



Tyne and Wear Integrated Transport Authority Annual Meeting

Meeting to be held in a Committee Room, Newcastle Civic Centre
on Thursday 28 May 2009 at 10.00 am
(Labour Group meeting at 9:00am) (Opposition Group meeting at 9:30am)

Page

1. **Appointment of Chairman**

(Previously: Councillor D Wood)

2. **Declarations of Interest**

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

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

3. **Membership of the Authority**

Members are requested to note the intention to table this report in accordance with the provisions of the Local Government (Access to Information) Act 1985

4. **Apologies for absence**

5. **Appointment Of Vice Chairmen**

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

(Previously: Councillor R Heron)

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

(Previously: Councillors McElroy and Hanson)

(c) Appointment of Lead Members Portfolios

(Previously:

Chairman – Modal Shift

Councillor Heron - Regeneration and Communication

Councillor Hanson – Tyne Tunnels/New Tyne Crossing

Councillor McElroy – Social Inclusion)

(d) Appointment of Leader of the Opposition

(Previously : Councillor Keating)

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| 22. | Date and Time of Next Meeting | |

There will be a special meeting of the Authority at 10a.m. on Monday 29th June 2009 to consider the draft accounts.

At the conclusion of this meeting, there will be a short presentation for members on the statement of accounts.

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

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Tyne and Wear Integrated Transport Authority

TITLE **APPOINTMENTS 2009/10**
REPORT OF **THE CLERK, 28 MAY 2009**
DISTRICT IMPLICATIONS: **ALL DISTRICTS**

1. **SUMMARY/PURPOSE OF REPORT**

It is the practice of the Authority at its Annual Meeting to appoint such Committees as are required for the ensuing Municipal Year together with representatives to serve on outside bodies.

2. **RECOMMENDATION**

To make appointments which are required within the ensuing municipal year.

3. **BACKGROUND**

The following appointments were made during the previous municipal year:

(a) **Delegated Committee**

Councillors D Wood, Heron and G Keating (or their substitutes).

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

(meets as and when required)

(b) **Tyne Tunnels Working Group**

Councillors Hanson (Chair) Clare, D Wood, Lott, Hodson and Austin.

Terms of Reference – To monitor matters at the Tyne Tunnels including tolls increase applications, performance of the concessionaire in operating the tunnels and delivery of the New Tyne Crossing Project. .

(Meets Bi-monthly)

(c) **Standards and Audit Committee**

Councillors: Green, Blackburn, Hanson, Stone and P Wood

Independent Chair: Mr M Scrimshaw

Independent Members: Ms E Green, Mr A Atkinson, Mr G Clark

Independent Members: 4

PTA Members 5

Terms of Reference

Standards

1. To promote and maintain high standards of conduct by members of the Authority.
2. To assist Members to observe the Authority's Code of Conduct for Members.
3. To advise the Authority on the adoption or revision of the Code of Conduct for Members.
4. To monitor the operation of the Authority's Code of Conduct for Members.
5. To advise, train or arrange to train members on matters relating to the Authority's Code of Conduct for Members.
6. To consider and determine any allegations of misconduct made against individual members of the Authority regarding breaches of the Authority's Code of Conduct (which are referred by the Standards Board for England or which we received direct under the local assessment regime of the Local Government and Public Involvement in Health Act 2007) and any allegations of misconduct regarding breaches of the Authority's local protocols and to make appropriate recommendations to the Authority.
7. To grant dispensations to Members from requirements relating to interests set out in the Authority's Code of Conduct for Members (in accordance with the Relevant Authorities (Standards Committees) (Dispensations) Regulations 2002) or any amendment thereto).

Audit

8. Purpose of the Committee

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

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

9. The Committee's roles and responsibilities:

- 9.1 to act as the principal advisory committee to the Authority in relation to audit and governance issues;

- 9.2 to review annually the effectiveness of the Authority's internal control environment;
- 9.3 to carry out an annual self assessment of its effectiveness;
- 9.4 to prepare an annual report for consideration by the Authority;
- 9.5 to undertake a number of functions in relation to Governance and Audit issues, and advise the Authority upon such matters as and when is necessary (see 10 and 11 below).
- 9.6 to consider reports from other external and inspection agencies;
- 9.7 to review issues relating to the Authority's accounts (see 12 below).
10. The Committee's Governance Role
- 10.1 to consider and promote the Authority's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice;
- 10.2 to maintain an overview of the Authority's contract procedure rules and financial regulations;
- 10.3 to review any issues referred to it by the Clerk of the Authority and the Authority itself;
- 10.4 to consider the effectiveness, and monitor and promote the effective development and operation, of risk management in the Authority. This will include consideration of the Annual Risk Management Review;
- 10.5 to consider the effectiveness of the Authority's anti-fraud and anti-corruption arrangements;
- 10.6 to review the Authority's Annual Governance Statement and to recommend its adoption to the Authority;
- 10.7 to consider the Authority's compliance with its own and other appropriate published standards and controls and to make recommendations where necessary;
- 10.8 to consider the Authority's following documents:
 - Budget monitoring reports
 - Value for Money Self Assessments
 - Best Value Performance Plan (BVPP) and associated performance indicators.
11. The Committee's Audit Role
- 11.1 Internal Audit

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

11.2 External Audit

- (v) to consider the external auditor's annual letter, relevant reports, and the report to those charged with governance;
- (vi) to consider specific reports as agreed with the external auditor;
- (vii) to comment on the scope, focus and depth of the external audit plan of work and to ensure it gives value for money;
- (iv) to liaise with the Audit Commission over the appointment of the Authority's external auditor;
- (viii) to commission work from external audit.

12. Accounts

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

(Standards and Audit Committee meets at least 4 times each year).

(d) **PTA Scrutiny Advisory Committee**

The Authority is asked to confirm the appointment of the Scrutiny Advisory Committee subject to nominations from each district.

(Previous membership)

Newcastle:

Councillor P Hillicks

Councillor Breakey

Sunderland:

Councillor D Forbes

Councillor E Ball

Gateshead:

Councillor D Bollands

Councillor B Richmond

North Tyneside:

Councillor D Charlton

Councillor D Ord

South Tyneside:

Councillor D Brady

Councillor B Scorer

Terms of Reference

- (i) To make reports or recommendations to the PTA with respect to the discharge of the PTA's functions;
- (ii) To review or scrutinise decisions made, or other action taken, in connection with the discharge of the PTA's functions; and
- (iii) To make reports or recommendations to the PTA on matters which affect Tyne and Wear or the inhabitants of Tyne and Wear and which relate to the PTA's functions.

(meets bi-monthly)

(e) **I.T.A. Working Group**

Councillors D Wood, Heron, Blackburn, Clare, Lott, McElroy and W Taylor

Terms of Reference -

- To identify the relevant changes in legislation provided by the Local Transport Act 2008 which affect the operation of the Tyne and Wear Integrated Transport Authority including in particular the Local Transport Plan, Transport Governance and the well-being powers
- To consider and analyse these changes and identify reasonable ways of dealing with and responding to them
- The Working Group may consider how the ITA might best approach the following issues in light of these legislative changes, particularly the new wide general power given to the ITA of doing anything (subject to certain statutory limits) which it considers likely to promote the economic, social or environmental well being of its area:

- Buses (including the Bus Strategy)
 - Equality and Diversity
 - Metro Reinvigoration
 - Major Schemes
 - Transport in the City Region
 - Climate Change
 - Strengthened district liaison
 - Highway issues
 - Scrutiny
- The Group will produce a series of recommendations to the full ITA, which may include (a) any recommended specialist advisory groups and/or committees of the ITA which it considers the ITA should appoint to further address any of these issues and (b) any recommended officer support which it is considered the ITA may require.

(f) **Outside Bodies**

- (i) **Local Government Association** – Councillors D Wood, R Heron, J Blackburn and P Woods.
- (ii) **PTA Special Interest Group** – Councillors D Wood, R Heron and G Keating.

(g) **District Transport Spokesmen**

Councillor McElroy - Gateshead
 Councillor Blackburn - Sunderland
 Councillor D Wood - Newcastle
 Councillor Clare – South Tyneside
 Councillor Lott – North Tyneside

Background Papers

PTA Official Minutes and Standing Orders

Contact Officer: Judith Curran, Democratic Services – Tel: 2115119

Agenda Item 7

| TYNE AND WEAR ITA | | |
|--|---|---|
| <u>MEETINGS IN 2009/2010</u> | | |
| Pre-Agenda Meetings (for Chair and Vice Chairs only) (all at <u>10.00</u> a.m.) | ITA Meetings 2009/2010 (all at 10.00 a.m.) | ITA Policy Seminars (all at 9.30 a.m.) |
| 13 July 2009 | 23 July 2009 | 25 June 2009 |
| 14 September 2009 | 24 September 2009 | 27 August – Annual Tour and Inspection |
| 16 November 2009 | 26 November 2009 | 22 October 2009 |
| 18 January 2010 | 28 January 2010 | |
| 15 March 2010 | 25 March 2010 | 25 February 2010 |
| 17 May 2010 | 27 May 2010 | 22 April 2010 |

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Tyne and Wear Integrated Transport Authority

TITLE: **Date: 28 May 2009**

METRO REINVIGORATION UPDATE

REPORT OF **DIRECTOR GENERAL OF NEXUS**

Reasons for confidentiality (if confidential)

District Implications

1. Summary / Purpose of Report

1.1 To update the ITA on implementation of the Metro Reinvigoration programme.

2. Recommendations

2.1 That the ITA notes this report.

3. Introduction / Background

3.1 Nexus has begun the modernisation of Metro through the Metro Reinvigoration Phase 1 and Phase 2 programmes. Government funding for both the £300m + investment in the system over the next nine years together with an equally significant commitment to meet operating costs is dependant on successful conclusion of the Metro operating concession procurement process.

Upon release of Government funding later this year, the future of the Metro system will have been secured.

The Authority at its meeting in August 2008 received a report from the Director General summarising the detail behind the formal announcement by the Secretary of State regarding future funding for Metro and the Metro Reinvigoration Phase 2 programme.

The Authority at its meeting of January 30 was updated on and approved in principle the mechanism by which four bidders were shortlisted to compete for a nine year operating concession to include the operation of stations and trains and the maintenance and refurbishment of the existing Metrocar fleet.

4. Information

Metro Reinvigoration Phase 1

- 4.1 Metro Reinvigoration Phase 1 has already seen the completion of Simonside station, South Tyneside, a 400-space Park and Ride facility at Northumberland Park and an enhanced programme of core infrastructure renewal.

A £20 million private development to rebuild Haymarket station in Newcastle is due to be completed during summer 2009. Work to refurbish platform areas at Sunderland station in a £7 million scheme will enter its second and major phase with the awarding of contracts in June 2009.

Nexus is in the final stages of negotiating the Phase 1 Ticketing and Gating contract, with a supplier expected to be appointed within the next month. This project will see new ticket machines installed at all stations accepting notes and credit/debit cards as well as coins, and enabled with smart ticketing technology which will act as the catalyst for 'Programme Smart' which is covered in a separate report elsewhere on this agenda. Fraud control ticket barriers will also be installed at 13 key stations covering the majority of journeys.

Metro Re-invigoration Phase 2

Metro Re-invigoration Phase 2 capital programme comprises an investment of more than £300 million in the vital infrastructure of the system, including track, overhead power lines, signalling/communications systems and structure such as bridges and tunnels. There is also provision for refurbishment of the entire fleet of Metrocars and an investment of around £80 million to modernise stations to meet future passenger expectations and increasing their accessibility to all.

Nexus studies as part of the 2007 Business Case indicate that every £1 spent on Metro is worth £8 to the Tyne and Wear Economy compared to the cost of allowing Metro to decline and fail, with its implications for employment, workforce flexibility, education and training opportunity, the retail sector and provision of public service.

The benefit of this inward investment in the region's transport infrastructure can therefore be calculated as being worth in excess of £2 billion to the economy as a whole.

The Department for Transport has stated final funding approval for both the capital investment required for Phase 2 and the operating subsidy for the period 2010-2019 will be granted upon the conclusion, to its satisfaction, of the procurement of an operating concession as described in 3.1 (above).

Nexus is now well advanced with this procurement process. An initial field of nine interested parties was narrowed down to the four strongest contenders, all with existing UK rail operations or franchises. These are Nexus's own in-house operator, MTR Corporation, DB Regio and Serco-NedRailways. A formal Invitation to Negotiate ('ITN') was issued to these four bidders on April 27 2009.

Bidders must submit final tenders by July 27 2009 and Nexus will then begin the process to identify and confirm a preferred bidder during autumn 2009. Nexus

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intends to sign final contracts in January 2010 with the concession running for a period of seven to nine years from April 1 2010.

In conjunction with developing a robust delivery plan for the investment programme and confirming a preferred bidder through the metro operating concession procurement process, the way will be open for Nexus to seek final funding approval from the Secretary of State for both the agreed capital element of Phase 2 Metro Re-invigoration and an operating subsidy between 2010 and 2019. Without a procurement process Nexus would not be in a position to seek this.

The new model for delivery of the Metro service requires an internal re-organisation of the management structure within both Metro and Nexus and an appropriate period of 'shadow running' under this new structure. The first stage of this is now complete within the desired timescale. All re-organisations of management have been and are accompanied by the highest level of safety validation.

Public and staff information

Nexus has sought to keep both its own staff and the public fully updated on the progress of the Metro Re-invigoration programme and the implications of it.

Nexus has provided a specific internal communications programme for staff as well as creating a Joint Consultation Forum on which all trade unions within Nexus are represented. This Forum has accepted progress to date on issues of staff terms and conditions.

One union had indicated at a national level that it wished to ballot members within Nexus on their support for the Re-invigoration programme. This ballot was withdrawn by the union in April 2009 without being completed.

Market research among the Tyne and Wear public shows a very high recognition of the importance of Metro to the economic and social life of the region. A survey of 547 Tyne and Wear residents in March 2009 showed 91% said Metro was 'very important to Tyne and Wear and 65% that it was 'very important' to them personally. When asked, 'How important is it to you that Metro is run as efficiently as possible?' 89.4% answered 'very important' and 6.6% 'quite important'.

The same research, however, also showed a lack of knowledge about some of the details and benefits of Metro Re-invigoration programme. Nexus has begun an information campaign in response to this.

Nexus has sought to explain fully and frankly questions posed by members of the public stakeholders and politicians regarding the Re-invigoration process, where issues are not bound by commercial confidentiality. This has included personal meetings by Nexus Directors with interested parties to allay any

concerns they may have.

5. **Next Steps**

5.1 Key dates for the Metro operating procurement process are:

| | |
|---------------|--|
| July 2009 | Tenders returned |
| December 2009 | Confirm preferred bidder |
| January 2010 | All approvals obtained and operating contract signed |
| April 2010 | Operations commence |

6. **Further comments by the:**

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

7 **Background Papers**

7.1

8 **Contact Officer (s)**

8.1



Tyne and Wear Integrated Transport Authority

26 March 2009
(10.00 - 11.25 am)

Present:

Councillor: D Wood (in the Chair)

Councillors: Blackburn, Green, Heron, Hodson, Lott, Maughan, McElroy and Stone

IN ATTENDANCE

B Rowland, P Woods, R Hibbert, R Gill, M France, P Fenwick and J Curran.

Representing Nexus:

B Garner, J Fenwick, T Hughes, L Robinson.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Austin, Clare, Hanson, Keating, Symonds, Taylor and P Wood.

2. DECLARATIONS OF INTEREST IN ANY MATTER TO BE DISCUSSED AT THE MEETING.

The following Councillors declared an interest in the item relating to concessionary travel:-

Councillors Green, Blackburn and Heron.

3. MINUTES

The minutes of the meeting held on 22 January 2009 were confirmed as a correct record and signed by the Chair.

Matters Arising:-

(a) **Young Peoples Parliament and Transport**

(Minute no. 82 (a) refers).

B Garner gave an update on the progress of work at Sunderland Station explaining that phase one had included opening up parts of the concourse and installing escalators. These escalators had been installed, but had soon developed a technical fault and the main contractor had now gone into administration. Discussions were ongoing with the administrators as to how this part of the work could be completed. However, phase two of the scheme was out to tender with bids being required by 20 April 2009. He circulated illustrations of the station once the work was completed. The main features were the illuminated glass walls and the clean up of the brickwork which would then have art work on it. It was anticipated that all work would be completed by March 2010.

(b) **Local Transport Act - Update on Interim Arrangements**

(Minute no. 89 refers).

B Garner explained that following the establishment of the Working Group at the last meeting, the first meeting had been set up for 23 April 2009 to follow on from the policy seminar.

4. **2008/08 CAPITAL PROGRAMME - THIRD QUARTERLY REVIEW**

Submitted: Report of the Director of Finance and Resources, Nexus (copy attached to Official Minutes).

J Fenwick introduced the report which advised members of the performance of the 2008/09 capital programme to the end of the third quarter (31 December 2008). He referred in detail to programme slippage and increased costs in respect of the Haymarket Metro and drew members attention to the detail of the revised programme as set out in paragraph 4.8.

RESOLVED – That

- (i) the revised position regarding the 2008/09 programme as per appendix A to the report noted;
- (ii) the scheme changes as detailed in appendix B be approved.

5. **REVENUE BUDGET MONITORING REPORT (APRIL 2008 - FEBRUARY 2009)**

Submitted: Report of the Deputy Clerk and Treasurer, ITA (copy attached to Official Minutes).

P Woods introduced the report which provided an update on the revenue budget monitor for the period April 2008 to February 2009.

Questions/Comments

- In response to a members query, P Woods confirmed that the revenue budget was still on target and the Authority's objectives as set down, could still be achieved. There had been some slippage on the capital programme.
- J Fenwick confirmed there was no danger of resources being lost to either Nexus or the ITA and this was a key consideration. As there had been some slippage in certain areas, but some schemes had been brought forward. The renewal and maintenance programme for Metro was still an achievable objective.
- B Garner confirmed that each element of the programme linked to core objectives of the ITA and this would be reflected in the annual report.

RESOLVED – That the financial position as at 28 February 2009 as set out in the report and illustrated in the appendix one and two, be noted.

6. **ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY STATEMENT 2009/2010**

Submitted: Report of the Treasurer and Deputy Clerk (copy attached to Official Minutes).

P Woods introduced the report explaining that the Authority was required to set out its treasury strategy for borrowing and prepare an annual investment strategy. This set out the Authority's policies for managing its investments and for giving priority to the security and liquidity of these investments. He stressed for members information, that the Authority had never invested in Icelandic banks and investments were limited to banks within the UK.

The reference in paragraph 4.1 under the heading "Borrowing Strategy" should read as "as a result the Authority will take a cautious approach to its treasury strategy". In response to a query on interest rates, P Woods explained that these were reflected in the 2009/10 budget, by refining borrowing and reducing investment, savings of 4.48% had been achieved. All investments were monitored carefully.

RESOLVED – That the Treasury Management and Investment Strategies as outlined in the report be approved.

7. **REVIEW OF MEMBERS ALLOWANCES 2009/2010**

Submitted: Report of the Clerk to the Authority (copy attached to Official Minutes).

The report set out the recommendations of the Independent Remuneration Panel regarding the payment of allowances to the Independent Members of the Standards and Audit Committee and also their recommendations as to the rate of increase of the members allowances 2009/10. The payment to the Independent Members of Standards and Audit Committee reflected an increase in their duties and workload of the Committee.

RESOLVED – That

- (i) the Panel's recommendations concerning the introduction of allowances to Independent Members of Standards and Audit Committee be approved;
- (ii) the Panel's recommendations concerning the level of increase of members allowances be approved and a new scheme be made accordingly and the existing scheme be revoked.

8. **LOCAL TRANSPORT PLAN 3 - RESPONSE TO CONSULTATION ON GUIDANCE**

Submitted: Joint report of the Clerk to the Authority and the Director General (copy attached to Official Minutes).

R Gill introduced the report which presented the response to the Government's consultation on guidance for the third round of local transport plans and sought the Authority's endorsement of this response. Clarification was required in light of the new comprehensive area assessment regime and in respect of the LTP engagement with LSP Local Area Agreement.

RESOLVED – That the report to the consultation be endorsed.

9. **DELIVERING A SUSTAINABLE TRANSPORT SYSTEM (DASTS) - RESPONSE TO CONSULTATION**

Submitted: Joint report of the Clerk to the ITA and the Director General, Nexus (copy attached to Official Minutes).

R Gill introduced the report which informed the ITA members about "Delivering a Sustainable Transport System (DaSTS): consultation on planning for 2014 and beyond" and reported on the contribution made by the ITA/Nexus to responses submitted, including those of partner organisations locally, regionally and nationally. The DaSTS policy framework was welcomed the responses highlighted a number of major concerns for the region, including issues such as the Trans Pennine links and the need for Newcastle International Airport to be recognised as a key gateway for the region.

RESOLVED – That

- (i) the response attached to the report be endorsed;
- (ii) the support offered to consultation responses in Tyne and Wear, the North East region and nationally, be endorsed.

10. **TRANSPORT GOVERNANCE REVIEW - UPDATE**

Submitted: Report of the Clerk to the Authority (copy attached to Official Minutes).

B Rowland introduced the report explaining that the stage two engagement was now complete. He emphasised the agreement on the broad objectives, purpose and scope of the City region approach to transport. Officers of the Authority had worked closely with Nexus and other local authorities to achieve this. The next step would be a further detailed discussion at the meeting of the Working Group to be held on 23 April 2009. The next steps would be discussed at this meeting. He saw the process as strengthening the ITA's role in this region. The Working Group would report back on its discussions to the full Authority.

In response to a query, B Rowland explained that the presentation given to the Officer Steering Group could be shared with members. It was important that the work was considered in context. He stressed that some of the information was politically sensitive. However, he stressed that the process remained open and transparent. A number of options needed to be considered carefully. Following this a package of information could be put together to share with members. Members welcomed this approach.

RESOLVED – That

- (i) the report be received and noted;
- (ii) the ITA Working Group be authorised to consider the governance review further and to inform the development of the ITA.

11. NEW TYNE CROSSING PROJECT - UPDATE

Submitted: Report of the NTC Project Director (copy attached to Official Minutes).

P Fenwick introduced the report which updated members on progress made on the New Tyne Crossing Project. The project overall was five weeks behind programme, but the contractor was taking measures to address these issues.

There had been widespread interest in the project and educational organisations and a number of requests for visits to the sites. A number of presentations had been given, particularly to local schools.

The key project dates including the opening of the new vehicle tunnel schedule for 15 December 2010 and the opening of the refurbished existing tunnel on 3 December 2011 was still on target.

RESOLVED – That the information be received and noted.

12. INTEGRATED TRANSPORT AUTHORITY VISION

Submitted: Report of the Chairman of the ITA (copy attached to Official Minutes).

A brochure entitled "A New Direction for Travel 2009-12" was circulated for members information. This was a draft brochure which aimed to provide a summary statement of the key short term aspirations of the ITA against which performance would be

measured. Members views were sought on how far and where this should be distributed.

B Garner added that the document could form an expression of the ambitions of the new ITA covering the most significant transport issues such as Metro reinvigoration, bus travel, encouraging people to use public transport and the wider multi modal remit of the ITA reflected in responsibility for the LTP. The new ITA should clearly communicate its ambitious programme. The Authority would be judged against delivery of the programme over the next five years. It was important to communicate adequately with the public.

Members welcomed the brochure, although it was accepted this was a pre-production copy, it was suggested that the final copy should be distributed, for example, to members services units across Tyne and Wear, libraries and publicised on the internet. If members had any further ideas, they were urged to contact the Chairman.

RESOLVED – That

- (i) the proposed short term aspirations of the ITA be noted;
- (ii) approval be given to the wide ranging dissemination to stakeholders of the attached ITA's brochure.

13. MOBILITY SCOOTERS ON METRO

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

This was a progress report explaining that Nexus and Metro were working with key partners to produce an action plan to introduce a number of controls which were necessary to mitigate the risk to a level that could be deemed acceptable. There remained a number of fundamental points to be addressed and these were outlined in paragraph 4.4 of the report. Key to the proposed measures was to the development of a training scheme and competence test. It was important to address the issue of how the use of the system would be policed, as experience had shown that self policing was not enough.

Questions/Comments

- A member expressed his concern about how the new scheme would be monitored, as it would be difficult to ascertain whether people had received the necessary training or not. B Garner explained that he was looking at a system of policing using Metro staff although policing would be a key concern in establishing a safe method for future use of Metro by mobility scooters.
- In response to a members query, B Garner explained that there were very few standards in respect of mobility scooters and no training was currently required. The scooters were capable of doing 8mph on the highway, this was why it was important to develop a training package.

- A member welcomed the report stressing the importance of making the system widely accessible as possible. He welcomed the way in which the problem was being constructively addressed and felt that at the end this project could set a benchmark nationally.
- In response to a query, B Garner could not give a clear indication of how this would be funded so far, but work was ongoing with user groups, manufactures and suppliers in an attempt to progress the training and certification procedure. He would bring a more detailed report in due course.

RESOLVED – That

- (i) progress being made in respect of implementing an action plan which might allow mobility scooters to return to the Metro under strict conditions, be noted;
- (ii) a further report would be presented to the ITA at its July 2009 meeting.

14. BUS STRATEGY

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

T Hughes introduced the report which sought members endorsement for the updated Tyne and Wear Bus Strategy and requested its adoption within the existing Local Transport Plan.

A copy of the document “Bus Services in Tyne and Wear: Charter for Growth” was circulated for members information. He highlighted the main points of the strategy. One of the key factors was focusing on the forming of new relationships with the bus operators. There had been a consultation with the general public and the key public sector and business stakeholders across Tyne and Wear. In addition, officers had worked with officers from the District Councils and the document reflected the needs of each Council area. One of the immediate steps was to continue the development of the bus network.

Questions/Comments

- A member queried the reference to the ITA objectives and felt that an important point had been omitted, i.e. the provision of an efficient and high quality public transport system and felt the report needed to address this.
- T Hughes explained that the report had attempted to encapsulate the ITA’s overarching objectives and he referred members to the reference to how the bus strategy linked to other plans and strategies.
- In response to a query, B Garner explained that there would be a formal launch of the document in each district with the Leaders of each local authority towards the end of April 2009. The Tyne and Wear Leaders Group would be kept updated on this.

RESOLVED – That

- (i) the revised Tyne and Wear Bus Strategy be endorsed and adopted;
- (ii) the existing Tyne and Wear Bus Strategy contained in appendix B of the Tyne and Wear Local Transport Plan be replaced with the attached document with immediate effect.

15. **TAXICARD INTERIM PROGRESS REPORT**

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

B Garner introduced the report which gave an update on the overall provision of dedicated transport services for the elderly and disabled, including progress on the recently introduced Taxicard scheme.

- B Garner confirmed that part of the process included the provision of public transport to remote estates, but this may not also be by means of conventional buses. A range of measures were being looked at together with shared resources and he hoped to be able to report back on this issue in September 2009.
- In response to a query, B Garner explained that the 13% refusal rate in relation to Taxi Link across Tyne and Wear meant that as there were 850 vehicles which operated with a Smart Card reader, users were required to book directly with taxi firms and there were occasions when their requirements could not be met.
- A list of users could be circulated. Contracts had been placed in each of the five districts.

RESOLVED – That the report be received and noted.

16. **REGENT FARM RESIDENTS PETITION**

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

B Garner reported that the request from the petitioners had been looked at in detail and a value for money comparison with other secured services had been made. It was felt that the service requested did not get sufficient patronage to justify securing it.

A member drew attention to problems created by the withdrawal of bus services number 3 and 49 which provided a link to the Freeman Hospital and asked that this gap in provision be looked at when the network was reviewed. B Garner explained that the network design exercise would be completed over the next 12 months and both councillors and members of the public would be consulted.

RESOLVED – That the report be received and noted.

17. **RAIL UPDATE**

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

B Garner summarised the recent development within the rail industry for members information.

Questions/Comments

- A member queried whether there had been any links to the campaign in south east Northumberland to restore rail links. B Garner explained that he had been party to discussions around these transport links.
- A member stressed the importance of the High Speed Two initiative. It was noted that there was a tight timescale to report back. This was an initiative which was of crucial importance for the ITA. A member stressed the need for as much lobbying in the short term as possible.
- A member felt there was a slight contradiction in the significance being placed on high speed rail travel and the need to attract passengers as an alternative to short flights, and the reference to the new rail link to Heathrow. B Garner explained that this was about connectivity and getting people to use high speed links to main international airports.

RESOLVED – That the report be received and noted.

18. REGIONAL FUNDING ALLOCATIONS PROGRAMME (RFA2) - POSITION UPDATE

Submitted: Joint report of the Clerk to the ITA and the Director General, Nexus (copy attached to Official Minutes).

The report provided an update for members on the regions advice to Government on the second round of the Regional Funding Allocations (RFL2) programme. The region had confirmed its commitment to the priority transport RFA schemes listed in paragraph 4.2 of the report. Attention was drawn to the new schemes as part of RFA2 process.

RESOLVED – That report be received and noted and the regional RFA2 advice contained in appendix 9A be noted.

19. UPDATE ON CONCESSIONARY TRAVEL SCHEME

Submitted: Report of the Director General, Nexus (copy attached to Official Minutes).

J Fenwick updated members on the impact of the 2008 changes. The current take up of passes was 87%. He went on to update members about the position regarding the appeal against the concessionary travel reimbursement arrangements which had been lodged by one of the operators. The take up of Gold Cards which allowed free travel on the Metro was approximately 84,000 which was a very encouraging figure.

RESOLVED – That the report be received.

20. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That the press and public be excluded from the meeting during consideration of the confidential minutes and the following items on the grounds indicated:-

Business

**Paragraph of Schedule 12A to the
Local Government Act 1972**

Membership of the Nexus Board

**Notes of a Meeting of the ITA Policy Seminar held in the Boardroom, Nexus House,
on Thursday, 23rd April 2009**

Present

| | |
|-------------------------|------------------------------|
| Councillor D. Wood | Chairman, ITA (In the Chair) |
| Councillor E. Hodson | ITA |
| Councillor B. Herron | ITA |
| Councillor F. Lott | ITA |
| Councillor J. Blackburn | ITA |
| Councillor G. Keating | ITA |
| Councillor P. Wood | ITA |
| Councillor G. MacDonald | ITA |
| Councillor W. Taylor | ITA |
| Roger Gill | Tyne and Wear ITA |
| Rachel McGrattin | Tyne and Wear LTP |
| John Bourn | Tyne and Wear LTP |
| Rohail Ahmed | Tyne and Wear LTP |
| Rebecca Rosenqurst | Tyne and Wear LTP |
| Bernard Garner | Director General |
| Tobyn Hughes | Director of Strategy |
| Angela Havery | Administration Assistant |

APOLOGIES FOR ABSENCE

| | |
|-----------------------|-----|
| Councillor A. Austin | ITA |
| Councillor P. Maughan | ITA |
| Councillor S. Green | ITA |

METRO REINVIGORATION

DG circulated a leaflet on Metro Reinvigoration and talked through the content. With regard to the £300m operational support, DG explained that the subsidy should be reduced over time. Bidders will be required to meet certain criteria, which is set out in the Memorandum of Information. The full document would be available on the Nexus web site.

The "Keep Metro Public Campaign" continues. DG has met with the Group on a number of occasions in an attempt to address their concerns.

Trade Unions are actively involved in the project and a Union observer will be invited to attend the Evaluation process.

The ITN process commences with the four shortlisted bidders on 27th April 2009. Major publicity campaign to promote the benefit of investment will be undertaken April/May

Contracts signed for Ticketing and gating project May 09
Gated Ticket Machines installed 2010/11
Haymarket station completed June 2009
Major Contract award for Sunderland station refurbishment – May 09.

Smartcard technology will be implemented from day one. Metro products will migrate first then other products will follow at a later date. A multi-modal ticket would require support from the bus operators and the Fares Strategy would require careful consideration.

The Chairman stated that this was an extremely important opportunity for Metro. He hoped that the Major publicity campaign due to be undertaken in April/May will make passengers aware of all the benefits that the project will bring to Tyne and Wear.

LTP OVERVIEW

A presentation was given on the LTP and the decision making process. The LTP was a five year document based on £150m of Capital investment for public transport from 2006/11.

There were shared priorities in the plan which provides the framework to transport in Tyne and Wear. The plan was already entering year 4 of the 5 year plan. A new LTP plan was due by April 2011, the development of which would be led by the ITA.

The Chairman advised that under the new legislation the responsibility of the LTP now lies with the newly formed ITA. This gives the ITA a tremendous opportunity to contribute and participate in the future of public transport across Tyne and Wear.



Tyne and Wear Integrated Transport Authority

28 May 2009

TITLE: 2008/09 CAPITAL PROGRAMME – OUT-TURN REPORT

REPORT OF: THE DIRECTOR OF FINANCE AND RESOURCES, NEXUS

1. Summary / Purpose of Report

- 1.1 The purpose of this report is to advise members of the out-turn position on the capital programme for the year ended 31st March 2009 and the impact this has on the three year (2009/10 to 2011/12) capital programme.

2. Recommendations

The ITA is recommended to;

- Note the position with regard to the 2008/09 capital programme
- Approve the position regarding the 2009/10 to 2011/12 programme, and
- Approve the scheme changes as detailed in Appendix B

3. Introduction / Background

3.1 The ITA has four overarching objectives:-

- Actively promoting the use of better public transport as an alternative to travelling by car and thereby contributing to reducing road traffic congestion
- Reducing transport related social exclusion
- Protecting, preserving and enhancing our natural and built environments and existing investment and;
- Assisting in stimulating economic regeneration

- 3.2 Capital resources are deployed towards achieving these objectives. The ITA approved a revised Capital Programme for 2008/09 in March 2009 totalling £22.868m. Following the closure of the accounts the provisional out-turn for the year is £20.901m. The capital expenditure incurred during 2008/09 has contributed towards the overarching objectives of the ITA in the following way:-
- Metro schemes, whether major projects, improvements or maintenance cover all four of the ITAs overarching objectives
 - The new Tyne crossing will assist in stimulating economic regeneration and will also contribute to a reduction in road traffic congestion
 - Investment in bus infrastructure helps promote modal shift, assists in stimulating economic regeneration and contributes to the protection, preservation and enhancement of the built environment
- 3.3 In addition, a range of business improvement measures funded from the 2008/09 capital programme not only contribute to the ITAs overarching objectives but they also contribute to Nexus' corporate objectives, e.g. becoming a smarter organisation through a range of technological driven schemes.
- 3.4 In the context of this outturn report, it is important to note that the under spend against the approved capital programme has not resulted in the loss of any resources. Although there has been significant slippage during the course of 2008/09, it should be recognised that in order to maximise available resources, expenditure on metro schemes is actually in excess of the original budget as schemes that had previously been earmarked for commencement in 2009/10 have been brought forward.
- 3.5 The third quarterly monitoring report to the ITA identified the need to review the 2009/10 capital programme in light of slippage reported at that time. This review has since been carried out and the impact of this, and the effect of the 2008/09 actual out-turn, has resulted in a reduction to the 2009/10 capital programme of £0.842m. These changes are illustrated in Appendix B, which shows an indicative revised capital programme for 2009/10 of £57.248m and paragraph 4.8 shows how this will be funded.
- 4. Information**
- 4.1 The ITA approved a revised Capital Programme for 2008/09 of £22.868m in April 2009.
- 4.2 Following the closure of the accounts the provisional out-turn for the year is £20.901m, resulting in spend below the revised budget of £1.967m.
- 4.3 The out-turn of the 2008/09 capital programme can be seen in the summary below:-

| | Revised Programme 2008/09 | Out-turn 2008/09 | Over/Under spends 2008/09 |
|-----------------------------------|----------------------------------|-------------------------|----------------------------------|
| | £'m | £'m | £'m |
| Bus Infrastructure | 1.655 | 1.453 | (0.202) |
| Ferry | 0.048 | 0.047 | (0.001) |
| Business Improvements | 1.076 | 1.167 | 0.091 |
| Major Projects | 6.990 | 6.828 | (0.162) |
| Metro | | | |
| - Buildings, Depot, Equip & Plant | 0.523 | 0.401 | (0.122) |
| - Electrical & Mechanical Service | 0.837 | 0.884 | 0.047 |
| - Metrocars | 0.365 | 0.357 | (0.008) |
| - Power | 0.296 | 0.234 | (0.062) |
| - Signalling & Telecommunication | 2.518 | 2.226 | (0.292) |
| - Stations | 0.990 | 0.960 | (0.030) |
| - Structures | 1.013 | 1.019 | 0.006 |
| - Track | 2.272 | 1.977 | (0.295) |
| - Other | 1.128 | 1.012 | (0.116) |
| Miscellaneous | 0.021 | 0.014 | (0.007) |
| Passenger Information | 0.071 | 0.066 | (0.005) |
| New Tyne Crossing | 3.065 | 2.256 | (0.809) |
| Total Programme | 22.868 | 20.901 | (1.967) |

4.4 A detailed out-turn schedule is shown in Appendix A. The £1.967m programme net under-spend consists of:-

- Under/over-spends identified in 2008/09 schemes, giving net saving of – (£1.044m)
- Acceleration of schemes from 2009/10 – £0.534m
- Slippage of schemes into 2009/10 – (£1.457m)

4.5 Following a review of the 2009/10 capital programme, the acceleration of 2009/10 schemes, and 2008/09 slippage, a net decrease of £0.842m to the 2009/10 budget has been reported. These changes have resulted in the 2009/10 capital budget reducing from £58.090m approved by ITA in March 2009 to £57.248m following the out-turn position. This is summarised below and can be seen in detail in Appendix B

| | 2009/10 @ March 2009 | 2009/10 Revised Programme | Programme Changes |
|-----------------------------------|---------------------------------|--|------------------------------|
| | £'m | £'m | £'m |
| Bus Infrastructure | 1.754 | 1.893 | 0.139 |
| Ferry | 0.165 | 0.165 | 0.000 |
| Business Improvements | 1.312 | 1.391 | 0.079 |
| Major Projects | 15.678 | 13.956 | (1.722) |
| Metro | | | |
| - Buildings, Depot, Equip & Plant | 2.158 | 2.572 | 0.414 |
| - Electrical & Mechanical Service | 2.205 | 2.298 | 0.093 |
| - Metrocars | 0.535 | 0.535 | 0.000 |
| - Power | 1.060 | 1.052 | (0.008) |
| - Signalling & Telecommunication | 7.005 | 7.371 | 0.366 |
| - Stations | 0.960 | 0.935 | (0.025) |
| - Structures | 5.281 | 4.872 | (0.409) |
| - Track | 4.084 | 4.090 | 0.006 |
| - Other | 0.921 | 1.120 | 0.199 |
| Miscellaneous | 0.000 | 0.021 | 0.021 |
| Passenger Information | 0.100 | 0.105 | 0.005 |
| New Tyne Crossing | 14.872 | 14.872 | 0.000 |
| Total Programme | 58.090 | 57.248 | (0.842) |

4.6

The out-turn for the 2008/09 capital programme is £20.901m. The funding of this programme is from a number of sources which are summarised below:-

| | Q3 Revised Programme 2008/09 | Out-turn 2008/09 | Changes in Funding 2008/09 |
|---------------------------------|---|-----------------------------|---|
| | £'m | £'m | £'m |
| LTP Major Schemes | 0.098 | 0.027 | (0.071) |
| LTP Minor Schemes | 3.561 | 3.505 | (0.056) |
| Revenue Contribution to Capital | 0.726 | 0.715 | (0.011) |
| Over-programming | 0.959 | 0.000 | (0.959) |
| Grants and Contributions | 10.496 | 10.842 | 0.346 |
| Prudential Borrowing | 1.260 | 1.240 | (0.020) |
| Reserves | 2.703 | 2.316 | (0.387) |
| Tyne Tunnel Reserves | 2.955 | 2.256 | (0.699) |
| External Contribution | 0.110 | 0.000 | (0.110) |

| | | | |
|----------------------|---------------|---------------|----------------|
| | | | |
| Total Funding | 22.868 | 20.901 | (1.967) |
| | | | |

4.7 All external funding sources were utilised within the 2008/09 capital programme and where applicable, resources have been carried forward into 2009/10 with the relevant scheme.

4.8 **2009/10 Capital Programme**

The revised programme for 2009/10 is £57.248m. The funding of this programme is from a number of different sources. The funding available in 2009/10 is as follows:-

| | 2009/2010 Funding @ March 2009 | 2009/10 Revised Funding |
|---|---|--|
| | £'m | £'m |
| LTP Major Schemes | 5.232 | 5.199 |
| LTP Minor Schemes | 3.892 | 3.892 |
| Revenue Contribution to Capital | 0.815 | 0.846 |
| Over-programming | 4.445 | 3.358 |
| Grants and Contributions | 21.987 | 22.075 |
| Prudential Borrowing | 4.696 | 4.716 |
| Reserves | 2.151 | 2.290 |
| | | |
| New Tyne Crossing Construction Contribution | 14.872 | 14.872 |
| | | |
| Total Funding | 58.090 | 57.248 |
| | | |

4.9 The over-programming above of £3.358m (12.8%) is within the acceptable level approved by Nexus Management Committee of 15% of unallocated resources. This over-programming has been reduced to an acceptable level following the review of the 2009/10 – 2011/12 programme, which was reported as a requirement when the third quarter monitoring report for 2008/09 was presented to the ITA earlier in the year.

4.10 All funding variations are as a result of the year end slippage from 2008/09, or acceleration of schemes into 2008/09 from 2009/10, where the funding has transferred with the schemes. Details of these variations can be found in Appendix B.

5. **Next Steps**

5.1 Members have previously expressed concern at the amount of slippage within the 2008/09 Capital Programme. A presentation was given to the PTA Policy

6

Seminar on 26 February which outlined key areas that Nexus aims to address in its overall approach to asset management and in the delivery of its capital programme i.e. Asset Renewal Plan from April 2010.

- 5.2 During 2009/10, work will continue with the development of proposals that will bring the necessary step change in delivery and members will be updated at future meetings. Delivery of the 2009/10 capital programme will be against this backdrop, although additional internal capacity has already been approved in order to help manage this.

6. Further comments by the:

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

7. Background Papers

7.1

8. Contact Officer (s)

- 8.1 Carol Bainbridge, Head of Capital and Projects (0191) 2033244
Diane Scott, Capital Accountant (0191) 2033410

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.

JF/DS/hb/Capital ProgQ3 Monitoring 08-09 ITA 26.3



Tyne and Wear Integrated Transport Authority

ANNUAL MEETING - 28 May 2009

TITLE: REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS
REPORT OF THE CLERK AND THE LEGAL ADVISER AND MONITORING OFFICER
District Implications – All

1. **Summary**

- 1.1 The purpose of this report is (a) to advise the Authority that a review of its corporate governance arrangements has been carried out and (b) to seek approval to amendments to the Authority's Standing Orders, the Delegations to Officers and the Financial Regulations.

2. **Recommendations**

- 2.1 The Authority is recommended to:

2.1.1 Note that a review of its corporate governance arrangements has been completed.

2.1.2 Approve the amendments to :

(a) the Standing Orders referred to in paragraph 4

(b) the Delegations to Officers referred to in paragraph 5 and

(c) the Financial Regulations referred to in paragraph 6

3. **Background**

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

These reviews were therefore undertaken in 2005, 2006, 2007 and 2008 and reported to the Authority.

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

3.3 Officers consider that the Terms of Reference for Standards and Audit Committee remain satisfactory and no amendments are required.

4. **Standing Orders**

4.1 Officers consider that the Standing Orders remain satisfactory but suggest that, for the sake of clarity, the following note be added to D.4 (quorum of Standards & Audit Committee)-

“Note: There are special rules on quorum for the Assessment Sub-Committee, the Review Sub-Committee and any sub-committee conducting a hearing. See the Authority’s Protocol for Dealing with Complaints against Members for details.”

5. **Delegations to Officers**

5.1 Following the Authority’s approval of the revised Protocol for Dealing with Complaints against Councillors on 22 January 2009, the cross reference in paragraph 3 of the Delegations to the Clerk needs to be changed to refer to “Part 6”.

5.2 Amendments are suggested to the Delegations to the NTC Project Director.

The Delegations are set out in Appendix A. The suggested changes to the delegations of the NTC Project Director are shown in italics.

6 **Financial Regulations**

6.1 As part of the ongoing review of procedures and management arrangements, and to take into account the transfer of operation of the Tyne Tunnel to TT2, a review has been undertaken to update the Financial Regulations of the ITA.

The purpose and content of the regulations has been reviewed to improve clarity, especially as it relates to officer delegations, and bring them up to date in relation to specific changes in process and accounting policy. The main changes to the regulations are: -

- Financial Regulation 8 – Procurement and Contracts, which has been simplified and refers specifically to the Procurement Procedure rules of the Lead Authority which have been updated to comply with revisions to EEC procurement regulations.
- Financial Regulation 4 – Commitment of Capital Expenditure, the revision sets out the process required to commit capital expenditure following its inclusion in the capital programme for the Tunnels.

The revised Financial Regulations are attached as Appendix B.

7. **Next Steps**

7.1 The Standing Orders, Scheme of Delegations and the Terms of Reference of the Standards and Audit Committee will be reviewed again in 2010.

8. **Further comments by the:**

- **Clerk** (if any)

None

- **Treasurer** (if any)

None

- **Legal Advisor** (if any)

The Legal Advisor has no further comments to make.

- **Director General** (if any)

None

9. **Background Papers**

9.1 Held by Legal Adviser and Monitoring Officer on file XPA00037

1. Report to PTA Annual Meeting 29 May 2008 – “Review of Corporate Governance Arrangements”
2. Standing Orders – effective from 29 May 2008
3. Delegations to Officers (Excluding Specific Delegations Conferred by Standing Orders or Financial Regulations) – effective from 29 May 2008
4. Standards and Audit Committee – Terms of Reference – effective from 25 September 2008

10. **Contact Officer**

10.1 Helen Wilson (ext 25110)

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Tyne and Wear Integrated Transport Authority

DELEGATIONS TO OFFICERS (EXCLUDING SPECIFIC DELEGATIONS CONFERRED BY STANDING ORDERS OR FINANCIAL REGULATIONS) EFFECTIVE FROM [] 2009.

GENERAL INSTRUCTIONS

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

DELEGATIONS TO THE CLERK

1. To provide comprehensive policy advice to the Authority on the implications for Tyne and Wear of all aspects of public transport at local, regional, national and international levels together with related matters.
2. To approve the attendance of members at conferences and seminars following consultation with the Chairman and to authorise the payment of travelling and subsistence allowances in connection therewith.
3. To consider and determine any request from a member of the Authority for an indemnity in accordance with Part 7 of its Protocol for Dealing with Complaints against Councillors.

DELEGATIONS TO THE DEPUTY CLERK AND TREASURER

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

DELEGATIONS TO THE LEGAL ADVISER

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

DELEGATIONS TO THE ENGINEER TO THE TYNE TUNNEL

1. To oversee the contractual arrangement with TT2 for the operation of the Tyne Tunnel (comprising the vehicle, pedestrian and cyclist tunnels) and to arrange for the provision of advice on any matter pertaining to that operation.
2. To provide advice and lead on all matters pertaining to the New Tyne Crossing on behalf of the Authority.
3. To co-ordinate the Service Level Agreement with Newcastle City Council on behalf of the Authority.

DELEGATIONS TO THE PERSONNEL OFFICER

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

DELEGATIONS TO THE NEW TYNE CROSSING PROJECT DIRECTOR

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

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

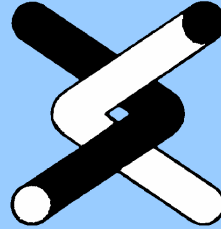
- (c) waiver of the deduction of penalty points under Performance Standard PS5.Target C of the Project Agreement equivalent to penalty sums of up to £5,000 in any calendar month where the Project Director is reasonably satisfied the reason for the non-compliance lies beyond the direct control of the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

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

2. *To act as the ITA nominated representative under the Project Agreement with TT2 and to discharge all that representative's functions under that Agreement.*

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**Tyne and Wear
Integrated Transport
Authority**



Financial Regulations

May 2009

Introduction

Statutory Background

The Tyne & Wear Integrated Transport Authority (referred to in these Regulations as ‘the ITA’ or ‘the Authority’) is a joint authority consisting of members from the five Tyne and Wear District Councils. It was established by the Local Government Act 1985 and acts as strategic and policy making authority on local transport issues within the area and also has direct responsibility for the Tyne Tunnels.

Section 73 of this Act states that “each new authority shall make

Arrangements for the proper administration of their financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs”.

All references in this document to the “Deputy Clerk and Treasurer” relate to the officer designated by the ITA as having the statutory responsibility set out in Section 73 of the 1985 Act.

Relationship with Lead Authority and Executive (NEXUS)

The lead authority for the ITA is Newcastle City Council, which provides Administrative, Engineering, Financial, Internal Audit, Legal and other advisory services directly to the Authority.

To implement its policies the ITA provides revenue and capital support to its executive arm, the Tyne and Wear Passenger Transport Executive (NEXUS), with the remit “*to procure or provide public transport services and facilities, plan for future service development and promote the use and convenience of public transport*”. NEXUS also provides policy advice to the Authority and is committed to delivering the ITA’s objectives.

NEXUS is a separate accountable public corporation with its own financial regulations to be adhered to by its Directors and officers.

The Clerk to the ITA, Deputy Clerk and Treasurer to the ITA, and Engineer to the Tyne Tunnel are non-executive Directors of NEXUS. In addition the Deputy Clerk and Treasurer is chairman of NEXUS’ Audit Committee.

Definitions

In these Regulations:

The “lead authority” means Newcastle upon Tyne City Council

The “Direct Services” of the Authority include those services provided directly to it by the lead authority.

“Designated Officers” are those officers listed below, together with any other officers or consultants that may be approved by the Authority for the purpose of these regulations:

- Clerk;
- Deputy Clerk and Treasurer;
- Engineer to the Tyne Tunnel;
- New Tyne Crossing Project Director.

Any duty or power devolving upon a Designated Officer may (in his or her absence) be exercised by a nominated deputy.

Purpose of Financial Regulations

Financial Regulations provide the framework for the financial administration of the ITA with a view to ensuring that its financial affairs are conducted in a sound and proper manner, constitute value for money and minimise the risk of legal challenge. Financial Regulations are not intended to constitute a set of detailed rules to respond to every contingency. The Regulations allow for variation in detailed controls by the Designated Officers where justified by local circumstances.

Financial Regulation 1 defines responsibility for financial control.

Financial Regulations 2, 3, and 4 lay down the tasks required of the Authority, Committee or designated officer for the fundamental financial processes of:

- Forward planning and budgetary strategy;
- Incurring and controlling revenue spending and income;
- Incurring and controlling capital spending and income.

Financial Regulation 5 covers the requirements for Risk Management.

Financial Regulations 6 and 7 cover the standards required for:

- Accounting;
- Internal audit.

Financial Regulation 8 governs **ITA** procedures for obtaining goods, materials, works and services.

Financial Regulation 9 defines the powers and responsibilities governing arrangements with NEXUS.

Financial Regulation 10 regulates the 'day to day' financial systems of the ITA. It requires designated officers to ensure that prescribed controls are present, but allows them, except where explicitly stated otherwise, to determine the detail of the controls in order to meet service circumstances.

All financial decisions and decisions with financial implications must have regard to proper financial control. Any doubt as to the appropriateness of a financial proposal or correctness of a financial action must be clarified in advance of the decision or action.

Failure by officers to observe Financial Regulations and the codes and guidance issued under them may result in action under the Authority's disciplinary procedures.

Failure by members to observe Financial Regulations may amount to a breach of the Code of Conduct for Members and result in a complaint to the Standards Board for England.

Amendments to Financial Regulations require the approval of the Authority following a report from the Deputy Clerk and Treasurer. The Authority may amend all other Procedures, Policies, Codes and Checklists referred to in these Financial Regulations. The Deputy Clerk and Treasurer will review as often as he considers appropriate supporting advice and guidance to the Financial Regulations and report any recommended changes to the Authority for approval.

If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Deputy Clerk and Treasurer shall have delegated powers to give a valid direction as to the appropriate procedure to follow.

Financial Regulation One

Responsibilities

1.1 Responsibilities to the Authority

1.1.1 All Members, Designated Officers and employees of the Authority are responsible for ensuring that they use the resources and assets entrusted to them in a responsible and lawful manner. They should strive to achieve value for money and avoid legal challenge to the Authority. These responsibilities apply equally to Members and Designated Officers and employees when representing the Authority on outside bodies. Members must also comply with the Code of Conduct for Members, particularly paragraph 6 in this context.

1.2 Personal Responsibilities

1.2.1 Any person charged with the use or care of the Authority's resources and assets should understand the Authority's requirements under these Financial Regulations. If anyone is in any doubt as to their obligations, then they should seek advice. Unresolved questions of interpretation should be referred to Internal Audit.

1.2.2 All employees must report to their manager or supervisor any illegality, impropriety, breach of procedure or serious deficiency in the provision of service. Employees shall be able to do this without fear of recrimination providing they act in good faith and in such circumstances managers must record and investigate such reports and take action where appropriate (Code of Conduct for Employees, paragraph 1.b). Compliance with the Authority's Policy Statement on Fraud and Corruption and the Code of Conduct for Employees is mandatory.

Note: The Authority's Policy for confidential reporting of concerns ("whistle blowing") exists to:

- Make employees feel confident to raise concerns and to question and act upon concerns about practice;
- Give employees avenues to raise concerns and receive feedback on any action taken;
- Guarantee that an employee will receive a response to his or her concerns raised and that he or she is aware of the process to follow if not satisfied;
- Reassure an employee that he or she will be protected from possible reprisals or victimisation.

1.3 **The Authority**

1.3.1 The Authority is responsible for:

- The adoption and revision of these Financial Regulations;
- The determination of the policy framework and annual revenue budget and capital programme;
- Providing the Deputy Clerk and Treasurer and designated officers with sufficient staff, accommodation and other resources to carry out their duties.

1.4 **Scrutiny Committee**

1.4.1 The Scrutiny Committee has a monitoring and scrutiny role to help ensure that the Authority's corporate budgets and financial management systems are managed efficiently and ensuring value for money.

1.5 **Standards and Audit Committee**

1.5.1 The Standards and Audit Committee is responsible for overseeing issues relating to financial probity.

1.6 **Deputy Clerk and Treasurer**

1.6.1 The Authority shall appoint an officer who shall, for the purposes of Section 73 of the Local Government Act 1985, be responsible for ensuring the proper administration of the Authority's financial affairs.

1.6.2 The Deputy Clerk and Treasurer shall issue, and keep under continuous review, such instructions, advice or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Authority's financial affairs.

1.6.3 The Deputy Clerk and Treasurer is responsible for reporting, where appropriate, breaches of Financial Regulations to the Authority.

1.6.4 The Deputy Clerk and Treasurer has the duty to report to the Authority and external auditor where it appears that the Authority or an officer has made or is about to make a decision that would involve:

- Unlawful expenditure;
- An unlawful action likely to cause a loss or deficiency;
- An unlawful item of account;
- Proposed expenditure that is in excess of available resources

(Section 114, Local Government Finance Act 1988.).

1.6.5 The Deputy Clerk and Treasurer has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations 2003 relating to accounting records, control systems and audit.

1.7 **Designated Officers and Director of Finance and Administration, NEXUS**

1.7.1 Designated Officers and the Director of Finance and Administration, NEXUS are responsible for ensuring that appropriate staff under their control are aware of the existence of the Authority's Financial Regulations and other regulatory documents and that they are observed throughout all areas under their control and shall:

- Provide the Deputy Clerk and Treasurer with such information and explanations as the Deputy Clerk and Treasurer feels is necessary to meet his or her obligations under Financial Regulations;
- Ensure that the Deputy Clerk and Treasurer has sufficient opportunity to comment on all proposals with unbudgeted financial implications, before any commitments are incurred;
- Ensure that Authority members are advised of the financial implications of all significant proposals and that the financial implications have been agreed by the Deputy Clerk and Treasurer;
- Inform immediately the Deputy Clerk and Treasurer of failures of financial control resulting in additional expenditure or liability, or loss of income or assets;
- Inform the Deputy Clerk and Treasurer where amendment to Financial Regulations is considered necessary;
- Be responsible for ensuring the legality of all actions.

Note: The officer designated by the Authority as Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 is the Head of Legal Services of the lead authority, or his or her nominated deputy. It is his or her duty to report to the Authority in respect of any proposed action, decision or omission that is contrary to law, or constitutes maladministration or injustice where the Ombudsman has conducted an investigation.

1.8 **Exceptions to Financial Regulations**

1.8.1 Exceptions to these Financial Regulations shall be made only:

- In cases of urgency or where it is in the interests of the Authority to do so; and
- With the prior written approval of the Deputy Clerk and Treasurer.

1.8.2 The Deputy Clerk and Treasurer shall keep a record of all such exceptions and submit an annual report to the Authority summarising the exceptions.

1.9 **Arrangements for the discharge of responsibility**

1.9.1 Designated Officers and their staff are required to carry out their tasks in accordance with these Financial Regulations. Designated Officers may arrange for any of their staff to carry out tasks for which they have responsibility as set down by these Financial Regulations provided that the terms of those delegated arrangement are clearly defined and documented. A record of all such arrangements will be prepared by each Designated Officer and submitted to the Deputy Clerk and Treasurer on an annual basis.

Notwithstanding such arrangements, the person making the arrangements remains responsible for compliance with these Financial Regulations

Financial Regulation Two

Forward Planning and Budget Strategy

The Authority decides on the annual budget and the levy on the constituent Tyne & Wear District Councils.

- 2.1 Designated Officers and the Director of Finance and Administration, NEXUS shall provide information to the Deputy Clerk and Treasurer to enable him/her to produce and submit to the Authority annually a medium term financial forecast and a medium term capital forecast.
- 2.2 The Deputy Clerk and Treasurer and the Director of Finance and Administration, NEXUS jointly shall annually advise the Authority on:
- Financial planning and budget strategy matters;
 - Procedures, timetables and estimated resources for planning revenue and capital spending;
 - The annual revenue and capital budget and Council Tax levies
- 2.3 Designated Officers and the Director of Finance and Administration, NEXUS in consultation with the Deputy Clerk and Treasurer Officer shall prepare revenue and capital estimates in accordance with such guidelines as set out by the Authority. In doing so, Designated officers and the Director of Finance and Administration, NEXUS shall ensure that :
- The estimated expenditure and income, or the cost of any proposal submitted by them, are as accurate as possible and provide provision for all costs involved;
 - The revenue and capital estimates are consistent with Authority policy;
 - The revenue implications of capital schemes are fully included in revenue estimates.
- 2.4 The Authority shall review the estimates together with such summaries, statements and reports as are considered desirable and shall recommend:

- The level of grant to be paid to NEXUS for Concessionary Travel and Service Support in the next financial year;
- The size of the levy made by the ITA on District Councils for the next financial year;
- The prudential indicators and the prudential borrowing for the next financial year.

Financial Regulation Three

Incurring and Controlling Revenue Spending & Income

The Authority monitors financial performance during the financial year and considers any significant developments affecting its financial position.

- 3.1 The Deputy Clerk and Treasurer and the Director of Finance and Administration, NEXUS jointly shall advise the Authority , on a quarterly basis, on:
- Progress against the budget;
 - Significant developments affecting the financial position of the Authority;
 - Significant developments affecting the financial position of NEXUS.
- 3.2 The Deputy Clerk and Treasurer shall:
- Provide guidance on and co-ordinate the budget monitoring process;
 - Prescribe the form, basis, supporting information and timetable for the preparation of final accounts;
 - Within delegated limits approve supplementary estimates and transfers of estimates.
- 3.3 Each Designated Officer shall:
- 3.3.1 Authorise revenue spending and collect income within the estimates, targets and/or limits approved by the Authority provided that:
- The expenditure is lawful;
 - Financial Regulations have been complied with;
 - Expenditure is within approved revenue budget or capital programme provision;
 - Expenditure is in respect of Authority policy.

- 3.3.2 Monitor progress on revenue spending and the collection of income and promptly provide the Deputy Clerk and Treasurer with such information as requested.
- 3.3.3 Review fees and charges annually and implement changes in accordance with officer delegations or alternatively report them for approval to the ITA.
- 3.3.4 Seek, in consultation with the Deputy Clerk and Treasurer, the approval of the Authority to budgetary changes that would have a significant impact on the nature or level of service provided.
- 3.3.5 Ensure that transfers between budgets (virement) fulfil the following requirements:
- Transfers apply only to the transfer of funds within the delegated budget of the Designated officer;
 - The proposal is consistent with Authority policy;
 - Any virement over £10,000 is a significant decision and is therefore approved by the Deputy Clerk And Treasurer;
 - The total net delegated budget is still within the delegated cost limit.
- 3.4 Transfers from reserves to revenue budgets, other than those covered by the provisions of 3.3.5 above, require the prior written approval of the Deputy Clerk and Treasurer.
- 3.5 Designated Officers shall, in an emergency (being a situation which demands action of a nature that could not have been anticipated and for which there is no budget line), and with the prior written approval of both the Deputy Clerk and Treasurer and the Authority Chairperson, have authority to incur unbudgeted expenditure.

Financial Regulation Four

Incurring and Controlling Capital Spending & Income

*The Authority oversees the capital and leasing programme of the Tunnels and NEXUS and approves the award of contracts for Tunnels in accordance with the **Procedure for the Commitment of Capital Expenditure** (FPN 11).*

- 4.1 The Deputy Clerk and Treasurer and the Director of Finance and Administration, NEXUS jointly shall advise the Authority quarterly on:
- Progress on implementation of the capital and leasing programmes;
 - Additions and amendments to the capital and leasing programme;
 - The procedure for the commitment of capital expenditure.
- 4.2 The Deputy Clerk and Treasurer and the Director of Finance and Administration, NEXUS shall as appropriate:
- Provide guidance and co-ordinate capital monitoring procedures;
 - Certify capital proposals as required by in the Procedure for the Commitment of Capital Expenditure.
- 4.3
- Designated Officers of the ITA shall:
 - Authorise capital spending in accordance with the Procedure for the Commitment of Capital Expenditure;
 - Monitor progress on implementation of the capital and leasing programme and provide the Deputy Clerk and Treasurer with such information as requested;
 - Only commit the Authority to match-funding arrangements for which capital programme approval has been obtained;
 - Undertake the disposal of land and buildings in accordance with the any scheme of officer delegation approved by the ITA or otherwise with express approval of the ITA.

4.4 Capital expenditure – Definition

- 4.4.1 For the purposes of this regulation, capital expenditure is deemed to include the procurement, improvement or enhancement for the Authority's purposes of land, buildings, vehicles and equipment and the provision of grants to external organisations to enable the purchase of land, buildings, vehicles and equipment, regardless of how financed. Expenditure below the de-minimis sum determined by the Deputy Clerk and Treasurer is not capital expenditure. If there is doubt whether expenditure is capital, the decision of the Deputy Clerk and Treasurer is final.

Financial Regulation Five

Risk Management

The importance of risk management to the wellbeing of the Authority is outlined in its Risk Management Policy and Strategy Framework.

Designated Officers are responsible for ensuring that risk management is an integral part of their management processes and activities within their respective areas of responsibility.

- 5.1 Designated Officers will assign clear roles and responsibilities for managing risk.
- 5.2 Designated Officers are responsible for ensuring that a register of significant risks is maintained, reported and monitored.
- 5.3 Designated Officers will:
 - Produce a strategy for the management of risk in their service;
 - Ensure that risk considerations are embedded into planning and decision making processes;
 - Identify those activities which have or may give rise to significant loss producing events;
 - Measure the impact of potential loss;
 - Take reasonable physical or financial steps to avoid or reduce the impact of potential losses;
 - Allocate risk management resources to areas of identified priority;
 - Maximise risk management opportunities that can impact positively on the Authority's reputation, aims and objectives;
 - Ensure managers and employees are equipped with the necessary skills to manage risk effectively;
 - Ensure that strategic partners and service providers are aware of the importance of risk management;

- Ensure that the Deputy Clerk and Treasurer is promptly provided with any information he requires on risk management issues;
- Report the risk implications of recommended strategies, policies, and service delivery options to Members of the Authority.

Financial Regulation Six

Accounting

6.1 The Deputy Clerk and Treasurer shall with respect to the services provided by the lead authority:

- Determine accounting systems and procedures and the form of financial records and statements;
- Provide guidance and advice on all accounting matters;
- Monitor accounting performance to ensure an adequate standard for all services;
- Certify financial returns, grant claims and other periodic financial reports required of the Authority.

6.2 Each Designated Officer shall:

- Implement accounting procedures and adopt the form of financial records and statements as determined by the Deputy Clerk and Treasurer;
- Obtain the prior written approval of the Deputy Clerk and Treasurer before introducing or changing significantly the form or method of existing accounting systems and procedures, financial records or statement (see below);
- Complete and pass to the Deputy Clerk and Treasurer financial returns and other financial reports requiring certification;
- Keep a proper and effective separation of duties for staff with financial responsibilities.

NOTE: Approval procedure for changes to financial systems: Prior approval is to be requested from the Deputy Clerk and Treasurer in writing. The request must give details of the proposed change and the anticipated benefit from the change, an estimate of the costs involved and the proposed implementation date. Internal Audit advice should be sought for all proposed changes at as early a stage as possible.

Financial Regulation Seven

Internal Audit

The Authority has responsibility for all matters of financial significance including the review of matters arising from audit, both internal and external. The Standards and Audit Committee is responsible for overseeing issues relating to financial probity. Reference should also be made to the Authority's Policy Statement on Fraud and Corruption.

- 7.1 Internal Audit is required to provide an objective audit service in line with the CIPFA Code of Practice for Internal Audit in Local Government and professional auditing standards. To this end Internal Audit will have no executive functions that might compromise its objectivity, and the Chief Internal Auditor shall have direct access to, and the freedom to report to Members and all senior management including the Deputy Clerk and Treasurer, the Monitoring Officer and Clerk to the Authority.
- 7.2 The Deputy Clerk and Treasurer shall:
- Maintain an adequate and effective system of internal audit of the accounting records and control systems of the Authority;
 - Advise the Authority of material issues of financial control and report to Standards and Audit Committee on the adequacy of the systems of internal control:
 - Where evidence of fraud, misappropriation or theft is discovered, decide after consultation with the relevant Designated officers(s) and the Monitoring Officer, whether to refer the matter to the Police.
- 7.3 The Deputy Clerk and Treasurer or his or her representatives are authorised to:
- Visit any establishment of the Authority;
 - Have immediate access to all records and documents;
 - Require the immediate production of cash, stores or any other property owned or held by the Authority;
 - Require and receive promptly full and accurate explanations to any points requested.

7.4 Each Designated Officer shall:

- Ensure that all reasonable assistance and co-operation is given to internal auditors;
- Respond fully without undue delay to any enquiries or recommendations made by the Deputy Clerk and Treasurer;
- Inform the Deputy Clerk and Treasurer, as soon as possible, of failures of financial control, including matters that involve, or may involve, financial irregularity.

The Deputy Clerk and Treasurer and each Designated Officer jointly shall investigate failures of financial control, including matters that involve, or may involve, financial irregularity.

Financial Regulation Eight

Procurement and Contracts

- 8.1 The Procurement Procedure Rules for the lead authority shall apply and be followed whenever the Authority wishes to arrange for:
- a) The purchase of goods, materials and related services (that is, services which are integral to the provision of those goods or materials, such as installation, servicing, maintenance etc);
 - b) The execution of works; or
 - c) The provision of other services (including consultancy).
- 8.2 The Procurement Procedure Rules are part of this Financial Regulation 8 and failure to comply with them shall amount to a breach of financial regulations.
- 8.3 In addition to the specific provisions of the Procurement Procedure Rules, any procurement of goods, materials, works or services shall have regard to and seek to implement the following general principles:
- a) The need to ensure the Authority and those within its area obtain good value for money and are properly protected as consumers of the goods, works or services;
 - b) The need to ensure and demonstrate true and fair competition, without unlawful discrimination;
 - c) The need to ensure the procurement process is transparent and accountable and susceptible to full audit;
 - d) The need to ensure the elimination of any opportunities for fraud or corruption.

Financial Regulation Nine

Relationship between ITA and NEXUS

The ITA in its role as the strategic authority and NEXUS in its role as the executive arm to the authority responsible for implementing policy have close links at every level. They are, however, separate bodies linked together by reciprocal financial duties and responsibilities.

A. Financial Duties and Responsibilities of NEXUS to the ITA

9.1 Forward and Budget Strategy

The general principles to be followed by NEXUS are set out at FR 2.

In addition the following regulation applies:

9.1.2 NEXUS has a requirement to prepare each year a three-year Forward Plan

9.1.3 Revenue and Capital Estimates

NEXUS shall submit to the ITA detailed estimates of its expenditure and income, both capital and revenue based upon the three-year plan, taking into consideration the resource allocations determined by the Authority.

9.2 Incurring and Controlling Revenue Spending and Income

9.2.1 The general principles to be followed by NEXUS are set out at FR 3.

In addition the following regulations apply:

9.2.2 As a separate body NEXUS is responsible for having its own accounting systems and procedures in place to enable it to make regular comparisons between approved estimates and actual and committed expenditure, fares and other income.

9.2.3 NEXUS shall only incur expenditure for the purposes stated in the approved ITA budget, these main budget heads being “Concessionary Travel” and “Revenue Support”.

- 9.2.4 NEXUS shall report to the ITA on any operational decisions made during the year on fares, service levels etc. that will have a significant impact upon its budget position.
- 9.2.5 NEXUS, in consultation with the Deputy Clerk and Treasurer, shall submit a quarterly report to the ITA comparing the progress of its actual spend and commitments against budget.
- 9.2.6 Where an overspend (or underspend) is anticipated in relation to one of its main budget heads (see 9.2.3) NEXUS shall submit, jointly with the Deputy Clerk and Treasurer, a report to the Authority setting out the reasons for the variation. This report shall identify any alternative options that may be available to Authority to take corrective action.

9.3 **Capital Programme**

- 9.3.1 The approved capital programme of the ITA shall, subject to any conditions being issued by Government Departments, give NEXUS the following approvals.

For schemes phased to commence in the first year of the programme:

- Approval to progress up to and including invitation to tender and recommending to the Authority acceptance of the tender or otherwise;

For schemes included in the programme for commencement in the second financial year:

- Approval to proceed with the preparation of plans and other preliminary work up to a maximum of £50,000 or such other sum as may from time to time may be determined by the ITA; and

For schemes included in the programme for commencement in later years:

- Preliminary scheme approval, but excluding the authority to take any steps involving substantial expenditure.

- 9.3.2 Before the acceptance of a tender for capital works or the commitment of expenditure beyond that indicated above NEXUS shall submit a report to the ITA for approval to proceed with the capital project if the scheme is funded by ITA borrowing.

The report shall contain all relevant information relating to the project including:

- The nature and need for the project;
- The estimated capital cost of the project and tender details, if

appropriate;

- The phasing of expenditure between years;
- Consequential financial implications; and
- Method of financing the capital expenditure.

- 9.3.3 If a report under FR 9.3.2 is approved by the ITA in advance of tenders being received and the tender is more than the estimated cost of the works, NEXUS must report to the Authority and obtain its approval if additional ITA funding is required.
- 9.3.4 NEXUS is responsible for the financial monitoring of its projects. In each case where significant overspending is anticipated NEXUS shall, in consultation with the Deputy Clerk and Treasurer report to the Authority the reasons and consequences of the overspending to the Authority and recommend the ITA approve the method of financing such expenditure, if it is to come from within ITA resources.
- 9.3.5 The capital programme of NEXUS shall be presented to the Authority in a form prescribed by the Deputy Clerk and Treasurer.
- 9.3.6 The Authority has final determination over the inclusion, or otherwise, of any capital project within NEXUS' capital programme.

B. Financial Duties and Responsibilities of the ITA to NEXUS

9.4 Forward Planning and Budget Strategy

- 9.4.1 The ITA has a duty to consider NEXUS' three-year plan and formally approve it after making any modifications considered necessary.
- 9.4.2 The ITA can require from NEXUS any supplementary information to enable it to properly consider the three-year plan.
- Annual Estimates
- 9.4.3 The ITA shall determine the resource allocations within which NEXUS must prepare its budget. In doing so the ITA will take into consideration all relevant factors including Central Government restrictions on expenditure, levels of reserves, and permitted borrowing.

9.4.4 The Deputy Clerk and Treasurer, in consultation NEXUS, shall report the overall budget position of the ITA, not later than the month of February of the preceding financial year.

9.5 **Payments of Grant to NEXUS**

9.5.1 The Deputy Clerk and Treasurer shall determine arrangements for the payment of the revenue grant to NEXUS in consultation with NEXUS. These arrangements include the mechanism by which payment is made and their regularity and timing.

9.6 **Borrowings**

9.6.1 The Deputy Clerk and Treasurer shall:

- Effect all borrowings on behalf of NEXUS (except temporary borrowing);
- Be the Registrar of Stocks, Bonds and Mortgages on behalf of NEXUS (unless otherwise authorised by the Authority);
- Determine arrangements for the financing of expenditure of NEXUS by borrowing and the repayment of the resulting debt charges in consultation with NEXUS as appropriate.

Financial Regulation Ten

Financial Controls

- 10.1 As required by Financial Regulation 1.7 the Designated Officers and the Director of Finance and Administration, NEXUS are, for the areas under their control, responsible for ensuring that the arrangements, guidelines and procedures for the proper administration of financial affairs are operated in accordance with the appropriate Financial Regulations
- 10.2 Designated Officers of the Authority are required to ensure that the controls as listed in Financial Procedure Notes issued from time to time are present, although these officers may, except where explicitly stated otherwise, determine the detail of the controls in order to meet service circumstances
- 10.3 The Financial Procedure Notes issued under this regulation by the Deputy Clerk and Treasurer are:
- FPN1 Orders for work, goods and services
 - FPN2 Income
 - FPN3 Payment for works, goods and services
 - FPN4 Security and control of assets
 - FPN5 Insurance
 - FPN6 Staffing and payroll
 - FPN7 Reimbursement of expenses and payment of allowances
 - FPN8 Banking arrangements and cheques
 - FPN9 Investments and borrowing
 - FPN10 Information technology and data protection
 - FPR11 Commitment of Capital Expenditure
- 10.4 Further Financial Procedure notes, or amendments, may be made from time to time by the Deputy Clerk and Treasurer.
- 10.5 Further advice on all areas of financial control is available from the Deputy Clerk and Treasurer who may issue detailed guidance notes on specific controls as necessary. These will be referred to as Financial Best Practice Notes.

FPN 1

Orders for Work, Goods and Services

a) Objective

To ensure that work, goods and services are only ordered for the purposes of the Authority's business and that the resulting expenditure is within budget.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- There is adequate budget provision before committing expenditure;
- Any necessary Authority approvals have been obtained;
- Purchases are in accordance with the Financial regulation 8;
- Where the lead authority's purchase order system is not used that order documentation meets the requirements of Financial Regulation 8.

Note: Official Authority orders must:

- Be headed 'Tyne & Wear Integrated Transport Authority';
- State 'Official Order';
- Be numbered;
- Include the name and address of the ordering section, and delivery address if different;
- Show the cost code to be charged;
- Be signed by, and state post of an authorised officer, and
- Include the information required in **Financial Regulation 8**, including the Procurement Procedure Rules.

Order must be signed only by staff with proper authorisation to do so.

d) Comments

Staff authorised to order work, goods and services must ensure that they are aware of any necessary authorisations required and of the Lead Authority's Purchasing Policy.

The lead authority's Purchase Order System (POPS) must be used whenever possible as it facilitates compliance with the above requirements and collects data to support development of the Purchasing Policy.

Ordering systems must be reviewed at least annually to consider the feasibility of using POPS, where it is not already used.

FPN 2

Income

a) Objective

To ensure that all income due to the Authority is promptly collected, banked and properly accounted for.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- Budgeted income is fully and promptly collected;
- The Deputy Clerk and Treasurer is promptly informed of all new sources of income, the sums anticipated and collection arrangements;
- The advice of the Deputy Clerk and Treasurer is sought prior to the signing of agreements which provide for variable income;
- The basis and level of fees and charges are regularly reviewed;
- Income is collected in advance of service, or where not possible, by official invoice;
- All cheques received are made payable "Tyne & Wear Integrated Transport Authority". Uncrossed cheques received are crossed "Tyne & Wear Integrated Transport Authority";
- Money received (other than cash paid for vehicle tolls) is acknowledged by the issue of an official receipt, ticket or voucher. (See (d) below.);
- The transfer of official money between staff is evidenced;
- Income collected is banked promptly and held securely prior to banking;
- Money held awaiting banking is insured against theft;
- Money banked is credited to the correct financial account and compared to budget estimate;

- Arrangements for payment by instalment are authorised in advance by the Deputy Clerk and Treasurer;
- Prior authorisation is obtained to the write-off of uncollectible income by the Deputy Clerk and Treasurer;
- The Deputy Clerk and Treasurer must approve claims requiring certification in the name of the Chief Financial Officer.

d) Special requirements

Personal cheques must not be cashed out of money held on behalf of the Authority.

FPN 3

Payment for Works, Goods and Services

a) Objective

To ensure that payments are made only for works, goods or services received by the Authority and has been certified as such.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

1. Pre-payment checks are undertaken to ensure that;
 - The goods have been received and examined, meet the required specification and work done or services rendered have been satisfactorily carried out;
 - The invoice is in accordance with the contract or order, is arithmetically correct, and has due discounts deducted;
 - The payment has not previously been made;
 - The payment is authorised (this will normally be done via the POPS system).
2. The method of payment is appropriate;
 - By use of the corporate creditors system for payment by BACS or cheque (note BACS is the preferred method and must be used wherever possible);
 - By imprest account or petty cash for minor sums;
 - By some other means as agreed with the Deputy Clerk and Treasurer.
3. Payment is timely;
 - To meet supplier/contractor terms of trade and legislative requirements;
 - Justification is provided if urgent payment or dispatch of cheque is required.

4. Transactions are properly accounted for, including;

- proper use of financial codes;
- compliance with HM Revenue and Customs regulations;
- The maintenance of a Register of Contracts by the Deputy Clerk and Treasurer.

d) Special Requirements - Advance Payments

No commitments shall be entered into for goods, work or services for which the supplier or contractor requires payment in advance until the Designated Officer has confirmed the financial standing of the payee with the Deputy Clerk and Treasurer.

FPN 4

Security and Control of Assets

a) Objective

To ensure the proper use and safeguarding of assets owned by the Authority or for which the Authority has responsibility.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

- Proper security is maintained at all times;
- Assets are recorded and accounted for;
- The use of assets is restricted to authorised Authority business;
- Surplus assets, except land and buildings, are disposed of in accordance with procedures agreed with the Purchasing Manager of the lead Authority.

In addition, the following controls apply to land and buildings:

- The Head of Property Services of the lead authority has overall responsibility for advising on land issues;
- The disposal of land and buildings will be carried out under any scheme of delegations or protocol agreed by the ITA or otherwise with the express approval of the ITA;
- a detailed record of all land and property owned by the Authority shall be maintained by the Head of Property Services of the lead authority;
- The Head of Legal Services of the lead authority shall have custody of all title deeds and be responsible for their security;
- Entry should not be allowed into Authority property without the signing of formal documentation. (If a situation should arise where early entry in connection with a major transaction is required, The Head of Property Services will have delegated authority to agree this as appropriate.

d) Comment

This financial procedure note applies to all assets, including stocks, stores equipment and vehicles (with either an individual value of £500 or more or a collective value of £2,000 or more) and all cash, land and buildings, that are owned by, or are in the possession of the Authority and for which the Authority is responsible. The form and content of the record is for local decision following consultation with the Deputy Clerk and Treasurer but must be sufficient to allow verification and to support Balance Sheet entries.

FPN 5

Insurance

a) Objective

To ensure that the Authority manages all potential insurable risks and liabilities and to limit the authority for arranging insurance cover to the Deputy Clerk and Treasurer.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- New risks and any alterations to existing risks are reported to the Deputy Clerk and Treasurer immediately;
- Authority risks are reviewed annually in accordance with the timetable issued by the Deputy Clerk and Treasurer;
- Claims are reported in accordance with the guidelines issued by the lead authority's Insurance Section and supporting information is provided within required timescales;
- Policy requirements and warranties, notified by the lead authority's Insurance Section, are complied with at all times;
- Insurers' loss control requirements are responded to within the relevant timescales.

d) Comment

Each Designated Officer is responsible for identifying, assessing and reporting risks to the Deputy Clerk and Treasurer.

The Deputy Clerk and Treasurer is responsible for arranging all insurance cover and for ensuring the annual review of insurance cover.

FPN 6

Staffing and Payroll

a) Objective

To ensure that staff are appointed in accordance with the Lead Authority's Code of Practice on Recruitment and Selection, are paid in accordance with their Contract of Employment and to ensure leavers are removed from the payroll.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

- The lead authority's Code of Practice on Recruitment and Selection is observed in the appointment of staff;
- Amendments to the payroll – including appointments, resignations and changes to Contracts of Employment - are notified to the Head of City Service of the lead authority in accordance with payroll deadlines and in the form specified;
- Details of salary and wage amounts to be paid are provided in a form and to a timetable determined by the Deputy Clerk and Treasurer;
- Uncollected payments are promptly returned to the Cashier;
- An annual check of staff paid and charged to the financial accounts is undertaken.

FPN 7

Reimbursement of Expenses and Payment of Allowances

a) Objective

To ensure that the reimbursement of allowances and expenses to staff and members is in accordance with the appropriate agreements and legislation.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

STAFF

- Claims are submitted within one calendar month of the expense being incurred and include sufficient information to allow verification;
- Allowances and expenses are as approved for payment to Authority staff;
- Payment is made in accordance with procedures determined by the Deputy Clerk and Treasurer.

MEMBERS

- Claims are submitted within one calendar month of the expense being incurred and include sufficient information to allow verification;
- Allowances and expenses are as approved for payment to Authority members;
- Payment is made in accordance with procedures determined by the Deputy Clerk and Treasurer.

d) Comment

Particular care must be taken to ensure that all payments to individuals, including additional payments to employees, meet the requirements of the Inland Revenue.

Expenses claims should be supported by receipts whenever possible.

FPN 8

Banking Arrangements and Cheques

a) Objective

To ensure sound banking and payments arrangements by limiting responsibility for it to the Deputy Clerk and Treasurer.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

b) Control Checklist

To achieve the above objective systems should be present to ensure that:

- No bank account, or similar, is to be opened except with the authority of the Deputy Clerk and Treasurer;
- The maintenance of Authority bank accounts is in accordance with arrangements determined by the Deputy Clerk and Treasurer;
- Cheques shall be ordered only on the authority of the Deputy Clerk and Treasurer and controlled securely prior to use;
- The approval of the Deputy Clerk and Treasurer is obtained to any proposal to enter a credit agreement.

FPN 9

Investments and Borrowing

a) Objective

To limit the authority for managing the Authority's Investments and Borrowing to the Deputy Clerk and Treasurer and to ensure those activities in this area is properly regulated.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective systems should be present to ensure that:

- No investment or borrowing transaction is undertaken except with the prior written authority of the Deputy Clerk and Treasurer;
- Authority bank accounts do not become overdrawn.

The Deputy Clerk and Treasurer shall ensure that:

- All investments and borrowing are only made by the Deputy Clerk and Treasurer and are in the name of the Tyne & Wear Integrated Transport Authority;
- All securities are held by the Deputy Clerk and Treasurer;
- The Deputy Clerk and Treasurer is the Authority's Registrar of Stocks, Bonds and Mortgages;
- Investments held at the end of each financial year are reported to Authority by the Deputy Clerk and Treasurer as soon as possible after 31 March;
- All Treasury Management activities are conducted in line with the relevant CIPFA Code of Practice for Treasury Management in Local Authorities;
- There is an adequate division of duties between arranging and settling of transactions.

Any exceptions to the above can only be authorised by the Authority.

Information Technology and Data Protection

a) Objective

To ensure the orderly and secure development of information technology and the proper control of information held.

b) Application

This Financial Procedure applies in relation to the Direct Services of the Authority and is mandatory for all officers.

c) Control Checklist

To achieve the above objective, systems should be present to ensure that:

(i) Investment in IT complies with the ITA's IT and Information Security strategies and policies.

(ii) All IT purchases:

- Comply with the lead authority's corporate standards and guidelines (including the IT procurement guidelines) unless there are sound reasons to do otherwise;
- Have necessary capital approvals in place;
- Are included on an Authority-wide register of IT assets.

(iii) The use of IT and the control of information held are subject to the IT security policy of the Lead Authority.

Commitment of Capital Expenditure

1. Authority to commit capital expenditure is based on the Capital Programme (the Programme). The Programme is approved by the Authority and is updated regularly to reflect changes in the cost and phasing of schemes and the addition of new schemes.
2. Inclusion of a scheme in the Programme gives authority to begin procurement and contract procedures subject to the limitations below.
3. For schemes included in the Programme for commencement in the first financial year (i.e. current financial year) designated Officers have the authority to progress a scheme up to and including contract signature subject to:
 - The Lead Authority Corporate Procurement Strategy
 - Full compliance with the provisions of Financial Regulation 8 on tenders and quotations;
 - Tender costs not exceeding the Programme provision by more than 5% or £50,000, whichever is the lower, provided the source of funding for the additional cost has been identified;
 - Completion of a tender summary report in the form prescribed by the Deputy Clerk and Treasurer, currently -the ITA delegated decision form
 - Certification by the Deputy Clerk and Treasurer of the tender summary report.

Schemes not meeting these conditions, or where:

- It is proposed to accept other than the lowest tender (where price is the determining criteria), or
- The Authority has directed its approval is required

Must be reported to the Authority for approval to proceed to contact Signature.

4. Financial Regulation 8 covers contract signature requirements.
5. For schemes included in the Programme for commencement in any subsequent financial year, Designated Officers have authority to prepare plans and carry out other preliminary work during the first financial year up to a maximum of £50,000.

6. Proposals to incur preliminary expenditure or commitments above £50,000 must be approved by the Deputy Clerk and Treasurer and must be recorded by the Deputy Clerk and Treasurer as a delegated decision.

Note: This authority for preliminary expenditure only applies to schemes in the programme. Confirmation of scheme approval must be sought at the earliest opportunity if significant changes, either in objective, estimated cost or phasing, are proposed.

7. Once commenced, Designated officers have approval to incur:
 - Additional expenditure arising from the operation of a 'fluctuation of price' clause;
 - Increased costs not exceeding 5% of the contract value or £50,000 whichever is the lower.

Subject to the increased amount being reported for inclusion in the Capital Monitoring Progress Reports to the Authority (where deemed significant by the Deputy Clerk and Treasurer) and inclusion in the Capital Programme at the earliest opportunity.

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Tyne and Wear Integrated Transport Authority

Date: 28TH May, 2009

TITLE: SCRUTINY ADVISORY COMMITTEE ANNUAL REPORT

REPORT OF CHAIR, SCRUTINY ADVISORY COMMITTEE

District Implications: All Tyne and Wear

1. **Summary / Purpose of Report**

1.1 To advise the ITA of the work of the Scrutiny Advisory Committee in 2008/09.

2. **Recommendations**

2.1 The ITA is invited to comment on the work of the Scrutiny Advisory Committee, suggested key issues for debate in 2009/10.

3. **Introduction / Background**

3.1 The Scrutiny Advisory Committee is a committee of the ITA. Its members are appointed annually by the five Tyne and Wear Districts. Each District appoints two Councillors. To ensure independent advice - and a clear separation between those doing the scrutiny and those being scrutinised - Councillors on the Scrutiny Advisory Committee are not members of the ITA. The Scrutiny Advisory Committee appoints its own Chair and Vice-Chair at the first meeting each municipal year.

3.2 The role of the Scrutiny Advisory Committee can be encapsulated as giving advice and holding to account.

4. **Meetings**

4.1 Six meetings of the Scrutiny Advisory Committee were held in 2008/09. These were at venues across Tyne and Wear, reflecting the focus across five Districts.

5. **Work Programme**

5.1 Three key themes emerged from discussion this year. These were:

5.1.1

- **Services:** Hearing from officers delivering services. Detailed

presentations enabled the Scrutiny Advisory Committee to comment on major capital projects such as the new Tyne crossing and Metro Re-invigoration. Other initiatives, such as the new Bus Strategy: A Charter for Growth, Bus Corridors and Smart Ticketing, also received comment

- 5.1.2
- **Policy Development:** Understanding issues at a national, regional and local level. As well as a new name the ITA has additional powers and duties as a result of the Local Transport Act, 2008. As a committee, Councillors have looked at what this means; including for governance and policy setting. The Scrutiny Advisory Committee has commented on key outcome measures, moving from a PTA to an ITA together with passenger safety & security and the annual Risk Register
- 5.1.3
- **Feedback:** Hearing from Scrutiny Advisory Committees members. As local Councillors, members of the Scrutiny Advisory Committee have expressed, by way of practical example, the experiences of local transport users. The Scrutiny Advisory Committee, this year, was keen to roll out best practice from across Districts to compliment work undertaken by Nexus and others. Social inclusion and equalities were also highlighted as part of debate
- 5.2
- To ensure linkage with the work of the wider integrated transport agenda, reports have been presented to each Advisory Committee meeting summarising the decisions of the ITA. Members have also heard from the Chair of the ITA on the ITA's vision document to 2012. Regular reporting from the ITA also had the benefit of enabling Members to refresh, on a regular basis, its own work programme to take account of new and emerging issues.
6. **Further comments by the:**
- **Clerk** (if any);
 - **Treasurer** (if any);
 - **Legal Advisor** (if any);
 - **Director General** (if any).

7 **Background Papers**

7.1 www.twpa.gov.uk/wps/wcm/connect/PTA

8 **Contact Officer (s)**

8.1 Paul Staines, Scrutiny Manager, 0191 277 7524 paul.staines@newcastle.gov.uk

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

Date: 28th May 2009

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 PTA over the forthcoming year and details a proposed Policy Work programme for the year ahead.

2. Recommendations

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

3. Background

3.1 At the January 2009 meeting of the PTA, Members considered a report outlining the medium term financial strategy and areas of priority over the next three 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, real-time information, 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 2008/09 and have updated this to provide a revised work programme for 2009/10. This is attached as an appendix.

4.2 The work programme details ITA meetings to May 2010 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 PTA Papers from January 2009
PTA Papers from March 2008

8 **Contact Officer (s)**

8.1 Roger Gill, ITA Policy Manager, Newcastle City Council 0191 211 4805
Helen Mathews, Head of Strategic Planning, Nexus 0191 203 3333

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| ITA Meeting Date | Report | Who |
|------------------|---|--|
| May 2009 | Membership of Authority - Appointments | Clerk |
| | Calendar of Meetings 2009/10 | Clerk to ITA |
| | Review of Corporate Governance | Clerk & Legal Adviser & Monitoring Officer |
| | Financial Regulations | Deputy Clerk and Treasurer |
| | Issues and Opportunities Paper including ITA Work Programme – To outline to Members the challenges the ITA face over the coming year and accompanying work programme | ITA Policy Manager |
| | Regional Transport Update – Report outlining progress updates to Members on RFA and DaSTS | Senior Policy Officer/Director of Strategy |
| | Tyne Tunnel Update – To inform Members on progress on the Tyne Tunnel | Assistant Engineer to Tyne Tunnels |
| | Smart Ticketing – To update Members on progress of the Smart Ticketing Initiative | Director of Strategy, Nexus |
| | Transport Governance Review – an update on progress | Head of Transport Strategy, NCC |
| | Scrutiny Advisory Committee Annual Report | Scrutiny Manager |

| | | |
|-----------------------------|--|---|
| June 2009 – Special Meeting | Final Annual Accounts | Deputy Clerk & Treasurer to ITA |
| | ITA Officer Statement – A short paper outlining the role of ITA Officers, who we are, what we do and progress from the last year. | Clerk to ITA |
| July 09 | Review of Corporate Governance | Clerk & Legal Adviser & Monitoring Officer |
| | ITA Policy Statement & Key Output Measures- To report to Members progress against our core policies and establishing baseline targets | ITA Policy Manager/Head of Strategic Planning (NEXUS) |
| | Tyne Tunnel Update | Assistant Engineer to Tunnel |
| | Budget Monitoring Report – To update Members on the Budget | Treasurer to ITA |
| | Bus Strategy Progress- To provide an update for Members on the progress of the bus strategy/network design project | NEXUS |
| | City Region Transport and Economy Statement – To inform Members of the work undertaken to show the importance of transport to the City Region economy | Head of Transport Strategy |

| | | |
|--------------|---|---|
| | <p>MAA Progress – To provide Members with an update of progress</p> <p>Tyne & Wear City Region Transport Governance Review – Final report</p> <p>Local Transport Plan Update – To inform Members on progress on current LTP and emerging thinking for LTP3</p> <p>Risk Register Update – to inform Members on developments on the risk register</p> <p>Proposals for new Advisory Groups – A paper asking members to recommend new advisory groups relating to LTP3, the Bus Strategy and Equality and Diversity</p> <p>Nexus Environment Strategy – a report to Members outlining the key points of Nexus Environment Strategy</p> | <p>Head of Transport Strategy</p> <p>Clerk/Head of Transport Strategy</p> <p>Head of Transport Strategy/Head of Strategy (NEXUS)</p> <p>ITA Strategic Risk Manager</p> <p>Clerk & Director General</p> <p>Director General, Nexus</p> |
| September 09 | <p>Capital Programme Quarterly Review</p> <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>Rail Issues Update</p> <p>Report on progress of Local Economic development & Construction Bill</p> <p>Other areas of policy Updates –</p> | <p>Nexus</p> <p>Treasurer to ITA</p> <p>Treasurer to ITA</p> <p>Nexus/ITA Policy Team</p> <p>ITA Policy</p> <p>ITA Policy Manager</p> |

| | | | |
|-------------|---|--|--|
| | referring to the Duty to Involve, LAAs etc | | ITA Policy Manager/ Head of Strategy (NEXUS) |
| | Regional Transport Update – Latest developments on regional transport issues | | |
| | Concessionary Travel | | Nexus |
| November 09 | Capital Programme Review Budget Monitoring Report | | Treasurer to ITA |
| | Bus Strategy | | Nexus/ITA Policy Team |
| | Regional Transport issues | | ITA Policy Manager |
| | Tyne Tunnel Update | | Assistant Engineer to Tunnel |
| | City Region Transport Developments | | Head of Transport Strategy |
| January 10 | Risk Register | | ITA Strategic Risk Manager |
| | Scrutiny Update | | ITA Scrutiny Manager |
| | Concessionary Travel | | Nexus |
| | LTP 2 Progress Update | | LTP Team Leader |
| | ITA Policy Statement Refresh | | ITA Policy Team & Nexus |
| | Financial Strategy Capital Programme | | Treasurer to ITA/Nexus |
| | ITA Advisory Groups Progress Report | | Nexus/ITA Policy Team |
| | Regional Transport Update | | ITA Policy Manager |
| March 10 | Budget Monitoring Report – To update Members on the Budget | | Treasurer to ITA |
| | Annual Review of Members Allowances | | Clerk |
| | Bus Strategy Update | | Nexus |
| | Development of Single Regional Strategy | | ITA Policy Manager |

| | | |
|--|--------------------------------------|------------------|
| | LTP 3 Progress | LTP Team Leader |
| | Treasury Management Statement | Treasurer to ITA |
| | | |

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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Tyne and Wear Integrated Transport Authority

Date: 28th May 2009

TITLE: UPDATE ON THE TYNE AND WEAR CITY REGION TRANSPORT GOVERNANCE REVIEW

REPORT OF: The Clerk to the ITA

Not confidential

District Implications: All of Tyne and Wear

1. Purpose of Report

1.1 This report provides Members with a progress update on the City Region (CR) transport governance review, including consideration of the various governance arrangements considered by the review process.

2. Recommendations

2.1 Members are recommended to:

1. note the content of report
2. raise any issues arising in the different governance arrangements considered by the review
3. agree that the LTP working group consider issues arising from the governance review and advises the ITA on future LTP working arrangements as a priority.

3. Background

3.1 Members will recall that the City Region Executive Board commissioned a review of options for improving transport governance, with a view to ensuring that transport strategy makes a full contribution to the wider economic, social and environmental agenda. This work has been continuing and has now completed its second phase of engagement with local authorities and CR partner organisations.

4. Information

4.1 Stage 1 of the review sought input from the CR local authorities, the Integrated Transport Authority and a range of key CR Stakeholder organisations through responses to a set of Key Lines of Enquiry. Stage 1 responses indicated that there was a general perception of the need for change in the arrangements for transport in the City Region, whilst acknowledging that there were some strengths in existing working arrangements that should not be ignored. A set of objectives for any revised governance arrangements were defined through Stage 1, as follows;

- Strategic leadership & visibility
- Ability to attract additional resources and secure devolved powers
- Integration across different means of transport
- Reflection of actual travel patterns within the CR
- Delegation and subsidiarity of influence to the lowest appropriate geography
- Community engagement and democratic accountability
- Open, transparent and simple decision-making processes
- Affordability, efficiency and value-for-money
- Support amongst stakeholders
- Coherence and consistency with other CR arrangements
- Adaptability and flexibility

These criteria will be used to define the appropriateness and soundness of any proposals for changes to transport governance arising from the review.

4.2 Stage 2 of the review required partners and stakeholders to consider in more detailed new governance arrangements with reference to a *central construct* derived from the Stage 1 responses. The central construct is intended only as a reference point not a preferred approach. The key elements of the central construct were;

- a **CR transport board (or sub Committee)** to co-ordinate the development of a CR transport strategy,
- the Integrated Transport Authority for Tyne & Wear preparing the Local Transport Plan for the conurbation,
- structures for working with the new unitary councils in **Durham and Northumberland**.
- **City Region transport governance** as a key component of future CR activity aimed at strengthening economic performance and wealth

creation

4.3 Stage 2 engagement is now complete. The Officer Steering Group received presentation on initial findings at a meeting on 4th March 2009 followed by workshops, on 17th March and 1st April to consider in more detail the options arising from Stage 2 responses.

4.4 The Members Review Group met on the 15th April 2009 to receive an update on progress (as outlined in the following paragraphs) and consider a presentation from Atkins. There was agreement on the broad objectives, purpose and scope of the City Region approach to transport – especially regarding the following objectives;

- To engage with Durham and Northumberland to reflect the economic area
- To integrate with wider agendas around economy, social wellbeing and environment
- To speak with “one voice” to Government and regional organisations.

The group was content with progress towards conclusions for Stage 2, in particular with regard to the following issues:

- **Boundaries** – the review is unlikely to propose any formal changes to boundaries affecting either the Tyne & Wear ITA or the local authorities within the CR. Such changes are generally unworkable, not least given the provisions of the Local Transport Act 2008.
- **Duplication of roles** – the governance review will avoid development of structures that create duplication or uncertainty of roles. To this end, it is considered unnecessary for there to be both a CR Transport Sub committee and an ITA. Under the new Act, it is appropriate that the ITA develop its remit to work effectively as the transport strategy forum for the CR, where appropriate taking account of the strategic direction set by the CR Executive Board.
- **Powers** – it is not considered necessary for the CR or the ITA to take on “Powers of Direction” over the local authorities. Instead the approach will be through strengthened partnership working and the adoption of a shared strategy for transport.
- **Membership/constitution** – it is critical that there are stronger working arrangements between the CR Executive Board and the ITA. The CR Transport Lead should periodically attend ITA whilst the ITA Chair should also be able to attend CR Executive Board when key issues of transport policy are being considered. As has become general practice, local authorities should consider appointing relevant Cabinet members to ITA. The ITA need to consider how it will broaden its partner and stakeholder participation and find mechanisms to more formally engage elected members from Durham and Northumberland plus key stakeholder such as the Highways Agency.
- **Strategies** – a common shared strategy for CR transport is proposed, which will be replicated in the 3 Local Transport Plans covering the CR –

Tyne & Wear, Durham and Northumberland respectively. Key strategic projects or policies for the CR will be reflected in each of these statutory transport plans and in future regional strategies and funding bids.

- **Delivery functions** – neither the CR nor the ITA will need to develop separate delivery mechanisms. Instead, delivery of CR transport priorities will be through existing delivery agencies including the local authorities, Nexus and the Highways Agency. These delivery bodies will be held accountable for delivery through monitoring of CR Transport Strategy under the auspices of the MAA.

4.5 Further assessment work is required to inform any decision on the outcome of the review, so the following activities are on-going;

- Price Waterhouse Coopers have commenced work with Local authority/Nexus finance officer to be able to provide a financial assessment of the impacts of change taking into consideration the cost and resources implications for the CR, the ITA and the local authorities. This analysis will involve lead finance officers and will be commissioned in consultation with Paul Woods, Treasurer to Tyne & Wear ITA.
- Governance advisors have been engaged to consider how different approaches to any new governance arrangements might impact on political participation and democratic accountability.
- Officers with the Atkins team have met with Department for Transport specialists to ensure that the review approach adopted in Tyne & Wear meets Government's requirements under the Local Transport Act. DfT have confirmed that they are content with the approach at this stage, whilst senior officials have requested more detailed discussions when a "preferred" option is identified for Tyne & Wear in order to advise on how this option may use provisions in the recent Local Transport Act.

5. Next Steps

5.1 Officers have received and are considering a draft phase 2 report. This is available on request if Members would like a full copy. There will then be further engagement with CR partners with a view to identifying a preferred way forward. The next meeting of the Members Review Group is scheduled for 9th June 2009 when the nature of any preferred option will be discussed further.

5.2 The working timescale for completion of the review is summarised below;

1. CR officers meet to discuss implications of emerging option for officer support to CR Executive Board / CR Director in context of changes to ITA and wider Tyne & Wear capacity. Meeting on 15 May 2009.
2. Atkins to prepare a full draft of the Stage 2 report, including the emerging option.
3. Local authority / stakeholder engagement based upon Stage 2 Atkins report. Engagement to take place throughout May and early June 2009.
4. PWC to complete financial appraisal of emerging preferred option in

5

liaison with local finance officers. Assessment completed by 29th May 2009

5. Liaison with DfT – Jessica Bowles/ Charlotte Dixon – to review outcomes of Stage 2 report. Meeting to be arranged in May/June 2009.
6. Members Review Group meeting on 9th June 2009, to consider preferred option arising from review.
7. Report on Governance Review outcomes to CR Executive Board – 24th June 2009.

This timescale will be responsive to issues arising during considerations of the Stage 2 report. Members will be advised of any changes to the timetable as they arise.

Taking account of the preliminary outcomes from the governance review, the ITA should take forward consideration of how it might adapt working arrangements to prepare transport strategy for the conurbation, in the context of the wider CR. It is practical for the ITA to consider these issues further in the Working Group set up to consider arrangements arising from the new Local Transport Act. This forum should consider;

1. How best to reflect the emerging CR transport priorities in the Tyne & Wear LTP?
2. How to make linkages with Durham and Northumberland as part of the LTP planning process?
3. What, if any, additional external advisors might assist the ITA in preparing a LTP in the context of the CR?
4. How new arrangements for LTP impact on the existing governance structures for LTP in Tyne & Wear?

ITA is recommended to agree that the ITA Working Group consider these matters and identify opportunities to address these issues. The preferred approach can then be discussed with CR Leaders to ensure it is consistent with wider CR policy.

6. **Further comments by the:**

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

7 **Background Papers**

7.1 Held by Richard Hibbert, Head of Transport Strategy, Newcastle City Council

8 **Contact Officer (s)**

8.1 Richard Hibbert, Head of Transport Strategy, Newcastle City Council 0191 277 7197 e-mail richard.hibbert@newcastle.gov.uk

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Tyne and Wear Integrated Transport Authority

28 May 2009

New Tyne Crossing - Update

Report of NTC Project Director

For Decision

Report of the Engineer to the Tyne Tunnels

1. Synopsis

- 1.1 This report provides an overview of progress made on the construction since the last meeting of the Authority.

2. Recommendations

- 2.1 The Authority is recommended to note progress made.

3. Background

- 3.1 Construction of the New Tyne Crossing (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 new tunnel) |
| PTU2 | 3 December 2011 | (opening of refurbished existing tunnel) |
| Completion | 3 December 2011 | |

4. Progress – Since March 2009

Progress photographs will be available at the meeting.

4.1 Programme

A revised construction programme was issued on 2 April 2009 following the meeting of the Project Board on 10 March 2009. Progress is now measured against this programme. PTU1 has moved back to 4 February 2011 but PTU2 and Final Completion remain at 3 December 2011.

4.2 North Approach Works

Works continuing to the diaphragm walls, crossover and transition structure. The construction of the diaphragm walls is slightly behind programme but the rate of production is expected to increase as work progresses towards the north portal where the walls become shallower. The crossover structure (where the new tunnel will pass over the existing tunnel) and north transition structure (where the immersed tubes will connect with the approach tunnel) are on programme.

4.3 Immersed Tube Works – A&P Dock 4

Production of the immersed tube sections is one week behind programme. However, completion of the main structures will be achieved by the programme target date of the end of June 2009. The concrete works to Tunnel Elements 1 & 2 are complete and the fitting out process has begun. A media event was held on 22 April 2009 at the Dock which was very successful and resulted in good and positive media coverage of the work.

4.4 South Approach Works

Work is continuing on the transition structure, diaphragm walls, the preparation of the bridge at High Street and foundation works to the new Howard Street Bridge. These works are on programme with the exceptions of the diaphragm walls and the bridge at High Street. These are approximately 2 weeks behind because of adverse weather which affected the main pour to the bridge and the associated 'knock-on' of this. The footpath adjacent to Dunn Street School will not be closed until the High Street route is opened again. This is now expected to be the end of May 2009.

4.5 South Junction Works

Work is continuing on the foundations to the new slip road over bridge. This work is restricting the lane availability on the exit from the existing vehicle tunnel. The net result is standing traffic in the tunnel. Traffic Signals Group are assisting in an attempt to ease the situation. Construction of the permanent retaining structure at Epinay Walk started 3 weeks ahead of programme. Overall construction work for the junction is on programme.

4.6 Dredging

Dredging has been re-scheduled from January 2009 to autumn 2009 to avoid the necessity to have to do a maintenance dredge. The actual dates for dredging are yet to be finalised the concessionaire, Tyne Tunnels 2 Ltd (TT2) and the contractor, Bouygues Travaux Publics (UK) (BYTP (UK)). Also to be confirmed by TT2/BYTP(UK) is the location of disposal of the waste from the dredging.

5. Masterplanning

- 5.1 Plans are being prepared in consultation with North and South Tyneside Council Officers for exhibition at a series of consultation events with the affected communities. These events will be used to draw in comments/ideas to inform the preparation of the final masterplan to be submitted to the relevant Planning Committees for approval. The timetable for the engagement process is in development.

6. Land

- 6.1 Agreements with Cemex and Shepherd Offshore have been finalised and BYTP (UK) has taken occupation of the land.
- 6.2 Arrangements relating to hand back of land will commence once the masterplanning exercise has concluded and the details of the finishes/landscaping/street furniture etc are known.

8. Communication

- 8.1 The former Engineer to the Tyne Tunnels has agreed to chair the Strategic Communications Group. His first meeting was held on 30 April 2009. This group sets the strategic framework for the communication effort and meets quarterly.
- 8.2 The communication strategy is being applied successfully – all major stakeholders are kept informed of progress and issues on a regular basis. The strategic and local partnering fora meet regularly and a ‘sub’ joint residents group has formed to consider a series of common issues in a workshop environment.
- 8.3 Newsletters are prepared and issued regularly – next due late May 2009. Drop-in-sessions continue to be held weekly on both sides of the river and Ward Councillors are given regular ‘activity’ schedules so that they are briefed on forthcoming events/developments. The Helpline is maintained and staffed all day, every day of the year. A 3D virtual reality model has been commissioned by BYTP (UK) and is expected to be available late June 2009.
- 8.4 The TWITA has a website devoted to the New Tyne Crossing as has TT2 with common references. The sites contain information on the project as well as live web-cam and travel time information (using number plate recognition technology to provide up-to-date information). The sites also have contact details for responding to queries from users and the general public. Both sites are updated almost daily.
- 8.5 The construction activity and progress is stimulating considerable demand for visits from a wide variety of organisations. TWITA site staff/BYTP (UK)/TT2 Ltd share the load to accommodate requests as much as practicably possible.

9. Further Comments by the

- 9.1 Clerk - none
- 9.2 Treasurer - none
- 9.3 Legal Adviser - none

10. Background Papers

- 10.1. River Tyne (Tunnels) Order 2005.
- 10.2. Report of the Inspector in to the Proposals for the New Tyne Crossing dated 2003.
Decision letter of the Secretary of State dated 21 July 2005.
New Tyne Crossing file held by the NTC Project Director

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

c28maypaf- DRAFT New Tyne Crossing - Update
EJ

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Tyne and Wear Integrated Transport Authority

Date: 28th May, 2009

TITLE: PROGRAMME SMART – SMART TICKETING FOR THE NORTH EAST

REPORT OF DIRECTOR GENERAL OF NEXUS

Reasons for confidentiality: not confidential

District Implications: All of Tyne and Wear

1. **Summary / Purpose of Report**

1.1 To update Members on progress towards developing Smart Ticketing for Tyne and Wear since the paper presented in January 2009, and to seek approval to part-fund the purchase of smart ticketing equipment for local buses

2. **Recommendations**

2.1 Members are asked to:

1. Note the content of this report
2. Approve the allocation of LTP Public Transport Block funding in financial year 2010/11 to contribute towards smart ticketing equipment for local buses

3. **Introduction**

3.1 As outlined at the January 2009 meeting of the PTA, Nexus has initiated a programme on behalf of the ITA and LTP partners to develop a region-wide Smart Ticketing infrastructure, called 'Programme Smart'.

3.2 The key objectives of the programme are:

- a) To design and build a fully accessible ITSO standard multi-modal smart ticketing scheme that provides significant benefits for public transport customers in Tyne & Wear, maximising usage of existing resource and achieving the best possible value for money.
- b) To ensure that any Tyne and Wear scheme can be scaled up to a

regional scheme building on existing resources.

- 3.3 In order to develop and deliver a North East integrated scheme, Nexus has formed a Programme Board comprising Nexus, Northumberland CC, Durham CC, Tees Valley Joint Strategy Unit, Go North East, Stagecoach, Arriva, NTL and Northern Rail.
- 3.4 Nexus is the programme sponsor, and is providing programme management and funding for project development.
4. **Information**
- 4.1 Nexus put forward an 'expression of interest' to RFA2 for £15m to develop Programme Smart under the label of 'North East Smart Ticketing Initiative'. The region gave the scheme 'provisional priority' status in RFA2, meaning that it meets strategic priorities and is deliverable, but the RFA programme does not currently have financial headroom to support it. This position remains under review by the Interim Regional Transport Board.
- 4.2 Nexus has since moved procurement of a smart 'back-office' (ITSO HOPS) into its Metro Ticketing & Gating Major Scheme, in order to take advantage of procurement efficiencies. It has done this by earmarking internal resources over and above major scheme funding made available by DfT whilst other external funding is sought. The procurement process is underway, and Nexus have chosen a preferred negotiating partner. Delivery of the Ticketing & Gating Major Scheme is programmed for the period 2009/10-2010/11.
- 4.3 Whilst a HOPS procured in this way would be administered by Nexus on behalf of the five Tyne and Wear District Councils, it is intended to make it available across the North East, across all modes of public transport, and to local authorities and businesses where opportunities for shared resource, integration and efficiency exist. Users would be expected to share ongoing revenue costs for maintenance, and to contribute to the repayment of Nexus's capital investment over time.
- 4.4 Tyne and Wear Metro will be smart-enabled under the Metro Ticketing & Gating Major Scheme, by means of smart ticketing machines at every station, a smart internet retailing site, and the introduction of smart ticket gates at 13 stations. However, the additional internal resources identified at paragraph 4.2 are insufficient to enable an entirely closed system which will require validators at those stations that are not gated. The need to attract external funding is therefore extremely important although the procurement efficiencies also highlighted in paragraph 4.2 are such that Nexus has committed itself to this course of action now as opposed to later.
- 4.5 Each sub-region represented on the Programme Board has committed to working with the bus operators to equip the vehicle fleets based within their boundary, with ITSO smart ticketing equipment. In Tyne and Wear Nexus have allocated £220k from their LTP capital allocation in 2009/10, and propose that an additional contribution of £780k be made in 2010/11 as a top-sliced amount from

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the overall LTP Public Transport Block.

- 4.6 This contribution would be used to lever in a funding commitment from the bus operators, which would see them equipping their vehicles with ITSO smart ticket readers, to be procured, installed and maintained with no ongoing financial commitment from the local authorities. The financial contribution made by bus operators for smart equipment on buses will exceed the local authority contribution. Local authority funding conditions will be set out in a formal agreement, and will include the mandatory use of any equipment to participate in the North East scheme.
- 4.7 Programme Smart has a relatively short timeline for delivery, with a possible pilot project taking place in 2009/10 and at least one large operator planning a region-wide roll-out in 2010/11. Discussions are underway with smaller operators to complete roll-out across all bus services in Tyne and Wear, and with Heavy Rail Train Operating Companies about how they will integrate with the programme.
- 4.8 The Association of North East Councils (ANEC) is working with Programme Smart to identify long-term opportunities to integrate local authority applications with the public transport smart infrastructure that the programme will deliver.

5. **Next Steps**

- 5.1 The Programme Smart Programme Board will oversee the development of a business case for smart ticketing, with delivery of the business case scheduled for mid-2009.
- 5.2 Nexus will complete its negotiations over the supply of the smart back office, and align its installation with the delivery timescales for the Metro Ticketing & Gating Project, due for completion in 2011.
- 5.3 The Metro Ticketing & Gating Project will also deliver smart ticketing machines at all Metro stations, and smart ticket gates at 13 stations. External funding will also be sought in order that the Tyne and Wear metro can become a closed system.
- 5.4 Subject to funding being made available via the LTP Public Transport Block, Nexus will work with the major bus operators in Programme Smart to equip buses with smart ticket readers starting in March 2010, with a possible pilot taking place prior to that date.

6. **Further comments by the:**

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

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8 Contact Officer (s)

8.1 Tobyn Hughes, Director of Strategy, Nexus

Tel: 0191 2033246



Tyne and Wear Integrated Transport Authority

Date: 28 May 2009

KICKSTART BUS CHALLENGE 2009

REPORT OF DIRECTOR GENERAL OF NEXUS

Reasons for confidentiality: Not confidential

District Implications: None

1. **Summary / Purpose of Report**

1.1 To provide information on the bids for Kickstart funding for Tyne and Wear currently being prepared by Nexus and bus operators.

2. **Recommendations**

2.1 To note the contents of the report.

3. **Summary of Key issues**

3.1 £25 million is being made available by the DfT in the 2009 Kickstart challenge for bids for new and improved local bus services.

3.2 Two operators have approached Nexus with proposals, which are being worked up in partnership. Nexus is also seeking expressions of interest from operators in proposals which have been identified as potential schemes meeting the competition criteria.

3.3 The results of the competition will be announced in autumn 2009.

4. **Information**

4.1 Earlier this year the Department for Transport (DfT) announced that a further round of Kickstart funding is to be made available during 2009/10, following an earlier challenge competition held in 2005. On that occasion, Nexus and bus company partners secured £1.4 million over three years to provide better bus services along three routes: The Loop in Gateshead, the X47 from Newcastle to

Kingston Park, and cross-Wear services in Sunderland. Now, £25 million across England is available over a three-year period.

- 4.2 The purpose of the Kickstart challenge is to provide ‘pump-priming’ funding to new or enhanced bus services which have the potential to become successful and to operate without subsidy. DfT funding is intended to provide assistance with revenue costs incurred whilst patronage grows and the services are actively marketed by bus operators.
- 4.3 Experience of the 2005 challenge schemes shows that the concept can deliver the required results: the X47 and Gateshead Loop routes in particular have met or exceeded their growth forecasts, and are contributing to improved accessibility across the areas they serve. This year the DfT’s guidance, whilst stressing the importance of achieving modal shift towards the bus and increasing the number of bus users, also refers to the role of new bus services in improving accessibility and increasing social inclusion.
- 4.4 Any potential Kickstart scheme has to meet certain criteria. It must be a joint bid between the bus operator and the local transport authority - which in metropolitan areas is the PTE. It must stand a convincing chance of becoming commercially viable by the end of the period of Kickstart subsidy, or have a guaranteed source of ongoing, external funding clearly identified at the outset. The government’s key transport goals contained within *Delivering a Sustainable Transport System* need to be broadly met, and the DfT will look favourably on bids which include the provisions of the Local Transport Act (LTA) 2008 relating to quality partnerships. In essence, the DfT is looking to some Kickstart schemes to provide experience of LTA powers within the context of small-scale pilot schemes funded through the Kickstart challenge.
- 4.5 This year’s competition therefore represents the opportunity for bus operators and Nexus to consider two types of service provision: routes which in the operators’ view show clear signs of commercial potential, and those which will require ongoing support, but where that support can be identified and justified now in the light of the benefits which the new services would provide to local people.
- 4.6 The closing date for submissions is 3 July. We are currently working with operators, councillors and other stakeholder to develop bids. An updated schedule of the emerging bids will be presented on-site at the ITA meeting.
- 4.7 The guidance encourages community transport operators to play a wider role in service provision by taking part in Kickstart bids. Nexus is investigating the potential for some secured service provision in South Tyneside to be undertaken by local community transport organisations. Again, any further details will be reported at the ITA meeting.
- 4.8 Decisions on the bids are expected to be made by DfT by autumn, and the successful schemes should be in operation no later than spring 2010. The previous competition was over-subscribed, and successful bids are likely to be

those which show most evidence of innovation, and meet DfT objectives.

5. **Next Steps**

5.1 The final bids and the outcome of the competition will be reported to a future ITA meeting.

6. **Further comments by the:**

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

7 **Background Papers**

7.1 Kickstart Bus Funding Competition 2009. Department for Transport.

8 **Contact Officer (s)**

8.1 Gordon Harrison, Nexus 0191 203 3662

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Tyne and Wear Integrated Transport Authority

Date: 28th May 2009

TITLE: ITA AND NEXUS SUPPORT FOR THE LOCAL ECONOMY

JOINT REPORT OF THE CLERK TO THE AUTHORITY & THE DIRECTOR GENERAL, NEXUS

District Implications: ALL

1. **Summary**

- 1.1 This report sets out a plan that will allow the ITA and Nexus to play their part in supporting the economy of Tyne and Wear during the current economic downturn. The key areas of activity are: Promoting opportunities to local businesses; create employment and re-skilling opportunities.

2. **Recommendations**

- 2.1 Members of the ITA are recommended to note this report and endorse the activities Nexus plans to undertake.

3 **Introduction**

- 3.1 Given the weak economic climate in the UK local government has been considering initiatives that it can take to help stimulate and support the local, regional and national economies. Some organisations in the North East have responded with commitments to bring forward spend on their capital programmes, review rents for business tenants and increase training and employment opportunities. As significant contributors to the local economy, and in Nexus's case a large employer, the ITA and Nexus have a role to play.
- 3.2 The ITA has as one of its overarching objectives "Assisting in stimulating economic regeneration".
- 3.3 Promoting opportunities to local businesses

To help local businesses to benefit from the £350m of government funding awarded to Nexus for the renewal of the Metro system, we will hold an event to explain the

opportunities this programme may present for local companies to tender for work.

We will make bidding for work with Nexus simpler for smaller businesses. We will produce guides and worked examples that remove some of the barriers to entry created by complex local government procurement processes. Wherever possible we will advertise in periodicals and journals accessed by smaller local businesses, and we will make a list of future bidding opportunities available on our website.

3.4 Create Employment:

To support the ongoing maintenance of Metro we will bring forward spend of approximately £250,000 to create up to 20 temporary (six month) jobs during 2009. The cost is estimated at £260,000. We seek to recruit from the unemployment register in Tyne and Wear to assist people in making the transition back into work.

3.5 Create re-skilling opportunities:

From October 2009 we will bring forward six new six-month work placements with Nexus and Metro, under our ongoing Trainee programme. For the first time these places will offered to individuals who have recently been made redundant, providing people with an opportunity to learn new skills and to access longer-term job opportunities in Nexus and Metro.

In 2009/10 Nexus will recruit four recently qualified Graduates as part of our ongoing commitment to developing tomorrows' managers and specialists in the transport industry and forming strong links with the further education sector.

The ITA and Nexus will work with our partners to establish a virtual Engineering Academy to promote Engineering as a career of choice. This will involve working with secondary schools, school leavers, and university students, giving career advice, offering access to role models in the Engineering sector, and providing both job experience and long-term employment opportunities.

4. Information

Initiatives already in place

- 4.1 Nexus has already made provision to increase its capital programme spend significantly over the next two years on projects which will have a sizeable impact to the economy of the region. In 2008/09 Nexus capital programme was £18.6 million. This will increase to £41 million in 2009/10, and £54 million in 2010/11. A large portion of this money will be spent on infrastructure works as part of the Metro Reinvigoration Programme, and a number of significant projects will also be undertaken to improve bus infrastructure.
- 4.2 The Executive has previously confirmed that it would like to bring forward an additional £1.5m from reserves to develop the £15m Ticketing & Gating Scheme into the core of a North East Regional smart ticketing scheme that will contribute to regional productivity gains.

- 4.3 We will also investigate bringing forward elements of bus-based major schemes where capital funding can be sourced.
- 4.4 A decision was taken earlier this year to freeze the cost of Gold Card at £12 for a full year of unlimited off-peak travel on the Metro system for older and disabled people.
- 4.5 In 2008/09 Nexus recruited four Graduate Trainees, and has made provision to recruit four more in the current financial year.
- 4.6 WorkWise programme: We will work with our partners in local councils and Job Centre Plus to expand the WorkWise programme, which helps local people get back into work by providing them with free or discounted travel to interviews and when returning to work following a period of unemployment. A budget provision has been made for this scheme.
- 4.7 Invest in green technology: Over the next year we will research the options available to us in onsite electricity generation for offices, stations and interchanges, and buying electric vehicles. Wherever a viable business case exists we will source the capital funding to install green technology.
- 4.8 “The right fare” – promotional campaign: We will develop a promotional campaign aimed at giving people better information on public transport ticket choices, so that they can get the best possible value for their money.

5. **Next Steps**

5.1

6. **Further comments by the:**

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

7 **Background Papers**

7.1 None

8 **Contact Officer (s)**

8.1

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Tyne and Wear Integrated Transport Authority

TITLE: **Date: 28th May 2009**

REPORT TITLE : ITA/NEXUS AWARDS NOMINATION

REPORT OF **DIRECTOR GENERAL OF NEXUS**

Reasons for confidentiality (if confidential)

District Implications

1. Summary / Purpose of Report

1.1 To update members on national awards the ITA and Nexus has been nominated for, recognising excellence in service provision.

2. Recommendations

2.1 Members are asked to note the contents of this report.

3. Introduction / Background

3.1 The ITA and Nexus regularly enter national and regional awards for transport planning and delivery, public service and in other related areas

3.2 Entering awards serves to highlight areas where the ITA and Nexus achieve excellence, benchmark our performance against industry peers, reward and motivate staff, and raise the profile of both our own organisations and Tyne and Wear in regional and national environments.

4. Information

4.1 Arguably 'The National Transport Awards' are the most prestigious benchmark of ITA and Nexus performance. This year the ITA has been nominated for Integrated Transport Authority of the Year, to be announced in July. The nomination recognises the achievements of the ITA in building a second Tyne Tunnel and winning funding for Metro Re-invigoration, opening a new Metro station at Simonside, a new park and ride at Northumberland Park, and supporting the rebuilding of Washington Galleries Bus Station. It also recognises

the ITA's success in promoting social inclusion and modal shift through products including the Metro Gold Card, Under 16 'Cat' Child All day Ticket and Companion Card.

4.2 Nexus has been shortlisted in four categories at the same Awards:

* **Rail Operator of the Year** – recognising Metro achieving record punctuality of 95.98% to the end of January, passenger growth of 12.8% between January 2006 and 2009, improved customer service standards and Charter Mark renewal with best practice recognised in 12 areas.

* **Contribution to Sustainable Transport** – recognising work to reduce Metro's carbon footprint through innovations including low-energy light fittings, recycled trains parts and cleaner train oil. This forms part of Nexus' Go Green strategy to improve sustainability in all parts of its business.

* **Improvements to bus services** – recognising the success of the Quaylink bus service, delivered in a partnership with Newcastle City Council and Gateshead Council. Quaylink has grown passenger numbers more than 150% since launch in 2005 and now carries around 800,000 passengers a year.

* **Dedication to access for all** – recognising the success of Partners in Travel, a partnership project between Nexus, Gateshead Council and bus operators which has helped more than 300 clients with learning difficulties build confidence to travel independently, including 86 who have received one-to-one mentoring from volunteers.

4.3 Nexus has also been shortlisted in the Transport category in the UK Independent Living Awards, to be announced in June. The nomination recognises Nexus efforts to improve access to public transport for disabled people, including the introduction of Companion Card, Metro Gold Card, and the provision of TaxiCard, Community Transport and LinkUp transport services. It also recognises the success of Partners in Travel and the installation of Reach talking signpost technology at Metro stations, in partnership with Newcastle City Council. The nomination acknowledges the effort Nexus is making to resolve the issue of mobility scooter use on Metro.

5. Next Steps

5.1 The Director General will report back to the ITA on the outcome of these award nominations at the July meeting.

6. **Further comments by the:**

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

7 **Background Papers**

7.1

8 **Contact Officer (s)**

8.1 Huw Lewis, Head of Media, Nexus 0191 2033112

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Tyne and Wear Integrated Transport Authority

Tyne and Wear Integrated Transport Authority

26 March 2009
(10.00 - 11.25 am)

21. CONFIDENTIAL MINUTES

(a) Confidential Minutes of the meeting held on 22 January 2009

The confidential minutes of the meeting held on 22 January 2009 were confirmed as a correct record and signed by the Chair.

(b) Confidential Minutes of the meeting held on 30 January 2009

The confidential minutes of the special meeting held on 30 January 2009 were confirmed as a correct record and signed by the Chair.

Matters Arising:-

(a) Progressing Metro Operating Concession

(Minute no. 98 refers).

B Garner gave an update explaining that following the pre-qualification process, bidders had been issued with an invitation to negotiation documentation. He hoped to report back to the Authority by the end of the year to endorse the recommendations for the next phase.

B Garner reported on the intention to put together a campaign to outline the positive aspects of Metro reinvigoration and why it was being undertaken. It was important to get the key messages out and emphasize the importance of investment in the system and how this would improve punctuality and reliability of journeys. It was important to ensure value for money for all metro users.

22. MEMBERSHIP OF THE NEXUS BOARD

Submitted: Confidential report of the Director General, Nexus (copy attached to Official Minutes).

B Garner introduced the report explaining his proposal to appoint T Hughes as an Executive Director of Nexus. He explained that this was a change in the structure as Mr Hughes had been in his role for two years now. At present, there were five non Executive Directors of Nexus, two from the private sector and three from Newcastle City Council. He referred to proposals for a wider geographic input to these

appointments. The decision on this would be deferred pending completion of the governance review.

RESOLVED – That approval be given to the appointment of Tobin Hughes as an Executive Director of Nexus.