging support services costs to the ITA on a more regular basis is being put in place, rather than charging the majority of costs at the end of the financial year. This should help provide a clearer budget monitoring position for members.

3.3 2011/12 is the third full year of the contract with TT2 for the operation of the Tyne Tunnels. Payment to TT2 is linked to the tolls income. For the period from 1 April 2011 to 30 June 2011, the position is summarised in Appendix 2, with key bullet points shown below -

- Toll income is collected by TT2 and paid to the ITA within 4 working days of being actually received. The monthly payment to TT2 is paid within 30 working days after the end of the relevant month.
- The expected tolls income by the end of the year is slightly below budgeted at present, due to lower traffic levels than anticipated. The situation is being carefully monitored by Tyne Tunnels officers.

Costs are in line with expectations under all other budget heads at present.

Treasury Management Update – Borrowing and Lending

Borrowing

3.4 The ITA's approved Authorised borrowing limit for the 2011/12 year is £243 million and its Operational borrowing limit is £238 million. The level of external borrowing as at 30 June 2011 is £160 million. This is well within the limits agreed by ITA and has been throughout the year to date. This includes the money that the ITA needs to borrow to fund its share of the new Tyne Tunnel contract. The average interest rate payable on the ITA's loans this year is estimated at 4.40%.

Lending

3.5 Due to low interest rates on investments, the ITA has taken a strategy of deferring borrowing and disinvesting external investments. The result is that the ITA has no external investments at the end of June 2011.

4. Next Steps

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

4.1 The budget and the ITA's treasury management position will continue to be monitored carefully by the Treasurer. The next update on the budget position will be brought to the September meeting of the ITA.

5. **Further comments by the:**

- **Clerk** none
- **Treasurer** see main report
- **Legal Advisor** none
- **Director General** none

6. **Background Papers**

6.1 Revenue Monitoring reports to June 2011

7. **Contact Officer (s)**

7.1 Eleanor Goodman 0191 277 7518

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Revenue Budget Monitor
April - June 2011

ITA	Spend to 30/06/11	Budget	Spend Against Budget	Traffic Light	Notes
	£000	£000	%		
Revenue Expenditure					
Members' Allowances and Expenses	22	86	25%	G	
Travel Costs	-	3	0%	G	
Supplies & Services	1	23	3%	G	
Support Services	86	342	25%	G	
ITA Website Charges	22	22	100%	G	This is a one-off annual payment made at the beginning of the year.
Pension Costs	108	432	25%	G	
Grant to Nexus	17,581	70,323	25%	G	
GA Subscription	31	33	94%	G	This is a one-off annual payment made at the beginning of the year.
Financing Charges	529	2,662	20%	G	
Total	18,357	73,926	25%	G	
Income					
Levy Income	(18,448)	(73,793)	25%	G	
Interest on Balances	-	(31)	0%	G	Interest on average balances will be allocated at the year end.
Total	(18,448)	(73,824)	25%		
Contribution from Reserves	(91)	102			

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Revenue Budget Monitor
April - June 2011

	Spend to 30/06/11	Original Budget for Year	Spend as a % of Original Budget	Traffic Light	Notes
	£000	£000	%		
Tyne Tunnels					
TT2 Contract					
Toll Income	(2,688)	(15,000)	18%	A	Timing of the preparation of this report - includes tolls income to 14/06/11.
Payments to TT2	874	5,807	15%	A	Timing of the preparation of this report - June payment to TT2 not yet in system.
Total	(1,814)	(9,193)	20%		
Other					
Employee Costs	8	33	26%	G	
Other Expenses	15	55	27%	G	
Community Fund	-	10	0%	G	
Pension Costs	125	499	25%	G	
New Tyne Crossing Support Services	36	145	25%	G	
Financing Charges	-	5,833	0%	G	Financing costs charged irregularly through year.
Interest on Balances	-	(338)	0%	G	Interest on average balances will be allocated at the year end.
Total	185	6,237	3%		
Net Surplus on Existing Tunnels	(1,629)	(2,956)	55%	G	

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Tyne and Wear Integrated Transport Authority

DATE: 28TH July 2011

TITLE: 2011/12 METRO ARP AND MAJOR PROJECT CAPITAL PROGRAMME –
FIRST QUARTERLY REVIEW

REPORT OF DIRECTOR OF FINANCE AND RESOURCES, NEXUS

Reasons for confidentiality (if confidential)

District Implications

1. **Summary / Purpose of Report**

- 1.1 The purpose of this report is to advise members of the overall performance of the 2011/12 Metro and Major Projects Capital Programme including delivery to the end of the first quarter (ending 25th June 2011). This report includes Metro ARP and major schemes but does not include Nexus Non-Metro schemes, which will be reported separately.

2. **Recommendations**

2.1 The ITA is recommended to;

- Approve the budget increases identified during quarter 1, as detailed in Appendix A
- Note the position with regard to the 2011/12 capital Programme at the end of the first quarter, as per Appendix B

3. **Introduction / Background**

- 3.1 The ITA approved a Metro Asset Renewal Programme for 2011/12 in May 2011 totalling £53,245K (including major projects of £14,102k). Delivery of the Metro ARP is reviewed on a 4 weekly cycle by the Nexus Executive. At the end of the first quarter of 2011/12, the Metro and major projects capital programme has been revised to a new level of £54,725k for which ITA approval is sought

- 3.2 As at the end of the first quarter actual spend is £6,866k (12.5%) for Metro ARP and major projects. Commitments are estimated to be £18,110k (33.1%).
- 3.3 The ARP Programme Management Office is currently forecasting expenditure to the end of 2011/12 of £50,533k which is below the current approved programme and broadly in line with the funding available in 2011/12.
4. **Information**
- 4.1 The capital programme budgets approved at ITA in May 2011 were £53,245k (for Metro ARP and major projects).
- 4.2 Budget increases totalling £1,480k have been identified during quarter 1. An analysis of these budget variations is included within Appendix A of this report.
- 4.3 The funding of the revised capital programme is from a number of sources and is detailed in the table below:-

	<u>£000</u>	<u>£000</u>
Metro Rail Grant		
- 2011/12 Allocation	35,000	
- Vired to 2010/11	(1,352)	33,648
LTP Minor Schemes		2,710
Section 31 Grant		6,026
Other Grant		3,254
Prudential Borrowing		80
Earmarked Reserves		3,933
		49,651
Over-programming		
- MRG virement from 2012/13	3,500	
- Nexus reserves	1,574	5,074
		54,725

- 4.4 The current approved budget includes an over-programming level at 14.3% of ARP funding available in 2011/12.

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5. **Next Steps**

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 **Background Papers**

8 **Contact Officer (s)**

- 8.1 Diane Scott, Capital Accountant (0191) 2033410
Keith Nisbet, Head of Finance (0191) 2033264

APPENDIX A

Approvals Required (Quarter 1 of 2011/12)

Capital Scheme	Budget Variation £	Reason for Variation
<p>BC265 Signalling Wallsend Interlocking Area</p> <p>BC959 Land at West Monkseaton Metro Station</p>	<p style="text-align: center;">280,448</p> <p style="text-align: center;">65,000</p>	<p>Approval was given at Management Committee on 24th May 2011 for an increase in the contract value with Volker Rail Ltd. This increase is in relation to cable theft costs and vandalism, with further costs due to design issues, limited asset knowledge and access clashes between contractors.</p> <p>Approval was given at Management Committee on 12th April 2011 to purchase a plot of land that had been marketed for sale at West Monkseaton Metro Station where an informal access agreement was previously in place.</p>
<p>BC203 Earthworks Wallsend to Chillingham Road</p> <p>BC222 Duct Route Wallsend to Manors</p>	<p style="text-align: center;">349,444</p> <p style="text-align: center;">6,332</p>	<p>Approval was given at Management Committee on 22nd June 2011 for the increase in the contract value with Balfour Beatty Rail Ltd. This increase is in relation to ballast retention work.</p> <p>Approval was given at Management Committee on 22nd June 2011 for an increase in project management and other associated costs to complete works outstanding from Chillingham Road to Manors.</p>

Approvals Required (Quarter 1 of 2011/12)

Capital Scheme	Budget Variation £	Reason for Variation
BC223 Duct Route Howdon to Wallsend	6,000	Approval was given at Management Committee on 22 nd June 2011 for an increase in project management and other associated costs to complete works outstanding at various stations.
BC231 Plain line Renewal Tynemouth to Chillingham Road	539,925	Approval was given at Management Committee on 22 nd June 2011 for the increase in the contract value with Balfour Beatty Rail Ltd. This increase is in relation to the main contractor works and the Shields Road Depot contract. Additional budget for design, supervision, project management and ancillary costs was also approved as part of this total budget increase approval of £539,925
BC937 Deneholme and Mast Lane Bridges	233,039	Approval was given at Management Committee on 22 nd June 2011 to increase the budget by £233,039 to accommodate increased project management costs and fees and additional contract costs. These cost increases are in relation to additional site supervision costs due to bad weather and design changes for unforeseen buried services.
Total	1,480,188	

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APPENDIX B

Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
Civils							
BC294	Airport Metro Station Drainage	26,167	26,167	0	26,167	0	
BC914	Benton Lane Bridge	0	0	220	2,000	2,000	
BC811	Benton Station Footbridge	70,000	70,000	43,170	91,764	21,764	
BC211	Bridges - Hadrian Road to Walkergate	32,924	32,924	14	32,936	12	
BC207	Bridges - Howdon to Percy Main	309,372	309,372	8,998	36,574	-272,798	Slippage into 12/13
BC208	Bridges - Meadow Well to Walkergate	261,880	261,880	-7,666	103,683	-158,197	Slippage into 12/13
BC214	Bridges - Monkseaton, Cullercoats	42,198	42,198	0	41,751	-447	
BC210	Bridges - Percy Main to Hadrian Road	19,251	19,251	14	19,265	14	
BC206	Bridges - Percy Main to Wallsend	290,000	290,000	-3,561	169,654	-120,346	Slippage of some costs into 12/13
BC209	Bridges - Tynemouth to Meadow Well	399,856	399,856	83	56,144	-343,712	Slippage into 12/13
BC205	Bridges - Tynemouth to North Shields	54,329	54,329	-15,823	33,868	-20,461	
BC212	Bridges - Wallsend to Walkergate	33,717	33,717	63	33,801	84	
BB001	Central Area Tunnel Refurbishment	841,000	841,000	-10,306	816,887	-24,113	
BC891	Control Room	175,059	175,059	29,146	214,309	39,250	
BC241	Culverts	0	0	63	63	63	
BC937	Denholme and Mast Lane	77,000	310,039	211,719	444,758	134,719	Anticipated Compensation Events included in forecast.
BC952	Depot Fire Alarm Systems	52,404	52,404	2,244	52,405	1	
BC883	Depot Lighting Upgrade	0	0	460	460	460	
BC545	Depot Refurbishment	20,000	20,000	0	20,003	3	
BC218	Drainage - Tynemouth (Knotts Flats)	5,000	5,000	349	5,348	348	
BC219	Drainage - South Gosforth to Jesmond	0	0	580	580	580	

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Capital Code	Capital Scheme	Original	Latest	Actual	PMO Period	Variance	Reason for Variation
		Approved 2011/12 Budget £	Budget 2011/12 £	Expenditure at end of Period 3 £	3 Forecast £	between Forecast and Original Budget £	
BC229	Duct Route - Gateshead Stadium to South Shields	1,384,168	1,384,168	211,911	1,384,167	-1	
BC223	Duct Route - Howdon to Wallsend	120,413	126,413	-16,264	126,411	-2	
BC228	Duct Route - Jesmond to Gatehead Stadium and Manors	0	0	111	111	111	
BC224	Duct Route - North Shields to Howdon	53,763	53,763	418	54,180	417	
BC227	Duct Route - South Gosforth to Airport	0	0	0	259	259	
BC226	Duct Route - South Gosforth to Jesmond	0	0	0	2,016	2,016	
BC230	Duct Route - South Gosforth to Tynemouth	838,734	838,734	164,270	821,180	-17,554	
BC225	Duct Route - Tynemouth to North Shields	33,423	33,423	0	29,920	-3,503	
BC222	Duct Route - Wallsend to Manors	50,000	56,332	-24,121	7,262	-49,070	Slippage of some costs into 12/13
BC202	Earthworks - Howdon to Wallsend	496,302	496,302	192,319	240,161	-256,141	
BC201	Earthworks - North Shields to Howdon	229,043	229,043	112,108	253,826	24,783	
BC203	Earthworks - Wallsend to Chillingham Road	1,407,364	1,756,808	2,000,038	2,098,449	341,641	Actual cost of site works in excess of current budget.
BC289	Ground Investigation - South Gosforth to Jesmond	84,721	84,721	0	42,339	-42,382	
BC911	Knotts Bridge Repair	0	0	179	179	179	
BC855	MOG Remodelling	30,000	30,000	7,541	8,371	-21,629	
BC799	Monkseaton Station Ramp	391,231	391,231	16,740	401,959	10,728	
BC928	N Shields Tunnel Refurbishment	0	0	0	0	0	
BC543	QE11 Bridge Refurbishment	0	0	0	3,370	3,370	
BC958	Repairs to 1216A Quayside Arch	118,000	118,000	0	118,000	0	

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Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
BC213	Retaining Walls	29,500	29,500	11,672	66,903	37,403	
	Total Civils	7,976,819	8,571,634	2,936,688	7,861,483	-710,151	
	Communications						
BC254	Cable Pulling - Gateshead Stadium to South Shields	902,914	902,914	318	902,913	-1	
BC253	Cable Pulling - Jesmond to Gateshead Stadium and Manors	10,000	10,000	0	10,000	0	
BC255	Cable Pulling - South Gosforth Junction to Tynemouth	510,260	510,260	129	510,260	0	
BC251	Cable Pulling - South Gosforth to Jesmond	8,726	8,726	0	8,462	-264	
BC250	Cable Pulling - Tynemouth to Manors	688,166	688,166	706	687,324	-842	
BC623	CCTV on Metro Cars	20,000	20,000	174	20,174	174	
BC840	CCTV/PA Access	7,000	7,000	1,043	5,619	-1,381	
BC256	Radio	110,976	110,976	-1,211	108,347	-2,629	
BC259	Station Network Connections	983,670	983,670	2,787	839,514	-144,156	Slippage of some costs into 12/13
BC257	Telephony	0	0	-1,518	0	0	
	Total Communications	3,241,712	3,241,712	2,429	3,092,613	-149,099	
	Depot Equipment						
BC278	Train Wash	478,774	478,774	20,633	478,775	1	
BC279	Wheel Lathe	1,134,062	1,134,062	4,150	1,268,864	134,802	Tender prices higher than estimate.
	Total Depot Equipment	1,612,836	1,612,836	24,783	1,747,639	134,803	

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Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
	Level Crossings						
BC276	Barriers - Fawdon	25,000	25,000	127	27,162	2,162	
BC275	Barriers - Kingston park	25,000	25,000	2,957	24,998	-2	
BC955	Level Crossing Deck Replacement	50,000	50,000	0	50,000	0	
BC277	Level Crossings - Highway works - Howdon, Fawdon, Kingston Park	53,808	53,808	913	47,150	-6,658	
	Total Level Crossings	153,808	153,808	3,997	149,310	-4,498	
	Mechanical & Electrical						
BC281	Escalator - Central	631,028	631,028	2,476	323,984	-307,044	Slippage due to procurement delays
BC282	Escalator - Monument	923,824	923,824	2,594	453,001	-470,823	Slippage due to procurement delays
BC286	Fire Alarm	662,834	662,834	22,195	197,966	-464,868	Slippage due to required Fire Risk Assessments
BC284	Lift - Four Lane Ends	9,000	9,000	345	8,976	-24	
BC285	Lift - Heworth	9,000	9,000	307	10,099	1,099	
BC617	Lifts Refurbishment/Major Items	64,000	64,000	7,213	84,345	20,345	
BC805	Oth-Ups Support Power Supply	0	0	166	166	166	
BC532	Stations Refurb - Esc Imps/Major Items	119,998	119,998	2,888	128,343	8,345	
	Total Mechanical & Electrical	2,419,684	2,419,684	38,184	1,206,880	-1,212,804	
	Metro Cars						
BC288	3/4 Life Refurbishment	3,053,837	3,053,837	145,217	2,797,963	-255,874	Slippage of some costs into 12/13

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Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
BC954	Capital Maintenance Concession	637,000	637,000	177,349	641,194	4,194	
BC874	On-Train PA	42,054	42,054	48,944	83,895	41,841	
BC953	Windows Enhancements	0	0	0	0	0	
	Total Metro Cars	3,732,891	3,732,891	371,511	3,523,052	-209,839	
	Miscellaneous						
BC960	Asset Knowledge	300,000	300,000	0	300,000	0	
BC849	Digitising and Approving Engineering Drawings	0	0	11,115	11,115	11,115	
BC943	IT Hardware - WASP project	63,200	63,200	4	52,757	-10,443	
BC959	Land at West Monkseaton Metro Station	0	65,000	65,000	65,000	0	
BB003	Maintenance Management System	0	0	8,572	8,567	8,567	
BC947	Nexus Document Control System	20,000	20,000	-42	19,997	-3	
BC957	PMO Transition IT Applications	12,100	12,100	2,825	12,100	0	
BC961	Rail crane	165,000	165,000	0	165,001	1	
BC894	Security Review	260,000	260,000	11,053	260,609	609	
BC962	Transformer (Benton)	40,000	40,000	0	40,000	0	
BC963	Tunnel Track bed	30,000	30,000	0	30,001	1	
BC587	Vehicle Replacement Programme	99,866	99,866	0	86,550	-13,316	
	Total Miscellaneous	990,166	1,055,166	98,526	1,051,697	-3,469	
	Overhead Line						
BC240	OLE - System Development	14,000	14,000	-7,003	13,911	-89	
	Total Overhead Line	14,000	14,000	-7,003	13,911	-89	

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Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
	Permanent Way						
BC232	Plain Line - South Gosforth to Jesmond	10,000	10,000	-26,777	-16,985	-26,985	
BC231	Plain Line - Tynemouth to Chillingham Road	400,000	939,925	455,871	1,560,811	620,886	Due to outstanding commitments and 2011/12 scope being reviewed against available budget
BC703	Plain Line Renewal	995,981	995,981	171,216	1,000,003	4,022	
BC550	Rail Grinding	100,000	100,000	2,626	102,873	2,873	
BC964	S&C Steelwork Renewal	150,000	150,000	0	149,999	-1	
BC558	Security Fencing	134,805	134,805	174	134,805	0	
BC237	Switches & Crossings - Benton	136,048	136,048	0	130,451	-5,597	
BC234	Switches & Crossings - Hylton Street	0	0	-14,274	19,825	19,825	
BC235	Switches & Crossings - North Shields	108,610	108,610	8,613	102,609	-6,001	
BC706	Switch & Crossing Renewal	0	0	0	-53	-53	
BC236	Switches & Crossings - South Gosforth	946,712	946,712	918	118,584	-828,128	Slippage due to increased materials procurement period.
BC714	Tamper Trainstop	0	0	0	19,494	19,494	
BC905	Wheel Slip Gel Applicators	0	0	0	1,848	1,848	
	Total Permanent Way	2,982,156	3,522,081	598,367	3,324,264	-197,817	
	Plant						
BC517	Road/Rail Vehicles	334,000	334,000	171,000	333,954	-46	
BC280	Tamper	6,944	6,944	211	25,210	18,266	
	Total Plant	340,944	340,944	171,211	359,164	18,220	

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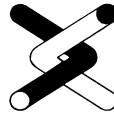
Capital Code	Capital Scheme	Original Approved Budget 2011/12 £	Latest Budget 2011/12 £	Actual Expenditure at end of Period 3 £	PMO Period 3 Forecast £	Variance between Forecast and Original Budget £	Reason for Variation
	Power						
BC929	OHLE Network	353,000	353,000	44,030	390,571	37,571	
BC287	Power - Depot Stray Currents	814,323	814,323	12,799	1,018,111	203,788	Payment profile has been amended.
	Total Power	1,167,323	1,167,323	56,829	1,408,682	241,359	
	Signalling						
BC262	Signalling - Benton Interlocking Area	147,434	147,434	631	197,434	50,000	
BC268	Signalling - Heworth Interlocking Area	38,000	38,000	-0	36,029	-1,971	
BC270	Signalling - Jarrow Interlocking Area	642,882	642,882	17,842	642,880	-2	
BC266	Signalling - Jesmond Interlocking Area	23,866	23,866	208	24,074	208	
BC263	Signalling - Monkseaton Interlocking Area	0	0	127	127	127	
BC264	Signalling - North Shields Interlocking Area	111,337	111,337	688	130,505	19,168	
BC269	Signalling - Pelaw Interlocking Area	38,000	38,000	-115	35,873	-2,127	
BC273	Signalling - PTI	273,708	273,708	5,699	178,783	-94,925	
BC261	Signalling - South Gosforth Interlocking Area	351,671	351,671	61	245,240	-106,431	Slippage of some costs into 12/13
BC271	Signalling - South Shields Interlocking Area	886,772	886,772	4,248	886,421	-351	
BC265	Signalling - Wallsend Interlocking Area	250,000	530,448	429,618	543,078	12,630	Outstanding commitments in excess of budget
	Total Signalling	2,763,670	3,044,118	459,007	2,920,444	-123,674	

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Capital Code	Capital Scheme	Original Approved Budget 2011/12	Latest Budget 2011/12	Actual Expenditure at end of Period 3	PMO Period 3 Forecast	Variance between Forecast and Original Budget	Reason for Variation
Stations							
BC249	Station - Central Station	403,000	403,000	31,986	384,170	-18,830	
BC244	Station - Hadrian Road and Wallsend	114,293	114,293	18,670	122,009	7,716	
BC243	Station - Meadow Well, Percy Main and Howdon	1,803,007	1,803,007	662,147	1,734,997	-68,010	
BC242	Station - North Shields	6,010,385	6,010,385	632,358	5,735,496	-274,889	Slippage due to delayed forecast completion date on site.
BC246	Station - South Gosforth	925,000	925,000	5,515	359,319	-565,681	Slippage due to intrusive surveys requirements.
BC245	Station - Walkergate and Chillingham Road	1,377,550	1,377,550	632,983	1,127,550	-250,000	Slippage of Walkergate Stn implementation into 2012/13.
BC248	Station - West Jesmond	1,113,628	1,113,628	1,130	308,544	-805,084	Slippage due to intrusive surveys requirements.
Total Stations		11,746,863	11,746,863	1,984,790	9,772,085	-1,974,778	
Total Approved 2011/12 Capital Programme		39,142,872	40,623,060	6,739,320	36,431,224	-4,191,836	
Major Projects							
BB005	Sunderland Station Redevelopment	80,000	80,000	12,807	80,000	0	
BB006	Ticketing and Gating	14,021,805	14,021,805	113,797	14,021,805	0	
Total Major Projects		14,101,805	14,101,805	126,605	14,101,805	0	
TOTAL		53,244,677	54,724,865	6,865,924	50,533,029	-4,191,836	

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Tyne and Wear Integrated Transport Authority

28th July 2011

REPORT TITLE: NON-METRO CAPITAL PROGRAMME UPDATE

REPORT OF ITA DEPUTY CLERK AND TREASURER / DIRECTOR OF FINANCE AND RESOURCES, NEXUS

Not confidential

District Implications: ALL

1. Purpose of Report

1.1 The purpose of this report is to update the ITA on progress in respect of the Non-Metro capital programme.

2. Recommendations

2.1 The ITA is recommended to

- i. Note the progress being made in respect of the approved non-Metro capital programme.
- ii. Approve the scheme changes as detailed in Appendix B

3. Introduction

3.1 At its meeting on 26th May 2011 the ITA approved the revised 2011/12 Non Metro Capital Programme totalling £54,797^k. A review of the programme has been undertaken at the end of the first quarter, resulting in a revised programme of £55,072^k.

3.2 As at the end of the first quarter actual spend is £8,040^k (14.6%). The detailed

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breakdown is attached in Appendix A.

4. **Information**

4.1 The information contained in this report is based on information received from Project Managers responsible for the schemes, and the Tyne Tunnel Project Director.

4.2 **New Schemes**

Following the first quarter review of the capital programme one new scheme has been identified.

As part of a lease renegotiation, the landlord at Nexus House, Bluehall Properties has undertaken to significantly refurbish the building. This includes a new heating, ventilation and air conditioning system, lift replacements and enhanced accommodation on the ground and fourth floors for the relocated Customer Service Centre and 'One Stop Shop'; Community Liaison facilities and Member Support. The refurbishment project is being supplemented by Nexus through a £275^k "invest to save" initiative, facilitating the closure of the Hood Street facility.

4.3 **Progress to Date**

In respect of the Public Transport Schemes the two projects relating to the Ferry are both at an early stage, and detailed requirements of the schemes are being worked up. Planning is taking place for customer service improvements including the development of the 'POP Shop' concept, customer experience improvements and improving onward travel information to improve the provision of information to passengers before, during and after their journey whatever public transport mode they have chosen to travel by at locations across Tyne and Wear. There is also provision being made for cycle parking facilities at South Shields ferry landing. The details of these schemes remain to be finalised before the projects can commence.

The project to provide I Technology for Bus Information will commence its design stage in July with a staged development and a period of testing before going live in February 2012. The project will improve access to public transport information for journey planning purposes and thereby help to improve customer experience and assist in the promotion of public transport. The capital cost for this project is £80^k.

During Q2, further options appraisal work is to be undertaken in relation to :

- Business intelligence tool
- Employment services upgrade

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- Financial software upgrade

4.4 The revised ITA Non Metro Capital Programme for 2011/12 is summarised below and detailed in Appendices A and B.

	Approved Programme 2011/2012	Revised Programme 2011/2012	Change During Quarter 1
	£'000	£'000	£'000
Business Improvements	1,452	1,452	0
Ferry	136	136	0
Passenger Improvements	80	80	0
Corporate	0	275	275
Nexus Capital Programme	1,668	1,943	275
New Tyne Crossing	53,129	53,129	0
Total Capital Programme	54,797	55,072	275

4.5 The revised Non Metro Capital Programme is funded from a number of different sources as detailed in the table below.

	2011/12 Approved Funding	2011/12 Revised Funding	Variance
	£'000	£'000	£'000
LTP Minor Schemes	247	247	0
Over-programming	0	0	0
Grants and Contributions	0	0	0
Prudential Borrowing	0	0	0
RCCO	1,421	1,696	275
Total Nexus Funding	1,668	1,943	275
New Tyne Crossing	53,129	53,129	0
Total Capital Funding	54,797	55,072	275

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5. **Next Steps**

5.1 An update report to the end of Q2 will be presented to the ITA at its meeting in November 2011.

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 **Background Papers**

8 **Contact Officer (s)**

8.1 Keith Nisbet, Head of Finance, Nexus;

Helen Mathews, Head of Business Development, Nexus

APPENDIX A - NON METRO CAPITAL PROGRAMME AS AT 25TH JUNE 2011

Code	Scheme Title	Budgets as at Period 3 £	Actual Expenditure Period 3 £	Forecast at Period 3	Committed Budget at Period 3 £	Uncommitted Budget at Period 3 £
<u>Passenger Information</u>						
BA305	I-Technology for Bus Information	80,000		80,000		80,000
		80,000	0	80,000	0	80,000
<u>Business Improvements</u>						
BA302	Transport Management System	384,000	13,089	384,000	80,195	290,716
BA701	IT Hardware Replacement	151,000	14,295	151,000	25,754	110,951
BA703	Business Intelligence	85,000		85,000		85,000
BA704	Customer Services Improvements	150,000	825	150,000		149,175
BA705	Employment Services Upgrade	69,000		69,000		69,000
BA721	Customer Relationship Management	57,000		57,000		57,000
BA722	BIDS Interface Replacement	200,000		200,000		200,000
BA723	Financial Software Upgrade	50,000		50,000		50,000
BA724	Business Improvements	150,000		150,000		150,000
BA725	IT Software Licences	66,000		66,000		66,000
BA726	Sharepoint Upgrade to 2010	33,000		33,000		33,000
BA727	Sharepoint Programme 2011/12	57,000		57,000		57,000
		1,452,000	28,209	1,452,000	105,949	1,317,842

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Code	Scheme Title	Budgets as at Period 3 £	Actual Expenditure Period 3 £	Forecast at Period 3	Committed Budget at Period 3 £	Uncommitted Budget at Period 3 £
<u>Ferry</u>						
BA506	Pride of the Tyne of Refurbishment	58,000		58,000		58,000
BA507	Ferry Landings Environmental Improvements	78,000	24	78,000		77,976
		136,000	24	136,000	0	135,976
<u>Corporate</u>						
BA804	Nexus House Refurbishment	275,000	0	275,000	0	275,000
		275,000	0	275,000	0	275,000
Total Nexus Non-Metro Capital Programme		1,943,000	28,233	1,943,000	105,949	1,808,818
	New Tyne Crossing	53,129,000	8,011,460	53,129,000		45,117,540
Total Non-Metro Capital Programme		55,072,000	8,039,693	55,072,000	105,949	46,926,358

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Appendix B - Variations

	2011/12
	£'000
Capital Programme Agreed by ITA May 2011	54,797
New Schemes Identified	
Nexus House Refurbishment	275
Variations to Other Schemes	
Minor changes - Additional changes less than £30k	
TOTAL CHANGE TO PROGRAMME	275
REVISED CAPITAL PROGRAMME	55,072

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Tyne and Wear Integrated Transport Authority

TITLE: **Date: 28th July 2011**

High Speed Rail Consultation: ITA / Nexus Response

REPORT **The Clerk of the ITA / Director General of Nexus**

OF

Not Confidential

District Implications: All Districts

1. **Purpose of Report**

1.1 To inform Members of the ITA and Nexus response to the Department for Transport's consultation on High Speed Rail.

2. **Recommendations**

2.1 Members are recommended to comment on the response, identify any changes, and endorse the joint response.

3. **Background**

3.1 The Government are consulting on a proposed High Speed Rail line between London and Birmingham. They are also consulting on proposals to extend the network, north of Birmingham to Manchester and Leeds, known as the 'Y' shape. The planned completion date for London to Birmingham is 2026 and 2033 for the second phase.

3.2 Forecasts show that the rising demand on rail would lead to some of the main rail routes; East Coast mainline, West Coast Mainline and Midland Mainline, operating at full capacity in the next 15 – 20 years, which is one of the main arguments for a new High Speed Rail network.

3.3 The proposals do not extend the HSR line north of Leeds to the North East. There would be minimal benefits in terms of journey times between Newcastle and London, but links to other cities would be faster.

- 3.4 The proposals offer environmental benefits and modal shift from domestic aviation and some highways traffic. Other benefits include releasing capacity on the existing East Coast Mainline
- 3.5 The ITA and Nexus response to the Consultation is attached as Annex A. We are supportive of a High Speed Rail network as it offers a once in a generation opportunity to transform the economic geography of the UK, support sustainable growth and international competitiveness and to rebalance the economy. There is strong support from the local authorities and businesses in the North East for HS2 and a wider high speed rail network. However, we make the case that the current proposals do not go far enough and should be expanded to directly link the North East to the HS network, so we are connected by high speed track as well as high speed trains. We advocate that the Eastern leg of the 'Y' shape should be constructed at the same time as, or in advance of the Western leg.

4. Further Information

- 4.1 The consultation exercise serves two main purposes for the DfT; it seeks views on the details and scope of the proposed route between London and the West Midlands, and invites responses as to the appropriateness of its wider HSR network, in the form of the 'Y', as described earlier. . There are no proposals to construct High Speed lines north of Manchester and Leeds. It is proposed that that high speed trains would use the existing West Coast and East Coast Main lines.
- 4.2 The consultation exercise invites responses to seven questions, three relate to the details of the proposed route between London and Birmingham, where the identification of affected properties and communities is likely to generate specific responses. For areas not affected by construction, such as Tyne and Wear, the exercise relates more to the potential opportunities afforded by high speed rail, and the risks of being missed off the network, or being offered a partial solution.
- 4.3 The proposed ITA / Nexus response is included as Appendix 1. The responses are set within the context of the existing proposals for the North East, namely that high speed services would use the HS2 route via the West Midlands and Leeds, then the existing East Coast Main Line northwards from Yorkshire to Tyne and Wear and potentially beyond to Edinburgh. This situation negates many of the potential journey time benefits of HSR, as shown in the table below:

<i>City</i>	<i>Current average journey time to London</i>	<i>Proposed HSR journey time to London</i>	<i>Journey time improvement</i>
Manchester	2 hrs 08	1 hr 13	43%
Leeds	2 hrs 20	1 hr 20	43%
South Yorkshire	2 hrs 09	1 hr 15	42%

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Birmingham	1 hr 24	49 mins	41%
Liverpool	2 hrs 10	1 hr 37	25%
Edinburgh	4 hrs 30	3 hrs 30	22%
Newcastle	3 hrs 09	2 hrs 37	17%

Source: High Speed Rail Consultation Report, DfT

- 4.4 The construction of the ‘Y’ shape network would lead to potential journey time savings between other cities, for example Birmingham to Newcastle is currently 3 hours, with high speed it could be 2 hours 20 mins.
- 4.5 Our draft response strongly supports the proposals for a High Speed network for the following reasons:
- to address capacity and performance constraints on the intercity networks
 - to rebalance the economic geography of the country by bringing cities closer together and encouraging economic growth
 - to release capacity on the existing network
 - a lower carbon form of transport
- However, our response highlights that investment in high speed should not come at the expense of the conventional rail network. The announcement of the Intercity Express Programme new rolling stock means that it is necessary to continue to invest in conventional rail to address capacity constraints on the East Coast Main Line. We advocate that the eastern leg of the Y network should be constructed at the same time as or in advance of the Western leg, We also set out that the North East should be directly linked to the High Speed network in the longer term.
- 4.6 We advocate investment in the classic network to ensure that the East Coast Main Line, north of Leeds, is not negatively affected by a potential reduction (which could be taken by High Speed Trains) in train paths which could affect local, regional and freight services. We make the case for using the Leamside line between Ferryhill and Gateshead along and the Stillington line to Tees Valley to play a role in accommodating freight and some passenger services in order to free up space on the East Coast Main Line.
5. **Next Steps**
- 5.1 If Members’ agree to the proposed response, we will submit it to the Department for Transport on 29 July 2011.
6. **Further comments by the:**
- **Clerk** (if any);

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- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 Background Papers

7.1 High Speed Rail: Investing in Britain's Future DfT 2011.
<http://highspeedrail.dft.gov.uk/>

High Speed Rail: Capturing the Benefits on Existing Lines Greengauge 21, 2011
<http://www.greengauge21.net/publications/capturing-the-benefits-of-hs2-on-existing-lines/>

8 Contact Officer (s)

8.1 Roger Gill, ITA Policy Manager,

Andrew Walker, Business Development, Nexus

Appendix 1 – Tyne and Wear Integrated Transport Authority / Nexus

HS2 Consultation Response

Question 1

Do you agree that there is a strong case for enhancing the capacity and performance of Britain’s inter-city rail network to support economic growth over the coming decades?

Yes – The rail network in the UK and in particular the North has seen a rapid increase in patronage and with recently released figures predicting an increase of between 50% and 60% on services into the major cities of the North before the completion of HS2, there are concerns that the rail network will be unable to cope and that this will stifle and suppress the potential for economic growth in the Tyne and Wear region. Therefore the ITA and Nexus not only support the plans for HS2 to increase capacity and performance, but also suggest that plans and a completion date for a third stage need to be developed to continue the line north of Leeds to the North East and Scotland with utmost urgency, providing commitment to the development of a ‘truly national HSR network’ as set out in the Coalition Agreement.

Inter-urban connectivity is crucial to the economic well-being of the North East. Excellent road, rail, air and sea connections are critical to support the economic growth and competitiveness of the region. Rail demand has soared over the past decade, with passenger numbers on the East Coast Main Line increasing by 36% to 2007/8. Network Rail has identified that even with incremental enhancements, the East Coast Main Line, Midland Main Line and the West Coast Main Line will reach capacity during the 2020’s. As set out in the ANEC submission, road traffic on the major roads in the North East grew by 9% between 1999 and 2009. This is forecast to increase by 35% between now and 2035, which adds further pressure to the strategic road network.

The national HSR network has the potential, if it is planned in the right way, to greatly improve the connectivity between main centres outside London, in particular between Birmingham, Derby, Nottingham, Sheffield, Leeds, the Tees Valley and Tyne and Wear. Analysis undertaken by the Eastern Network Partnership indicates some 30% of the wider economic benefits come from regional cities being better connected together. For example, existing trains between Nottingham, Sheffield and Leeds operate at an average speed of 36mph taking almost two hours for the 70 mile journey, which is not attractive to businesses.

Because journey times on the classic network between London and the Eastern Network Partnership areas are relatively high compared to similar routes, the journey time savings offered by HSR are both significant and important. However, the

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benefits of HSR will only be maximised only if it is integrated within a wider rail strategy for improving rail services on existing lines.

Any released capacity on the existing rail routes as a result of HSR should be used to provide improved local and regional connectivity between and within our cities. The released capacity should also be used to provide direct services between key cities and large urban areas in the UK which currently do not have them, thereby removing the penalty of interchange. Only in this way will the benefits of HSR fully address the UK's economic imbalance. To unlock the benefits of HS2 it is vital that complementary investment is targeted both at the classic rail network and local transport networks providing essential local connectivity.

We also strongly urge Government to consider how it might accelerate the delivery of the Y network, and provide strong commitment to the full route. The northern economy cannot wait until 2032/3 for better connectivity, and therefore interim investment in both the Midland Mainline (MML) and East Coast Main Lines (ECML) will be essential. This includes MML electrification, line speed improvements on MML and increased capacity on ECML for example, schemes such as removal of Newark flat crossing, capacity improvements at Darlington, Leamside Line re-opening and increased provision of four track sections of line, particularly north of York.

Question 2

Do you agree that a national high speed rail network from London to Birmingham, Leeds and Manchester (the Y network) would provide the best value for money solution (best balance of costs and benefits) for enhancing rail capacity and performance?

Yes – We strongly support the Y shape HSR solution as the first step in a high speed network covering the whole country. However this must be delivered alongside developing a strategy for the rail network by continued investment in the classic network (MML, ECML and Transpennine) and a longer term commitment to extend the network to the North East and beyond to Scotland.

The Y shape network has already been compared to alternative HSR networks and proved to have the best Benefit Cost Ratio of 2.6. We agree with Government's analysis that HSR offers a better solution than enhancing the existing rail lines to the north.

The total wider economic impacts of the eastern arm are estimated to be £4.2bn. These benefits are additional to the conventional transport benefits, which HS2 estimates at £23.1bn for the Y-shaped network north of the West Midlands.

However, we urge a note of caution in that the current fastest journey time between Newcastle and London is 2h 37m. This is the same as the standard journey time post-completion of HS2, so there are limited benefits.

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Reduced journey times to the West Midlands as a result of the proposed Y network are welcomed, but would not resolve other issues of capacity on the ECML route.

Ideally the HSR network should be built to the North East and Scotland to capture the true benefits. In the short to medium term we would anticipate significant investment in the ECML to ensure the capacity is there to meet future demand. An alternative way to increase capacity could be to reinstate the Leamside Line as part of the plans. This would result in a four-track railway for the majority of the line between Newcastle and York, resulting in additional capacity to cope with the increases predicted.

The benefits of HS2 will also trickle down to the rest of the rail network as it will release capacity on existing lines. In Tyne and Wear, there are many services that currently suffer from overcrowding. This includes long distance services operated by East Coast, Cross Country and TransPennine Express. If the HSR network is constructed to the North East and Scotland, there will be reductions in overcrowding on some services as people making longer distance journeys to Leeds, Birmingham, London and Scotland will opt to use High Speed resulting in increased capacity for people making shorter journeys to intermediate stops.

Question 3

Do you agree with the Government's proposal for the phased roll-out of a national high speed rail network, and for links to Heathrow Airport and the High Speed 1 line to the Channel Tunnel?

Yes – We recognise that in order to ensure HS2 is deliverable a phased approach may be required, but would urge Government to consider alternatives. Any commitment should include the full network in any 'National Infrastructure Policy Statements'.

The Eastern Network Partnership agrees with the principle of bringing separate Hybrid Bills forward for each phase. However, it is vital that governments demonstrate a clear, resolute commitment to delivering the whole network to ensure the full benefits are realised, including a commitment to bringing the HSR network to the North East and Scotland.

Studies demonstrate that the Benefit to Cost ratio of the eastern arm of the 'Y network' beyond Birmingham is 5.6, compared with 2.6 for the western section, therefore the delivery of this arm should be phased earlier.

From the available evidence, there is an overwhelming argument that HS2 is the best option for delivering environmental benefits when compared with other major transport schemes (road and air). The environmental benefits of HS2 are clear. It

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would create significant modal shift reducing the number of domestic air journeys made and by making rail an attractive alternative for car drivers. There are also other environmental benefits. By increasing capacity on existing rail lines, it would be feasible for there to be a greater availability for additional paths to be created for freight trains, thus reducing the number of HGVs on the country's roads.

Details of additional connections to Heathrow Airport and the Channel Tunnel, in terms of service patterns, have not formed part of the consultation. In principle the Partnership agrees with the inclusion of these links, to provide connections to Heathrow and mainland Europe. However, further details are essential to show how they would benefit the north.

Aviation is also an important element in the North East's transport system and provides the international connectivity we need to succeed in the global economy; consequently we regard air services and High Speed Rail as being complementary rather than competitive. Newcastle International and Durham Tees Valley Airports play an important role in providing international and domestic connections across the UK, and in doing so support the competitiveness of existing business in the area.

Question 4

Do you agree with the principles and specification used by HS2 Ltd to underpin its proposals for the new high speed rail lines and the route selection process HS2 Ltd undertook?

Any high speed network should be designed to deliver the shortest journey times possible and this means running at the highest possible speeds with few station stops. We agree with the principle that the network should connect major centres of population across the UK to allow the benefits of HS2 to be felt across the widest area.

As one of the benefits of HS2 is journey time reductions, it is important to achieve a balance between serving as many key centres as possible, without compromising the benefits of speed. Recent DfT policy has concentrated on defining a strategic national network based around the ten cities with the largest centres of population and major international gateways. For consistency, it would seem sensible to use similar criteria when examining possible station locations for HS2, bearing in mind that not all locations will be served directly or with city centre stations.

Research and experience from other European countries demonstrates that to maximise the capacity of high speed rail, there needs to be relatively large centres of population and activity along the entire route, such as that offered by an east coast route. The Local Economic Partnership areas around Leeds, Sheffield, Tees Valley and Tyne and Wear, and Derby/Nottingham/Leicester have a combined population of 9.1 million to connect with the Scotland, London and the West

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Midlands. These appear to be the natural locations for stations along the east coast route to achieve the balance between speed and population.

It is not appropriate for us to comment in detail on the specification for the line between London and the West Midlands.

Question 5

Do you agree that the Government's proposed route, including the approach to mitigate its impacts, is the best option for a new high speed rail line between London and the West Midlands?

N/A

Question 6

Do you wish to comment on the Appraisal of Sustainability of the Government's proposed route between London and the West Midlands that has been published to inform this consultation?

N/A

Question 7

Do you agree with the options set out to assist those whose properties lose a significant amount of value as a result of any new high speed line?

N/A

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Tyne and Wear Integrated Transport Authority

TITLE: Date: 28th July 2011
Rail Devolution

REPORT OF DIRECTOR GENERAL, NEXUS

Reasons for confidentiality (if confidential)

District Implications

1. Summary / Purpose of Report

1.1 This report updates members on the rail devolution options for railways in the North.

2. Main Issues

Government Position

2.1 It has been clear that the Secretary of State for Transport is open-minded about the potential for devolving responsibilities for local rail services to local transport authorities. He has been quoted on a number of occasions as stating that he sees no reason why local services should be specified and managed by Whitehall. This position reflects the government's desire for decentralisation and localism.

2.2 Recent engagement with DfT officials has confirmed the government's position and that government is willing to discuss with PTEs (and other LTAs) the options for devolving responsibilities for local rail services.

2.3 More broadly, the government intends to publish a Green Paper in July, followed by a White Paper in November on rail policy, following on from the McNulty review (see below).

McNulty Value for Money Study

2.4 Sir Roy McNulty's Study, published in May this year, recommends that there is

a greater role for PTEs (and other local transport authorities) to influence rail services, where there is a willingness to take on financial and other responsibilities:

‘the extent to which there can be a meaningful common agenda between national government (which currently has a clear focus on reducing the cost of the GB railway) and PTEs and local authorities (whose priorities may be increased services and/ or lower fares in their areas); and

‘What would be required to create groupings of PTEs and/or local authorities with the capabilities and governance structures to interface effectively with franchise or route geographies’

2.5 The Study highlights the potential benefits of devolving responsibilities and the impacts on value for money. It also makes a number of important (and related) recommendations of note:

- That Network Rail should create a devolved business unit for the Northern franchises
- That Northern and TransPennine Express franchises should be combined and let as one franchise
- That options for delivering lower cost regional rail services should be explored and work should be undertaken to look at this
- That fares are a major area for further review by DfT, with some strong signals in the Study that the current system does work in terms of contributing to managing demand – and by implication that regulated fares will need to change

Options for devolving rail responsibilities

2.6 Following informal discussions with DfT, work has begun to look at the options for devolving responsibilities for rail via **pteg**. At present, this has involved looking at the broad range of options available and seeking to determine which would be feasible.

2.7 This work follows on from the broader discussions and views expressed previously about the role that PTEs should play in future franchises, and builds on the collective responses to the consultations on rail franchising policy and the **pteg** Rail Vision document (published in October last year). The broad consensus view has been that PTEs need to play a greater role in local rail services, recognising the benefits that local control can bring in terms of accountability and integration.

2.8 The options for devolving responsibilities range from extending the existing co-

signatory arrangements through to undertaking a full franchising authority type role. At this stage no options have been ruled out (other than the status quo – see below).

- 2.9 In order to test the willingness of DfT to devolve responsibilities, the feasibility of devolution, and the key issues and barriers, the informal discussions to date have focused on exploring a full franchising role across the North of England, based on the following assumptions:
- a. That the status quo is not an option going forwards, as DfT have failed to deliver for the North (with the Northern franchise being let on a no-growth basis twice in succession), and PTEs role marginal to the railways
 - b. That any approach to devolving responsibilities must be accompanied by greater transparency of costs and a fuller understanding of the risks involved
 - c. That the option for a devolved business unit for the Northern franchises for Network Rail should be pursued
 - d. That the scale and efficiency arguments mean that it is unlikely that smaller franchises could be created, and also that there are benefits in combining Northern and TransPennine franchises
 - e. That governance arrangements will need to satisfy both PTE and non-PTE interests
 - f. That the funding and subsidy commitments for the Northern franchises must adequately reflect the need for investment and growth, recognising the constraints that McNulty has identified
- 2.10 It is not intended that this work should preclude other options should such a role prove undeliverable.
- 2.11 Plainly this work is at an early stage and much more detailed analysis is required to identify the benefits, costs, risks and feasibility of the options available. This will involve further discussions with DfT as to the future levels of funding available.
- 2.12 In discussing with officials, it has been made clear to them that the willingness to accept greater responsibilities must be accompanied by adequate funding to deliver our aspirations for the North, and reflect the relative lack of investment in local rail services, and in particular, rolling stock.

Consultation

- 2.13 DfT have indicated that they are likely to consult on options for devolution over the autumn, most likely in September or October. Part of the informal discussions has been to inform the scope of the consultation.

3. **Next Steps**

As indicated above, work will continue on exploring the options for devolving responsibilities in order to establish what option(s) are feasible and acceptable. This will include engagement with other stakeholders, such as the other transport authorities in the North of England. A further report on the potential options and response to the planned consultation will be given to Members in due course.

4. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

5. **Background Papers**

6. **Contact Officer (s)**

6.1 Ken Mackay, Director of Rail & Infrastructure 0191 203 3241



Tyne and Wear Integrated Transport Authority

DATE **28 July 2011**

TITLE **GOLD CARDS**

REPORT OF **DIRECTOR GENERAL, NEXUS**

Not Confidential

District Implications: All Districts

1. Summary / Purpose of Report

1.1 To provide an update for the ITA on the sale of Gold Cards which provide concessionary travel on the metro to English National Concessionary Travel Card holders, following the revised prices introduced from February 2011.

2. Recommendations

2.1 The ITA are asked to note the contents of this report, in particular that it is not recommended at this point in time to widen use of Gold Card to before 09.30 except for in the months of July and August which was introduced in 2007.

3. Introduction / Background

3.1 The price of Gold Cards was increased with effect from 1 February 2011 as follows:-

Cards issued with a validity:

February to September 2011	£15.00
April to September 2011	£15.00
June to September 2011	£10.00
August to September 2011	£5.00
October 2011 to March 2012	£10.00
Annual pass	£25.00

Cards for non-residents were set at a £10.00 premium for an annual pass and

£5.00 for a seasonal product. Prior to 1 February 2011 the price of Gold Cards were £12.00 for a resident and £25.00 for a non-resident of Tyne and Wear.

- 3.2 As outlined in the report to the ITA on 27 January 2011 when the budget for 2011/12 was agreed, Nexus' funding settlement required at least £0.5m additional revenue to be raised from the sale of Gold Cards.
- 3.3 Survey work undertaken in late 2010 estimated that 25% of pass-holders may be making 94% of journeys with a Gold Card and there was a risk that casual users would not renew if prices increased significantly, although the option was given to apply for a card at a reduced price for a number of months in the summer, which it was hoped would be attractive to this market.

Sales to date

- 3.4 As expected, the volume of sales has dropped following the introduction of the increased charges. From data that is available for the three months to the end of June, a shortfall of around £40,000 against the budget target of £1.5m is forecast.
- 3.5 With the advent of summer, the Gold Card has been heavily promoted, linked to summer days out to the coast and our town centres. Geographic areas where sales have shown the greatest decline have also been targeted. Gold Cards will be available for all day travel in July and August (as in previous years) which may also generate additional sales.

Financial implications

- 3.6 Any shortfall on required income will be accommodated by savings elsewhere in the Concessionary Travel budget.

Future of Gold Card

- 3.7 Gold Card sales will be closely monitored during the remainder of the financial year.
- 3.8 As outlined in the report to the ITA in January 2011, the introduction of smart technology on Metro will present alternative ways of pricing Gold Cards. Any future proposals will be presented to the ITA for approval, in line with the roll out of this new technology.

All Day Usage

- 3.9 The ITA has previously asked that research be undertaken in order to inform whether the extension of travel with a Gold Card before 09.30 from September through to June would be affordable. Current estimates indicate that around 30,000 additional journeys are undertaken during July and August where the concession was extended to before 09.30 in 2007 at a cost of circa £60,000. The potential cost for extending the concession over the remaining 10 months of the year is therefore around circa £300,000 which in the context of the decision to increase the price of the Gold Card is deemed to be unaffordable. Gold card holders will still be able to make use of free travel on the Cross Tyne Ferry which

was introduced when the price increased to £25 – this concession is estimated to cost circa £60,000 per annum. In addition, recognition of potential abstraction from bus should also be considered, therefore it is not just affordability grounds upon which the recommendation to not extend use of Gold Card is being made.

Comparison with PTE Areas

3.10 Members also asked for a comparison of concessions offered on rail in other PTE areas and information relating to this is attached at Appendix A.

4. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

5 **Contact Officer (s)**

5.1 Bill Harbottle, Concessionary Travel Manager, Nexus (0191 203 3277)

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

APPENDIX A

<u>CONCESSIONS OFFERED ON RAIL IN OTHER PTE AREAS</u>	
<u>PTE Area</u>	<u>Arrangements</u>
Centro	CT extended off-peak to the rail and Metro within the Centro area for all West Midlands residents (no charge).
GMPTE	Concessions for rail and Metrolink as follows:- Elderly: Free from 09.30 – 24.00 Mon-Fri and all day at weekends and bank holidays. Disabled: Some receive free travel in the morning peak.
Merseytravel	Free travel off-peak.
South Yorkshire	ENCTS extended to cover local train services and the tram. Valid after 09.00 for elderly and all day for disabled.
West Yorkshire	ENCTS pass-holders can travel on all off-peak local rail services for flat fare of 50p.



Tyne and Wear Integrated Transport Authority

28 July 2011

New Tyne Crossing - Construction Progress Report

REPORT OF NTC PROJECT DIRECTOR

1. Synopsis

- 1.1 This report provides an overview of progress made on the construction and the preparation for certain key events to come since the last meeting of the Authority. Progress photographs will be available at the meeting.

2. Recommendations

- 2.1 The Authority is recommended to note progress made.

3. Background

- 3.1 Construction of the NTC began on 22 April 2008. Key dates as set out in the Project Agreement signed on 23 November 2007 are as follows:-

PTU1	15 December 2010 - opening of the new tunnel (Revised to 4 February 2011 – actual 25 February 2011)
PTU2	3 December 2011 – opening of refurbished existing tunnel
Completion	3 December 2011

4. Progress – Since May 2011

4.1 Programme

Work began on the refurbishment of the existing vehicle tunnel on 28 February 2011. On 7 April 2011 the contractor submitted a detailed construction programme for the refurbishment of the existing tunnel, construction of the north-bound tolls plaza, construction of the cover structure (replacement for the old sun visor structure in the Stothard Street area), landscaping and other works. This programme maintains the target date for Completion at 3 December 2011 and provides for the Emergency Exercise to be undertaken on 8 November 2011.

4.2 North Approach Works

The old control room on the 3rd floor of the Administration Building has been decommissioned and this space is being converted into office accommodation.

The new toll plaza structure for the existing tunnel has been erected and the distinctive cladding is nearing completion. The concrete slab and kerbs forming the traffic islands below the canopy are complete to a stage ready for the installation of the new tolling equipment to start in August. Adjacent to the toll plaza the earthworks are well advanced with the drainage attenuation pond formed together with the re-modelling of the soft landscaping and revised access road to the North Extract Building. In addition, the south section of the A19 has been re-aligned and tarmac laid up to road base level.

There are a number of 'snagging items' associated with the new tunnel which are being addressed.

4.3 South Approach Works

Reinstatement of the river wall to the south bank of the Tyne is now complete. Earthworks to prepare the finished form of the land between the river and Chaytor Street are ongoing. The works to the new Friar Way extension road are complete. The new Tyne Pedestrian & Cyclist Tunnels car park is complete. Work on the construction of the new roundabout on Chaytor Street will commence on 25 July, as agreed with South Tyneside Council, to minimise impact on traffic. Seeding and tree planting in the landscaped areas is ongoing over the tunnel between Salem Street and Tyne Street. The planting generally appears to be establishing itself in this area. The new Friar Way link road will stay closed to traffic pending the completion of the new roundabout on Chaytor Street to avoid it being used as a 'rat run'. The construction of the linear footpath/cycleway between High Street and Chaytor Street is complete.

The works to cover over the former south portal sun visor are well advanced. The foundations to the pre-cast beams which will span over the A19 are nearing completion and it is expected that the beams will start to be lifted in to place towards the end of July. A closure of Howard Street bridge on 24 July has been planned to accommodate these works.

Salem Street remains closed - High Street is open to traffic.

4.4 South Junction Works

The formation of the new A19 approach carriageways is ongoing. The construction of the noise barrier between the loop-bridge and Howard Street Bridge is complete. The barrier has been increased in height at the east end to help further ameliorate the visual impact of the loop road to the Epinay Walk houses. Earthworks to the

south of the junction for the installation of the drainage pond are well advanced. The ground has been re-modelled and the drainage outfall installed.

Works to existing highway structures on the A19 including widening and refurbishment works are ongoing. This requires the continued use of traffic management around the south junction. The new local road roundabout under the 'Shell' bridge is being used in part of the A19 temporarily. The traffic diversion for local traffic on Church Bank is still in operation.

4.5 Existing Tunnel Refurbishment

Work on the refurbishment of the existing tunnel commenced shortly after the commissioning of the new tunnel on 26 February 2011.

Civil engineering works within the tunnel are well advanced with all demolition and removal works complete. Five access points have been formed in the road deck to provide access to carry out the necessary works below. Under the road deck the existing services have been removed, concrete cleaned and any structural repairs required have been completed. The installation of HV cables, power distribution boards, cable containment racks, drainage, fire hydrant and rising main are also ongoing below the road deck.

Above the road deck the original services have been stripped out except some power cables which are required to provide temporary electrical supplies. The new escape passage on the west side of the tunnel is nearly complete together with the new concrete crash wall to the east side of the tunnel.

Inspections of the tunnel structure have been completed and any works to the cast iron tunnel lining (replacement of bolts, re-caulking of joints) have been undertaken where necessary. The installation of the new support system and fire boarding to protect the tunnel in the event of a fire are ongoing with approximately 50% complete. The installation of the fire boarding is being concentrated on the north side of the river to enable M&E works to progress in the near future.

5. Land

- 5.1 Arrangements relating to hand-back of land continue to be discussed in detail between the relevant parties on the basis of the approved landscape masterplans. In particular, inspections with South Tyneside Council have commenced between High Street and Chaytor Street to identify any snagging matters which will need to be addressed prior to formal handover.

6. Communication

- 6.1 The web-sites (NTC & TT2) continue to be updated almost daily. Ward Councillors are given regular 'activity' schedules so that they are briefed on forthcoming events/developments. The Helpline is maintained and staffed 24/7.

- 6.2 The journey time monitoring system has now been reinstated and the times are now displayed again on the Tyne Tunnels TT2 website. In addition, the web cams are also back in operation and available to view on this web site.
- 6.3 The National Transport Panel of the Institution of Civil Engineers visited the site on 8 June 2011. TWITA and TT2 provided an illustrated presentation on the project to the national steering group who were visiting the region to gain a better understanding of the North East's transport priorities.
- 6.4 The consultation exercise carried out with Class 3 (HGV) users to reinforce understanding of the toll strategy approved by the Authority in September 2007 was completed in June. The exercise sought to explain and seek views on procedural matters in relation to the introduction of the Concession Toll. The responses are being considered and a report on the consultation exercise will be brought to the Authority in due course.
- 6.5 Most media activity has been focused on road closures and traffic diversions in Jarrow. This included the demolition of the sun visor at the Jarrow entrance which was achieved without any complaints.
- 6.6 A newsletter updating stakeholders on work in the original tunnel was published in July.
- 6.7 Preparations have been taking place for an event to celebrate the 60th Anniversary of the Tyne Pedestrian and Cyclist Tunnels on Sunday 24th July.
- 6.8 Local communities are being invited to input into celebrations to mark the completion of the project.
- 6.9 Local partnering forums have been held both north and south of the river.

Contact Officer: P Fenwick, phone: (0191) 211 6058



Tyne and Wear Integrated Transport Authority

DATE: 28th July 2011

TITLE: Tyne and Wear Youth Transport Group

REPORT OF: DIRECTOR GENERAL, NEXUS

Not confidential

District Implications: All

1. Summary / Purpose of Report

- 1.1 The purpose of this report is to inform the ITA about the proposed activities of the recently formed Tyne and Wear Youth Transport Group (the Group) and seek Members support and guidance for their endeavours.

2. Recommendations

- 2.1 Members are recommended to note the report, acknowledge the formation of the Group and provide a view on priorities for the proposed work programme items (see Appendix) .

3. Summary of key issues

- 3.1 Following an explanatory meeting at the beginning of the year, the Group appointed a Chair, held their first formal meeting in March 2011 and drew up an outline programme of items for future consideration.
- 3.2 Future meetings will be held on a quarterly basis and the next will take place on Tuesday, 26th July (having been postponed from June because of exams).
- 3.3 Having agreed on information provision as the initial topic, the Group is seeking views from the ITA on the priority that should be assigned to the items in order to help set out a forward plan.

4. Information

- 4.1 As part of our strategy for increasing public engagement the ITA and Nexus are committed to enhancing the involvement of young people in local transport matters. In consultation with Youth Participation Officers from each of the districts it was decided to attempt to form a Youth Transport Group as one

strand of achieving this objective.

- 4.2 Arrangements were made so that at least one Youth Council representative from each district attended the pilot meeting in January 2011. The representatives were identified by their Youth Council as having a keen interest in and commitment to the future development of public transport. These representatives will bring any transport matters to the Group which their respective district Youth Council refers.
- 4.3 For the pilot meeting ITA/Nexus officers presented an overview of our roles in local transport planning, provision, procurement and promotion and the working relationships with the commercial bus operators within Tyne and Wear. This context was important to ensure that the Group was aware of the way that local transport works in order to help inform their choice of topics to discuss.
- 4.4 Two members of the Group volunteered to be considered for the position of Chair. Each prepared a short statement for consideration and Group members then used an online voting tool in a process administered by Nexus staff. Jessica Leighton, a Gateshead Youth Council representative was duly elected Chair for the Group. It is envisaged that Jessica will provide a lead on forming the agenda and moving actions forward.
- 4.5 At the first formal meeting in March, the Group initially identified a wide range of issues and concerns about transport matter. These ideas were then discussed and ideas refined as some were felt to be too specific to individual services and facilities. The resulting list of possible discussion topics is attached to the report.
- 4.6 As a first priority the group is keen to pursue the idea of improving information provision, especially in relation to fares information aimed at children and young adults. For other possible items on the forward work programme the Group is seeking the ITA's view on what priorities should be assigned. The Group will then use this information to help develop its forward work plan.

5. **Next Steps**

- 5.1 The second meeting of the Group is being held on 26th July, and will focus on information provision. ITA members will be updated regularly on the progress and activities of the Tyne and Wear Youth Transport Group.

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 **Background Papers**

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

7.1 Nexus Engagement Strategy 2009-2014

8 Contact Officer (s)

8.1 Helen Mathews, Head of Business Development, Nexus, 0191 2033455

Appendix One

Issues for future discussion

- Advertising: providing easier access to more and better information about tickets
- Discounted travel for young people aged 16-18 years
- Making fare zoning more user friendly
- Improving bus services coming from Northumberland and Durham
- Punctuality of bus services
- More frequent services after 6pm using smaller buses or taxi buses to save money
- Consideration of keeping costs low rather than purchasing more technological buses
- Promotion of cycle lanes
- Negative bus driver attitudes towards young people
- Not charging full price on school buses for uniformed pupils who have forgotten their U16 passes

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Tyne and Wear Integrated Transport Authority

Date: 28th July 2011

TITLE: ISSUES AND OPPORTUNITIES FOR THE YEAR AHEAD AND ITA POLICY WORK PROGRAMME

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

Not confidential

District Implications: All of Tyne and Wear

1. Purpose of Report

1.1 This report provides an overview of the issues and opportunities for the ITA over the forthcoming year and details a proposed Work programme for the year ahead.

2. Recommendations

2.1 ITA members are recommended to note the report and comment on the work programme.

3. Background

3.1 ITA Members in previous years have agreed a forward schedule of reports in relation to policy, which have been informed by the ITA Policy Team and Nexus.

3.2 At the January 2011 meeting of the ITA, Members considered a report outlining the medium term financial strategy and areas of priority over the next 3 years.

3.2 These priorities were summarised as follows:

- Developing policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area
- Keeping under review the concessionary travel scheme, taking advantage, where possible and subject to affordability, of initiatives to make local journeys more affordable to encourage the development of the future public transport market;
- Continuing to plan for Metro Reinvigoration phase 2 with a focus on the expanded capital programme and the delivery of phase 1, incorporating

the ticketing and gating major project and the introduction of smart card ticketing capability, ensuring that any Tyne and Wear scheme can be scaled up to a regional scheme at some future point;

- assessing more efficient means of providing information on public transport, through better use of technology, web based, SMS texting and an increased staff presence in passenger areas.

4. **Information**

4.1 The ITA has dedicated policy support that manages and delivers a policy service to assist in the development and implementation of ITA policy. We provided a forward programme for Members in previous years and have updated this to provide a revised work programme for 2011/12. This is attached as an appendix.

4.2 The work programme details ITA meetings to May 2012 and proposed reports to be tabled to the ITA. There will obviously be some flexibility in terms of some of the timings of the reports.

4.3 Officers from Nexus have helped to contribute to the work programme and will continue to work closely together to refresh and update the programme.

5. **Next Steps**

5.1 The proposed work programme provides information for ITA Members on outline agendas months in advance. It also provides opportunities for the continuing development and review of ITA policies in light of proposed changes in national and regional policy.

5.2 It also allows ITA officers the opportunities to plan ahead and be in a position to brief Members on the latest policy announcements from Government and any relevant research reports. These horizon scanning exercises allows the ITA and Nexus to be informed of the latest developments.

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any)
- **Director General** (if any).

7 **Background Papers**

7.1 ITA Papers from May 2010, PTA Papers from January 2009, PTA March 2008

8 **Contact Officer (s)**

8.1 Roger Gill, ITA Policy Manager, Newcastle City Council 0191 211 4805

Helen Mathews, Head of Business Development, Nexus 0191 203 3333

ITA Meeting Date	Report	Who
July 2011	<p>High Speed Rail – Report to Members outlining our response to the consultation</p> <p>Revenue Budget Monitoring Report – To update Members on the Budget</p> <p>Outturn and Draft Financial Statements for Financial Year 2010/11 Annual Accounts – Summary to Members of the Authority’s financial results in 2010/11</p> <p>Gold Cards – Update on sale of Gold Cards</p> <p>Tyne Tunnel – Update on progress</p> <p>Northern Rail Devolution – Update on rail issues for members</p> <p>Tyne and Wear Young People Group – information report on the emerging work around engaging young people</p> <p>2011/12 Metro Asset Renewal Plan & Major Project Capital Programme – Advise Members on overall performance of Metro and Major Capital Programme</p> <p>Non Metro Capital Programme Update - Progress Update</p>	<p>Clerk & Director General</p> <p>ITA Treasurer</p> <p>ITA Treasurer</p> <p>Director General</p> <p>Clerk (Tyne Tunnel Project Director)</p> <p>Director General</p> <p>Director General</p> <p>Director of Finance and Resources, Nexus</p> <p>ITA Treasurer/ Director of Finance and Resources, Nexus</p>

September 2011	<p>Final Accounts Post audit</p> <p>Annual Audit - To present to Members the ITA's annual audit letter and report on any recommendations</p> <p>ITA Risk Register – Update to Members on risk register</p> <p>ITA Officer Statement – To provide to Members an update on ITA officer activity</p> <p>Local Sustainable Transport Fund – Update on progress of key components bid and main bid</p> <p>Tyne Tunnel – Update on progress</p> <p>Capital Programme Quarterly Review</p> <p>Metro Progress</p> <p>Prioritisation for Public Transport funding</p> <p>Rail update</p>	<p>ITA Treasurer</p> <p>ITA Treasurer</p> <p>ITA Treasurer</p> <p>Clerk (ITA Policy)</p> <p>Clerk (ITA Policy)</p> <p>Clerk (Tyne Tunnel Project Director)</p> <p>ITA Treasurer</p> <p>Director General</p> <p>Clerk & Director General</p> <p>Clerk & Director General</p>
November 2011	<p>Capital Programme Review</p> <p>Budget Monitoring Report</p> <p>Proposals to devolve major scheme</p>	<p>ITA Treasurer</p> <p>Clerk</p>

	<p>funding to LEP areas – Response to consultation</p> <p>Progress with Quality Contract Scheme</p> <p>Rail update</p> <p>LSTF update</p> <p>Tyne Tunnel</p> <p>General Policy Update including LTP Progress</p> <p>Urban Traffic Management Control</p> <p>NESTI update</p> <p>Transport Strategy for North Eastern area – report for Members on progress & info</p>	<p>Director General</p> <p>Clerk & Director General</p> <p>Clerk</p> <p>Clerk (NTC Project Director)</p> <p>Clerk (ITA Policy)</p> <p>Clerk</p> <p>Director General</p> <p>Clerk (ITA Policy)</p>
<p>January 2012</p>	<p>Financial Strategy (medium term plan)</p> <p>Capital Programme</p> <p>LSTF Update</p> <p>Response to National Policy Statement on Strategic Road Network</p>	<p>ITA Treasurer & Director of Finance & Resources (Nexus)</p> <p>ITA Treasurer & Director of Finance & Resources (Nexus)</p> <p>Clerk (ITA Policy)</p> <p>Clerk (ITA Policy)</p>

	<p>LEP update (including transport strategy)</p> <p>Scrutiny Update</p> <p>Tyne Tunnel Update</p> <p>Metro Update</p> <p>Rail update</p>	<p>Clerk (ITA Policy)</p> <p>Clerk (Scrutiny team)</p> <p>Clerk (NTC Project Director)</p> <p>Director General</p> <p>Clerk & Director General</p>
<p>March 2012</p>	<p>Budget Monitoring Report</p> <p>Tyne Tunnel Update</p> <p>Urban Traffic Management Control Progress</p> <p>Rail Update</p> <p>Metro Update</p> <p>LSTF Progress</p> <p>Capital Programme Update</p> <p>Approval of refreshed LTP Strategy / Delivery Plan</p> <p>Rate of increase of members' allowances</p>	<p>ITA Treasurer</p> <p>Clerk (NTC Project Director)</p> <p>Clerk</p> <p>Clerk & Director General</p> <p>Clerk & Director General</p> <p>Clerk</p> <p>Director Finance & Resources (Nexus)</p> <p>Clerk</p> <p>Clerk & Independent Remuneration Panel</p>

<p>May 2012 - AGM</p>	<p>Membership of the ITA</p> <p>Appointments to committees and working groups</p> <p>Appointment of independent members to the ITA Standards and Audit Committee</p> <p>Calendar of Meetings 2012/13</p> <p>Review of Corporate Governance</p> <p>NESTI Update</p> <p>General Policy Update</p> <p>Treasury Management Statement</p> <p>ITA Work Programme (2012/13)</p> <p>Scrutiny Annual Report (2011/12)</p>	<p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk & Legal Adviser</p> <p>Director General</p> <p>Clerk</p> <p>ITA Treasurer</p> <p>Clerk</p> <p>Clerk</p>
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NB: Throughout the year, the ITA Policy Team will be responding to Local Development Framework Consultations and other relevant policy consultations/statements from Government.

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