



Transport North East (Tyne and Wear) Sub-Committee

Thursday, 14th September 2017 at 2.00 pm

Meeting to be held in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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AGENDA

Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

- | | | |
|----|---|----------------|
| 3. | Minutes of the Previous Meeting | 1 - 6 |
| 4. | Monitoring Nexus' Performance | 7 - 20 |
| 5. | Metro Performance Update | 21 - 34 |
| 6. | Update on Nexus' Corporate Risk Register 2017/18 | 35 - 58 |
| 7. | Tyne and Wear Budget Process and Timetable 2018/19 | 59 - 66 |
| 8. | Tyne Tunnels - Update | 67 - 88 |
| 9. | Date and Time of Next Meeting | |

Thursday, 16 November 2017 at 2pm.

Contact Officer: Lynn Camsell Tel: 0191 211 6146 E-mail: lynn.camsell@northeastca.gov.uk

To All Members

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North East Combined Authority, Transport North East (Tyne and Wear) Sub-Committee

13 July 2017

(3.30 – 4.30pm)

Meeting held in a Committee Room, North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

Present:

Councillor: J Harrison (Chair)

Councillors: G Hobson, M Brain, J McCarty and M Mordey

1 APOLOGIES FOR ABSENCE

None

2 DECLARATIONS OF INTEREST

None

3 MINUTES OF THE PREVIOUS MEETING HELD ON 20 APRIL 2017

RESOLVED – that the minutes of the meeting held on 20 April 2017 were agreed as a correct record and signed by the Chair.

4 METRO TRANSITION PROJECT COMPLETION UPDATE

Submitted: report of the Metro Transition Director (previously circulated and a copy attached to the Official Minutes)

Members received a report provided by the Nexus Metro Transition Assurance Committee (MTAC) in relation to the Metro Transition Project as requested by the Committee at its meeting on 20 April 2017; a copy was appended to the main report.

The independent Chairman of MTAC (Stephen Banaghan) was present at the meeting and explained the transition process highlighting key points which included:

- The main aim was to review and challenge all aspects of the Metro Transition project.
- The 'vehicle' for service delivery, a wholly owned subsidiary limited company, had been made early in the process.

- Excellent engagement with trade unions and staff were patient and diligent.
- There were strong controls over the project, budget risks and consideration as to whether services could be delivered beyond 2018.
- The transfer of ICT systems, the update of IP telephony, mobile telephony, printer hardware and general ICT licensing and support arrangements were identified as an area of considerable risk.

During discussion Members showed their appreciation for the dedication and work undertaken to ensure a smooth transition into bringing the Metro back into public ownership demonstrating that the public sector can deliver a successful transport system.

Relations with DBTW staff were questioned including staff moral during the transition process.

Points to note:

MTAC had sight of a detailed analysis of accounts and costings of contracts which were running at a loss.

DBTW staff were consulted and briefed throughout the transition process, any uncertainties were alleviated.

35 DBTW staff were transferred to Metro by TUPE.

RESOLVED – that the Transport North East (Tyne and Wear) Sub Committee noted the report.

5 METRO PERFORMANCE UPDATE

Submitted: Report of the Managing Director (Transport Operations) previously circulated and a copy attached to the Official Minutes).

Members considered the report which provided an update on metro performance for twelve weeks from 5 March 2017 to 27 May 2017 (Period 13 2016/17 and Periods 1 and 2 2017/18).

Committee were assured that despite some challenges, budgets were in the main, on target with some savings on the revenue budget.

In discussion Members commented on the following:

The effectiveness of the service given the age of the stock, particularly the ability to deliver a reliable timetable.

A Member requested details of the one staff RIDDOR reportable accident.

Peak fleet availability affected by the number of Metrocars requiring major repairs.

The importance of fleet replacement.

RESOLVED – that the Sub Committee considered and noted the report.

6 **MONITORING NEXUS' PERFORMANCE 2016/17**

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Consideration as given to the report the purpose of which was to provide a general review of nexus' performance against the Corporate Business Plan for 2016/17.

Members noted that in general 2016/17 had been a positive year. Notable achievements for 2016/17 were set out in section 1.3 of the report.

RESOLVED - that the Sub-Committee noted the report.

7 **MONITORING NEXUS' PERFORMANCE 2017-18**

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Members considered the report which provided an update on nexus' performance against its Corporate Business Plan target and objectives for 2017/18 over the first two four week reporting periods from 1 April to 27 May 2017.

In respect of the current situation it was noted that there were no major concerns however, attention was drawn to the works due to commence on Killingworth Road and the impact on road and rail users.

RESOLVED – that the Transport North East (Tyne and Wear) Sub Committee noted the report and the details of Nexus' corporate performance in delivering services and projects for the first eight weeks of 2017/18.

8 **METRO TICKET ACCEPTANCE ON COMMERCIAL BUSES DURING UNPLANNED DISRUPTIONS TO SERVICE**

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Consideration was given to the report which provided an overview of how Metro arranged alternative transport when there is an unplanned disruption to service, and specifically the acceptance of Metro tickets on commercial bus routes, in response to concern from TWSC that some passengers had complained about this process. It describes actions being taken to improve journey experience for passengers when this is required.

Members heard that in 2016-17 there were 20 complaints to Metro of bus drivers refusing to accept Metro tickets, spread between nine incidents. In the current year to date there has been 18 complaints spread between four incidents; twelve of these were related to a single incident during the morning peak travel on 6 April; vandalism had halted trains in the Pelaw area for up to one hour.

The report detailed the process used at times of unplanned disruption; this would begin with Metro agreeing to pay a service fee to the bus companies for replacement bus services on the network followed by a period of time to allow operators to inform drivers of the unplanned disruption and the agreement to accept Metro tickets; instructions are relayed to drivers using the bus cab radio system.

Members agreed that it was important to communicate the challenges involved to the public, enabling them to better understand the processes required to transfer Metro tickets to the bus network.

RESOLVED – that the Transport North East Sub-Committee noted the report.

9 UPDATE ON NEXUS' CORPORATE RISK REGISTER 2017/18

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Members considered the report the purpose of which was to provide an update on Nexus' Corporate Risk Register for 2017/18.

RESOLVED – that the report be noted.

10 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – that by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 the press and public be excluded from the remainder of the meeting during the consideration of agenda items 11, 12 and 13 (Confidential Minutes of the Previous Meeting, Concessionary Travel Reimbursement 2017/18 and 2018/19 and Tyne Tunnels Update) because exempt information was likely to be disclosed and the public interest test against disclosure was satisfied.

11 CONFIDENTIAL MINUTES OF 20 APRIL 2017

RESOLVED – that the confidential minutes of the meeting held on 20 April 2017 were agreed as a correct record and signed by the Chair.

12 CONCESSIONARY TRAVEL REIMBURSEMENT FOR 2017/18 AND 2018/19

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Members considered the report which provided an update on the Concessionary Travel negotiations between Nexus and the three major bus operators for the financial years 2017/18 and 2018/19.

After robust discussions with each of the major bus operators in Tyne and Wear officers had negotiated a two year agreement and secured a budget reduction.

RESOLVED – that the Transport North East (Tyne and Wear) Sub Committee noted the report.

13 TYNE TUNNELS - UPDATE

Submitted: Report of the Lead Chief Executive for Transport (previously circulated and a copy attached to the Official Minutes).

Members considered the report which provided an update on issues at the Tyne Tunnel in relation to the operation of the New Tyne Crossing vehicle tunnels and the refurbishment of the Tyne Pedestrian and Cyclist Tunnels.

RESOLVED that the Transport North East (Tyne and Wear) Sub Committee –

- i) Noted the contents of the report relating to the operation of the New Tyne Crossing vehicle tunnels.
- ii) Noted the contents of the report relating to the refurbishment of the Tyne Pedestrian and Cyclist Tunnels.
- iii) Authorised the Engineer to the Tunnels to procure the 'free to use' replacement shuttle bus service at Tyne Pedestrian and Cyclist Tunnels until Spring 2018.
- iv) Authorised the land transfer from NECA to South Tyneside Council as set out in paragraph 2.7 of the report and authorise the Monitoring Officer to complete the legal documentation.

14 DATE AND TIME OF NEXT MEETING

14 September 2017 at 2.00pm

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Transport North East (Tyne and Wear) Sub-Committee

Date: 14 September 2017

Subject: Monitoring Nexus' Performance

Report of: Managing Director (Transport Operations)

Executive Summary

The report demonstrates that Nexus is on target to deliver the majority of objectives in its Corporate Business Plan for 2017/18, with overall Metro performance on the increase, a year-end budget forecast that is stronger than originally budgeted for, but weak performance in Metro patronage.

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to note the report and the attached appendix giving details of Nexus' corporate performance in delivering services and projects over the sixteen weeks to 22 July 2017/18.

Transport North East (Tyne and Wear) Sub-Committee

1. Background Information

- 1.1 This report provides a review of Nexus' performance against its Corporate Business Plan (CBP) targets and objectives over the sixteen weeks from 1 April to 22 July 2017, with particular emphasis on the eight weeks from 28 May to 22 July (Periods 3 & 4) the first eight weeks (Periods 1 & 2) having been covered in an update report to the meeting of the Sub Committee on 13 July.
- 1.2 Nexus' CBP for 2017/18 has three main themes and sixteen workstreams. These are used in the attached appendix to set out the key considerations used in describing the progress being made using a Red/Amber/Green (RAG) status analysis.
- 1.3 Of the 16 workstreams:-
- Eleven are rated 'Green' in status, two from six in Theme 1 'Deliver public transport today'; five from six in Theme 2 'Prepare for the future', and all four in Theme 3 'Focus on organisational effectiveness'.
 - In the balance of five remaining workstreams, all 'Amber', four are from Theme 1 'Deliver public transport today': 'Improve Metro performance', 'Embed new technology', 'Deliver non-ARP Capital Projects' and 'Deliver and develop public transport services and facilities'. The other 'Obtain a new Fleet and prepare for the new Metro contract' is from Theme 2 'Prepare for the future'.
- 1.4 Over the two reporting periods up to 22 July (P3 & P4) an average service punctuality of 89.44% (89.51%/P3 & 89.39%/P4) was achieved by Metro compared to 87.23% in the previous two periods (89.36%/P1 & 85.10%/P2) and 85.96% over the same two periods in 2016/17 (86.41%/P3 & 85.52%/P4). The target for service punctuality is 87.2%.
- 1.5 Total Metro ridership for P3 & P4 was 5.477m, 4.9% below the target of 5.763m. Cumulative ridership in the year to 22 July was 11.325m, 2.4% below the target of 11.606m and 0.4% below the 11.381m reported at this point in the prior year.
- 1.6 As at the end of period 4 2017/18 (22 July 2017) a year-end budget surplus of £0.859m is forecast against the budgeted for deficit of £1.846m in 2017/18. This demonstrates a positive variation of £2.705m against the current year budget.
- 1.7 Appendix 1 provides a fuller review of Nexus' performance against the business plan over the period from 1 April 2017 to 22 July 2017.

Transport North East (Tyne and Wear) Sub-Committee

2. Proposals

- 2.1 There are no specific proposals arising from this periodic performance monitoring update report.

3. Reasons for the Proposals

- 3.1 There are no proposals arising from this periodic performance monitoring update report.

4. Alternative Options Available

- 4.1 There are no proposals from on which to base alternative options arising from this periodic performance monitoring update report.

5. Next Steps and Timetable for Implementation

- 5.1 A report updating on Nexus' performance will be presented to each scheduled meeting of the Transport North East (Tyne and Wear) Sub-Committee in order to enable the required monitoring considerations and assurance activity to take place in accordance with the NECA's Constitution and the role and functions that are thereby delegated to the Transport North East (Tyne and Wear) Sub-Committee.

6. Potential Impact on Objectives

- 6.1 Monitoring Nexus' performance helps to provide assurance that the NECA's policies and objectives are being implemented efficiently and effectively in accordance with the approved plan.

7. Financial and Other Resources Implications

- 7.1 There are no direct financial or resource considerations arising from this periodic performance monitoring update report.

8. Legal Implications

- 8.1 There are no direct legal considerations arising from this periodic performance monitoring update report.

9. Key Risks

- 9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management. A separate review of Nexus' corporate risk register is provided to each

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meeting of the Transport North East (Tyne and Wear) Sub-Committee in parallel with this report.

10. Equality and Diversity

- 10.1 There are no specific equalities and diversity considerations arising from this periodic performance monitoring update report.

11. Crime and Disorder

- 11.1 There are no specific crime and disorder considerations arising from this periodic performance monitoring update report.

12. Consultation/Engagement

- 12.1 There are no specific consultation or engagement considerations arising from this periodic performance monitoring update report.

13. Other Impact of the Proposals

- 13.1 There are no direct proposals arising from this periodic performance monitoring update report, and therefore no consequential impacts.

14. Appendices

- 14.1 Appendix 1 to this report shows the Red/Amber/Green (RAG) analysis pertaining to progress against the three theme/sixteen workstreams contained in Nexus' Corporate Business Plan for 2017/18 to 2019/20, as approved by Transport North East (Tyne and Wear) Sub-Committee meeting on 26 January 2017, and identifies key considerations taken into account by Nexus' Corporate Management Team in arriving at the ratings.

15. Background Papers

- 15.1 Nexus' Corporate Business Plan 2017/18 to 2019/20 as considered and approved at the Transport North East (Tyne and Wear) Sub-Committee meeting held on 26 January 2017.

16. Contact Officers

- 16.1 Toby Hughes,
Managing Director (Transport Operations)
Email: toby.hughes@nexus.org.uk
Tel: 0191 203 3236

Transport North East (Tyne and Wear) Sub-Committee

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

The meaning of any abbreviations used is explained in the body of the report.

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Theme 1: Deliver public transport today		
Workstream:	RAG Status	Key Considerations:
Improve Metro performance (RAG Status: Amber)	A	<p>Average punctuality over the eight weeks of P3 & P4 was 89.44%, above the target of 87.2%. For P3 the punctuality was 89.51%, and only slightly lower in P4 at 89.38%. Over the same period last year punctuality averaged 85.96% (86.41%/P3 & 85.52%/P4 in 2016/17).</p>
		<p>The May 2017 Metro customer satisfaction tracking survey resulted in an overall score of 7.78, higher than the previous score of 7.73 obtained in November 2016 and the score of 7.45 from May 2016.</p> <p>A Metro improvement action plan, including training for Customer Services staff, is in place to provide a planned and co-ordinated attempt to further improve customer satisfaction.</p>
		<p>Total Metro ridership for P3 & P4 was 5.477m, 4.9% below the target of 5.763m. Cumulative ridership in the year to 22 July was 11.325m, 2.4% below the target of 11.606m and 0.4% below the 11.381m reported at this point in the prior year.</p>
		<p>Over the eight week period Metro's peak fleet availability was poor due to component failures and a maintenance backlog in the depot. This resulted in some peak hour service cancellations on several occasions. Metro services staff have worked hard to clear the backlog.</p>
Enhance local and national rail (RAG status: Green)	G	<p>Network Rail is carrying out studies to help determine projects to be put forward to the Department for Transport (DfT) for investment in the period 2019 to 2024. These 'Route Studies' include planning for passenger benefits such as improvements in journey times, service levels and stations.</p> <p>The North East Rail Management Unit's (NERMU) is seeking to ensure that partners' views and aspirations relating to the rail network locally are reflected in relevant studies e.g. East Coast Mainline, North of England, Durham Coast.</p> <p>NERMU has recently collated partners' views regarding the</p>

		Northern and Trans Pennine Express May 2018 timetable proposals and responded to the formal consultation in this matter.
		NERMU officers worked as part of the North of England Contingency Group following the announcement of and prior to the 3 days of industrial action that took place over Saturday 8th to Monday 10th July. This helped to ensure that passengers who wished to travel on those days were provided with as much reliable information as possible in advance to help to plan and carry out their journeys.
		Trans Pennine Express is continuing to prepare for the December 2017 timetable change and fulfilment of its capacity obligations under the terms of the franchise.
Embed new technology (RAG status: Amber)	A	Over the first four periods smart online revenue has consistently maintained a higher level than last year resulting in the total revenue from online smart product sales being 26.95% higher than at the same point last year (£131,824.9 in 2016/17: £167,345.8 in 2017/18). With regard to use of Pay as You Go, although numbers of bus tickets purchased using this facility remain relatively small, there has been a 33% increase between P1 (5,137) and P4 (6,870).
		A new screensaver has been deployed to the fleet of Metro Ticket Machines. Work is continuing to improve the overall reliability of the fleet, although progress remains slow.
		ITSO (the National Standards body for Smart Ticketing) is seeking to support a Host Card Emulation (your phone becomes your POP Card) trial on Tyne and Wear Metro, with a view for trials to commence in November. An initial workshop with ITSO's technology partner has taken place to start to determine what the next steps might be.

<p>Deliver the Metro Asset Renewal Plan</p> <p>(RAG status: Green)</p>	<p>G</p>	<p>The Metro Asset Renewal Plan (ARP) forecast for 2017/18 at 22 July was £32m and the actual out-turn for the year is expected to fall within the maximum/minimum spend targets set by the Department for Transport (DfT).</p>
		<p>Renewal of the Killingworth Road Bridge commenced on Monday 31 July – concurrently with track renewal work in the area to minimise impact on Metro Services and is scheduled to return to operation on Sunday 3 September.</p> <p>The first weekend possession to undertake track renewal works between Northumberland Park and South Gosforth stations took place on 15/16 July. The works continue in the summer blockade from 31 July in parallel with the Killingworth Road bridge renewal scheme.</p>
		<p>Nexus is dealing with noise issues that have arisen in relation to the works at Killingworth Road Bridge (where the piling has finished) and at various permanent way compounds where track renewal materials are being loaded.</p>
		<p>A work package to undertake planning, survey and design for the next phase of track renewal and refurbishment south of the Tyne, from Gateshead to South Shields, has been awarded. Work on site is planned to commence in mid-2018.</p>
		<p>A further delivery of Overhead Line components is expected in August. The first possession for conductor and catenary wire replacement now scheduled for 16/17 September.</p>
		<p>Radio infrastructure testing is being finalised – test train data is being evaluated with no coverage issues reported. This will be followed by the installation of on-train equipment – currently programmed to complete in February 2018.</p>
		<p>Detailed design is complete for Monkseaton, West Monkseaton and Cullercoats station refurbishment and work is expected to commence in September 2017. Detailed design continues for Shiremoor, Palmersville, Benton and Longbenton station refurbishments – work is planned to commence in late 2017.</p>

<p>Deliver non-ARP capital projects (RAG status: Amber)</p>	<p>A</p>	<p>A number of non-ARP projects are behind target in terms of delivery at present including:</p> <ul style="list-style-type: none"> • Payment Card Identification (PCI), • Metro Maintenance and Renewals Skills Centre, and • Ferry Landings. <p>The Non Metro capital expenditure forecast for 2017/18 at 22 July was £3.647m and is therefore £1.059m above than the approved budget of £2.588m. However the forecast includes £0.889m in excess of the budget for the Metro Maintenance and Renewals Skills Centre pending approval of Local Growth Funding.</p>
<p>Deliver and develop public transport services and facilities (RAG status: Amber)</p>	<p>A</p>	<p>In the year to 22 July there were 149,108 Shields' ferry boardings, 4.2% below the cumulative target of 155,783 and 1.0% up on the 147,522 recorded at the same point in 2016/17. Over the same period punctuality has averaged 99.5% while average reliability was 98.8% against the 99% target respectively. A three day suspension of the service will take place 16 to 18 October to allow essential maintenance to the ferry landing bank seat bearings to take place: a bus replacement service will operate.</p> <p>With regard to the major line closure between South Gosforth and Four Lane Ends/Shiremoor the Mitigation Board (hosted by Newcastle City Council and attended by North Tyneside Council, Nexus (Bus), Nexus Rail, bus operators and other key stakeholders) meets regularly.</p> <p>On the first day of the road closure (20 July 2017) there was disruption to traffic in the area. It is anticipated the impact will reduce with the school holidays and as road users establish alternative routes, displacing traffic over the wider network.</p> <p>The Mitigation Board will continue to meet for the duration of the closure to monitor the effectiveness of the interventions and make remedial changes were necessary. The road closures in place from September and anticipated levels of traffic congestion will present significant opportunities for modal shift towards Metro.</p>

Theme 2: Prepare for the future		
Workstream:	RAG Status	Key Considerations:
Obtain a new Fleet and prepare for the new Metro contract (RAG status: Amber)	A	Discussions with the Department for Transport (DfT) to date suggest that the government accepts the need for new rolling stock for the Metro system. However a firm position regarding financing options has not yet been reached. Work is therefore being carried out by Nexus and its financial advisers, in consultation with DfT, into a range of options including both public and private finance, so that the government can take full account of the comparative costs and value for money analysis.
		A number of timescales have been slipped to allow for the additional work requirement: the programme now provisionally reflects a contract award in January 2020 with a commencement date of March 2020. Starting the procurement process, scheduled for July 2017, is deferred pending the decision from the DfT's Board Investment and Commercial Committee (BICC) in September at which Nexus has a slot.
Secure long term improvements to Metro's infrastructure (RAG status: Green)	G	The OBC for Essential Renewals was considered by the DfT's BICC meeting on 19 June.
Plan for the expansion of Metro and local rail networks (RAG status: Green)	G	Working at officer level the views of all seven NECA authorities have been established to help shape future Metro and local rail services.
		Discussions have been held with the North East Chamber of Commerce (NECC) and other stakeholders in order to raise awareness.
		A programme is being developed to inform the initial development of the plan to expand Metro and Local Rail networks. This will be prepared for consideration by the Leadership Board in the autumn.

Plan for local bus service improvements (RAG status: Green)	G	<p>Nexus is working with local partners to develop a Bus Strategy for the NECA area.</p>
		<p>The NECA Bus Strategy will be prepared in draft and be the subject of consultation at the same time as the NECA Transport Plan (currently early 2018).</p>
		<p>The new Bus Services Act 2017(the Act) offers further opportunities for delivering the emerging NECA Bus Strategy. These will be better understood when the Government publishes regulations and guidance on how to use the Act. Publication is intended for September, subject to Government/Ministerial approval.</p>
Innovate through technology (RAG status: Green)	G	<p>Nexus is involved with Transport for the North (TfN) and its aspiration to deliver an Account Based Ticketing (ABT) solution enabling customers to use bank cards and mobile devices to pay for journeys by touching in to and out of the network.</p>
		<p>Discussions are underway between TfN and NECA representatives in relation to using the North East as a pilot for the work TfN are undertaking in respect of journey planning.</p>
		<p>The North East Local Enterprise Partnership (NELEP) has committed funding to develop the business case and secure funding for a 5G test bed; Nexus is supporting this programme. High quality digital connectivity for the commuter market (high volumes, short distances) has been selected as one of the first “use cases” for which the test bed would be used, utilising the Metro.</p>
Secure investment in public transport assets (RAG status: Green)	G	<p>With regard to development of Sunderland station, two workshops have recently been held: one reviewing the station change process and the role Arriva Rail North will play as the Station Facility Owner (being responsible for the day-to-day management, maintenance and operation of the station); the other investigating possible opportunities to bridge the £6.1m funding shortfall.</p>

Theme 3: Focus on organisational effectiveness		
Workstream:	RAG Status	Key Considerations:
Refine training and succession planning (RAG status: Green)	G	Nexus' approach to succession planning is to be informed by the introduction of a new framework for which proposals are being prepared for consideration.
		Nexus' requirements for use of the Apprenticeship Levy are being formulated.
Ensure Nexus is an employer of choice (RAG status: Green)	G	Nexus' Disciplinary, Wellbeing and Recruitment policies are currently under review.
		Competitive tenders have been received for renewal of the Occupational Health Services contract, and are being evaluated prior to award.
Focus on health, safety and the environment (RAG status: Green)	G	<ul style="list-style-type: none"> During P3 there was one (non-RIDDOR) accident to contractors' staff working on Nexus' properties or infrastructure: there were none in P4. On 16 June, there was one RIDDOR (regulations relating to formal notification of accidents and incidents) reportable accident involving a member of Nexus staff, leaving a continuous period of 36 RIDDOR accident free days. At the end of the period the Accident Frequency Rate (calculated over 13 periods) for Nexus was 0.18. On 5 June a Metro train struck a component from a non-intrusive crossover, left on the railhead near Benton station, which had been in use during the night before. The incident has been reported to the Rail Accident Investigation Board: no further action is anticipated. In the year to 22 July the 'Close Call' reporting system had received 38 submissions, providing potentially valuable learning opportunities.
Service review to balancing the budget (RAG status: Green)	G	As at the end of period 4 2017/18 (22 July 2017) a year-end budget surplus of £0.859m is forecast against the budgeted for deficit of £1.846m in 2017/18. This demonstrates a positive variation of £2.705m against the current year budget.

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Transport North East (Tyne and Wear) Sub-Committee

Date: 14 September 2017

Subject: Metro Performance Update

Report of: Managing Director (Transport Operations)

Executive Summary

The purpose of this report is to provide an update on Metro performance for the eight weeks from 28 May 2017 to 22 July 2017 (Periods 3 and 4 2017/18).

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to receive and consider the report and attached appendix giving details of Metro performance.

Transport North East (Tyne and Wear) Sub-Committee

1. Background Information

- 1.1 The Concession Agreement between Nexus and DB Regio Tyne and Wear Limited (DBTW) expired at 01:59 hours on 1 April 2017. Nexus began managing Metro operations “in-house” from 1 April 2017. This followed closer and more direct management of DBTW by Nexus in the final year of the Concession Agreement.
- 1.2 Nexus set up a programme management approach to facilitate the transition from DBTW to Nexus and members have considered updates on the transition at previous meetings of this Sub-Committee. At a policy seminar, held in January 2017, members noted that the transition between operators elsewhere in the UK rail industry has sometimes resulted in a decline in performance.
- 1.3 Based on the experience elsewhere in the UK, members identified the need for this Sub-Committee to closely monitor the performance of Metro operations up to and following the transition. At the meeting of the Sub-Committee on 27 February 2017 members agreed performance measures to be reported to the Sub-Committee, and the format of the performance update.
- 1.4 This report sets out the Metro performance update for the eight weeks from 28 May 2017 to 22 July 2017. Appendix 1 contains detailed commentary against the performance measures.

2. Proposals

- 2.1 The Sub-Committee is invited to consider and comment upon the performance of Metro during the relevant period.

3. Reasons for the Proposals

- 3.1 The Sub-Committee’s comments will inform future actions to improve Metro performance.

4. Alternative Options Available

- 4.1 There are no alternative options as the report is for information only.

5. Next Steps and Timetable for Implementation

- 5.1 The next performance update will be presented at the November 2017 meeting of the Sub-Committee.

6. Potential Impact on Objectives

- 6.1 Performance monitoring and review can help ensure the achievement of desired

Transport North East (Tyne and Wear) Sub-Committee

outcomes.

7. Financial and Other Resources Implications

7.1 There are no direct financial or resource considerations arising from this report.

8. Legal Implications

8.1 There are no direct legal considerations arising from this report.

9. Key Risks

9.1 There are no specific risk management considerations arising from this report. Applying performance management can help mitigate and avoid the occurrence of risks.

10. Equality and Diversity

10.1 There are no specific equalities and diversity considerations arising from this report.

11. Crime and Disorder

11.1 There are no specific crime and disorder considerations arising from this report.

12. Consultation/Engagement

12.1 There are no specific consultation/engagement considerations arising from this report.

13. Other Impact of the Proposals

13.1 There are no other specific impacts of the proposals.

14. Appendices

14.1 Appendix 1 – Metro performance update report

15. Background Papers

15.1 None

16. Contact Officers

16.1 Tobyn Hughes

Transport North East (Tyne and Wear) Sub-Committee

Managing Director (Transport Operations)
E-mail: tobyn.hughes@nexus.org.uk
Tel: 0191 203 3246

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

See glossary within Appendix 1

Transport North East (Tyne and Wear) Sub-Committee

Appendix 1



Metro performance update

Periods 3 & 4 2017/18

(28 May 2017 to 22 July 2017)

Punctuality: **89.4%**
86.0% Last year

Customer
Satisfaction: **7.8 / 10** May 2017
7.7 / 10 November 2016
7.4 / 10 May 2016

Transport North East (Tyne and Wear) Sub-Committee

Glossary of terms

EHW - Excess Headway Minutes, the method by which delays experienced by passengers are measured. The total EHW for any period is subject to an attribution process resulting to an agreed allocation across the Operator, Nexus Rail, Network Rail and Other/disputed depending on the identified causation.

LRA - Low Rail Adhesion - Leaves falling on tracks are compressed and become a slippery substance that is difficult to remove and creates greasy track conditions known as Low Rail Adhesion.

MAA – moving annual average - the average for the past 13 periods (i.e. 12 months) including the 4-week period being reported on.

Metrocar kilometres per 4+ Excess Headway Minute fault – is calculated as the total number of fleet failures affecting the Metro service by four minutes or more divided by the total fleet kilometres in the period being reviewed.

Metro Customer Satisfaction Score – the result of a tracking survey that is carried out in May and November each year.

Network Rail – the statutory infrastructure provider maintaining the railway and providing the power and signalling for the tracks and stations between Pelaw and South Hylton via Sunderland.

Nexus Rail – the division of Nexus responsible for providing and maintaining the Metro infrastructure including the track and stations owned by Nexus.

Patronage – the number of passenger boardings for a service, mode or area over a specified period normally arrived at by survey, the use of ticket machine data or some combination of both. Often used interchangeably with Ridership.

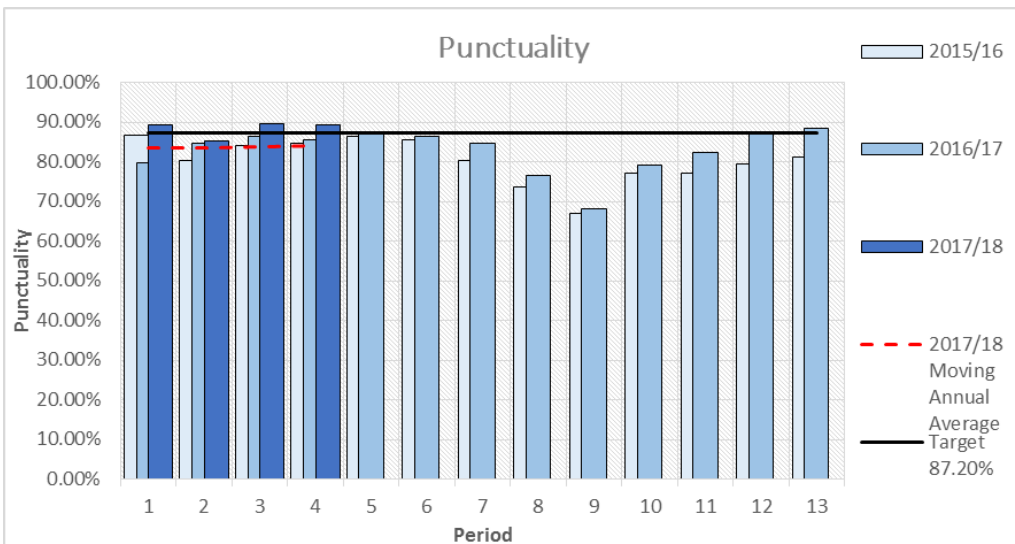
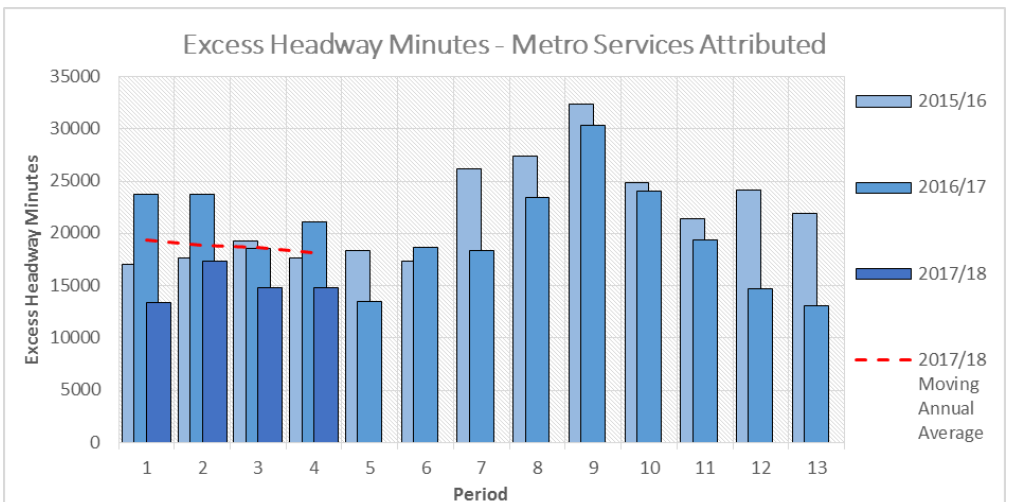
Period – 4-week periods (there are 13 in each financial year) used for financial, accounting and performance measurement purposes.

Punctuality – measurement of train punctuality as set out in the Metro Passenger Charter; measures the percentage of trains arriving within three minutes later or within 29 seconds earlier than scheduled.

RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations – legislation which puts duties on employers, the self-employed and people in control of work premises to report certain serious workplace accidents, operational diseases and specified dangerous occurrences (near misses) to the Health and Safety Executive

SQR – Service Quality Regime - the means by which quality standards on stations and trains is measured

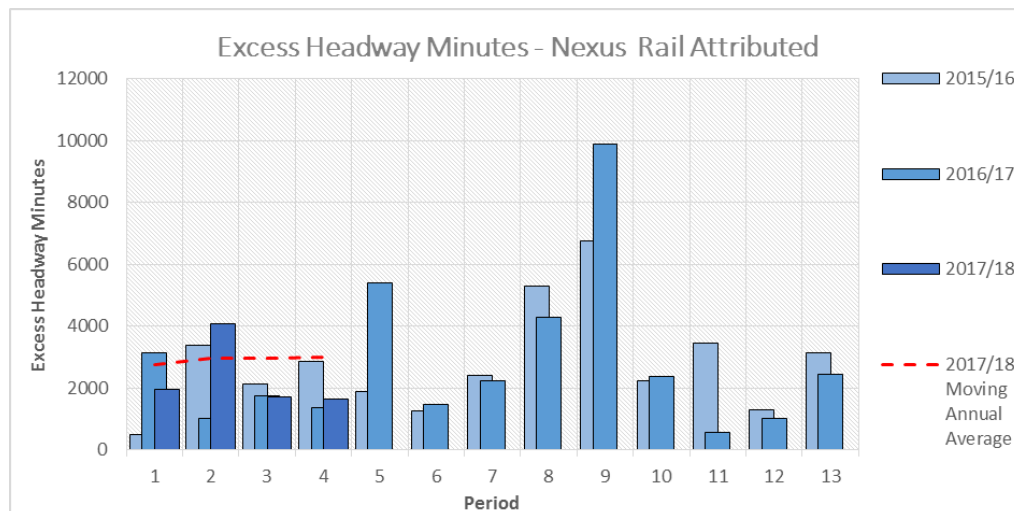
Transport North East (Tyne and Wear) Sub-Committee

Operational performance																																																									
Indicator:	Performance and Key Considerations:																																																								
Punctuality	<p>During the two periods leading up to 22 July a punctuality figure of 89.4% was achieved by Metro compared to 86.0% over the same eight weeks last year. Both Periods 3 and 4 exceeded the 87.2% target, at 89.51% and 89.38% respectively. Details of factors which affected punctuality are outlined in the rest of this section.</p> <div><p>Punctuality</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>1</td><td>85.00%</td><td>88.00%</td><td>89.00%</td></tr><tr><td>2</td><td>86.00%</td><td>87.00%</td><td>88.00%</td></tr><tr><td>3</td><td>87.00%</td><td>88.00%</td><td>89.51%</td></tr><tr><td>4</td><td>88.00%</td><td>89.00%</td><td>89.38%</td></tr><tr><td>5</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>6</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>7</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>8</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>9</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>10</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>11</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>12</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr><tr><td>13</td><td>88.00%</td><td>88.00%</td><td>88.00%</td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	1	85.00%	88.00%	89.00%	2	86.00%	87.00%	88.00%	3	87.00%	88.00%	89.51%	4	88.00%	89.00%	89.38%	5	88.00%	88.00%	88.00%	6	88.00%	88.00%	88.00%	7	88.00%	88.00%	88.00%	8	88.00%	88.00%	88.00%	9	88.00%	88.00%	88.00%	10	88.00%	88.00%	88.00%	11	88.00%	88.00%	88.00%	12	88.00%	88.00%	88.00%	13	88.00%	88.00%	88.00%
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Excess Headway Minutes (Metro Services)	<p>Just over 14,800 Excess Headway Minutes per four-week period was allocated to the Operator over the eight weeks under review, an increase of approximately 200 Excess Headway Minutes per four-week period when compared with the previous three periods. However, this represents an improvement on the same two periods last year. Fleet issues caused the majority of Excess Headway Minutes.</p> <div><p>Excess Headway Minutes - Metro Services Attributed</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>1</td><td>23000</td><td>17000</td><td>13000</td></tr><tr><td>2</td><td>23000</td><td>17000</td><td>13000</td></tr><tr><td>3</td><td>19000</td><td>18000</td><td>14000</td></tr><tr><td>4</td><td>21000</td><td>17000</td><td>14000</td></tr><tr><td>5</td><td>18000</td><td>13000</td><td>13000</td></tr><tr><td>6</td><td>18000</td><td>18000</td><td>13000</td></tr><tr><td>7</td><td>26000</td><td>18000</td><td>13000</td></tr><tr><td>8</td><td>27000</td><td>23000</td><td>13000</td></tr><tr><td>9</td><td>32000</td><td>30000</td><td>13000</td></tr><tr><td>10</td><td>25000</td><td>24000</td><td>13000</td></tr><tr><td>11</td><td>21000</td><td>19000</td><td>13000</td></tr><tr><td>12</td><td>24000</td><td>14000</td><td>13000</td></tr><tr><td>13</td><td>22000</td><td>13000</td><td>13000</td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	1	23000	17000	13000	2	23000	17000	13000	3	19000	18000	14000	4	21000	17000	14000	5	18000	13000	13000	6	18000	18000	13000	7	26000	18000	13000	8	27000	23000	13000	9	32000	30000	13000	10	25000	24000	13000	11	21000	19000	13000	12	24000	14000	13000	13	22000	13000	13000
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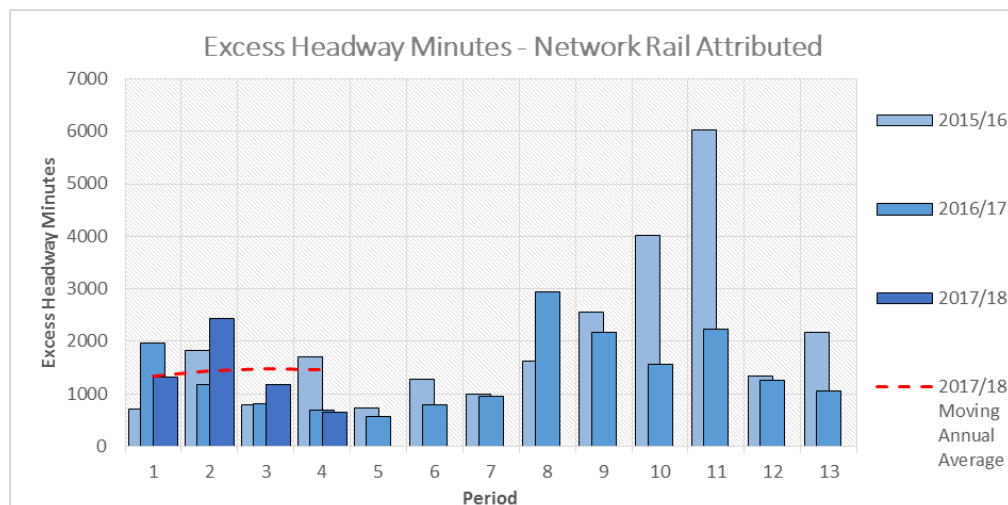
Excess Headway Minutes (Nexus Rail)

An average of just under 1,700 Excess Headway Minutes per four-week period was allocated to Nexus Rail; this is a reduction of 1,100 Excess Headway Minutes per four-week period compared with the previous three periods, and 200 Excess Headway Minutes per four-week period higher than the same periods in the previous year.



Excess Headway Minutes (Network Rail)

An average of 900 Excess Headway Minutes per four-week period were allocated to Network Rail, this is an improvement of 400 Excess Headway Minutes per four-week period when compared with the previous three periods but a worsening of 150 Excess Headway Minutes per four-week period when compared with the same time last year.



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Fleet performance																																																									
Indicator:	Performance and Key Considerations:																																																								
Metrocar kilometres per 4+ Excess Headway Minute fault	<p>Performance was an average of 5,553km per fault in the eight weeks to 22 July. This is a reduction from the previous three periods which saw the average at 7,642km, although better than the same eight weeks last year. Fleet failures remain a significant challenge to improving overall punctuality.</p> <div><p>Metrocar KM / 4 Minute Fault</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>1</td><td>6000</td><td>5200</td><td>9800</td></tr><tr><td>2</td><td>6200</td><td>4400</td><td>6500</td></tr><tr><td>3</td><td>7200</td><td>4800</td><td>5200</td></tr><tr><td>4</td><td>8200</td><td>4900</td><td>5800</td></tr><tr><td>5</td><td>7800</td><td>9000</td><td>0</td></tr><tr><td>6</td><td>6800</td><td>6800</td><td>0</td></tr><tr><td>7</td><td>8200</td><td>7500</td><td>0</td></tr><tr><td>8</td><td>7800</td><td>7500</td><td>0</td></tr><tr><td>9</td><td>6500</td><td>7500</td><td>0</td></tr><tr><td>10</td><td>7000</td><td>6800</td><td>0</td></tr><tr><td>11</td><td>7000</td><td>7500</td><td>0</td></tr><tr><td>12</td><td>5500</td><td>6800</td><td>0</td></tr><tr><td>13</td><td>6200</td><td>6500</td><td>0</td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	1	6000	5200	9800	2	6200	4400	6500	3	7200	4800	5200	4	8200	4900	5800	5	7800	9000	0	6	6800	6800	0	7	8200	7500	0	8	7800	7500	0	9	6500	7500	0	10	7000	6800	0	11	7000	7500	0	12	5500	6800	0	13	6200	6500	0
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Peak fleet availability	<p>Peak fleet availability in the eight weeks ending 22 July saw the full service delivery requirement being met on 1.3% (1/78) of the weekday morning and evening peaks. In addition to the number of Metrocars requiring major repairs, failure of an aging component has also impacted on the number of Metrocars requiring repairs.</p> <div><p>Peak Fleet Availability</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>1</td><td>60%</td><td>28%</td><td>62%</td></tr><tr><td>2</td><td>48%</td><td>0%</td><td>2%</td></tr><tr><td>3</td><td>55%</td><td>10%</td><td>0%</td></tr><tr><td>4</td><td>90%</td><td>20%</td><td>2%</td></tr><tr><td>5</td><td>98%</td><td>48%</td><td>0%</td></tr><tr><td>6</td><td>82%</td><td>32%</td><td>0%</td></tr><tr><td>7</td><td>40%</td><td>82%</td><td>0%</td></tr><tr><td>8</td><td>35%</td><td>82%</td><td>0%</td></tr><tr><td>9</td><td>30%</td><td>65%</td><td>0%</td></tr><tr><td>10</td><td>38%</td><td>42%</td><td>0%</td></tr><tr><td>11</td><td>42%</td><td>50%</td><td>0%</td></tr><tr><td>12</td><td>18%</td><td>82%</td><td>0%</td></tr><tr><td>13</td><td>58%</td><td>72%</td><td>0%</td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	1	60%	28%	62%	2	48%	0%	2%	3	55%	10%	0%	4	90%	20%	2%	5	98%	48%	0%	6	82%	32%	0%	7	40%	82%	0%	8	35%	82%	0%	9	30%	65%	0%	10	38%	42%	0%	11	42%	50%	0%	12	18%	82%	0%	13	58%	72%	0%
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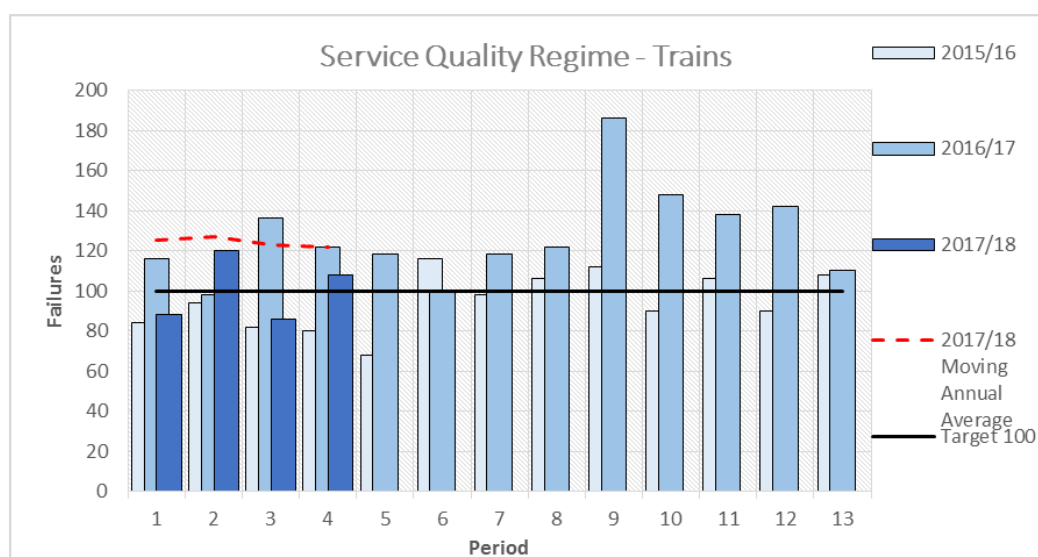
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Customer experience																																																									
Indicator:	Performance and Key Considerations:																																																								
Customer Satisfaction Survey	<p>The May 2017 Metro Customer Satisfaction Survey (CSS) score rose to 7.8, an improvement on both the November 2016 score of 7.7 and the May 2016 score of 7.4. The score remains short of the 8.3 target. A Metro Improvement Plan is in place to increase customer satisfaction.</p> <div><p>Customer Satisfaction Survey - Overall Satisfaction</p><table><thead><tr><th>Fiscal Year</th><th>May</th><th>Nov</th></tr></thead><tbody><tr><td>2010/11</td><td>7.9</td><td>8.0</td></tr><tr><td>2011/12</td><td>8.0</td><td>8.0</td></tr><tr><td>2012/13</td><td>8.0</td><td>8.0</td></tr><tr><td>2013/14</td><td>7.8</td><td>8.1</td></tr><tr><td>2014/15</td><td>7.7</td><td>8.0</td></tr><tr><td>2015/16</td><td>7.6</td><td>7.8</td></tr><tr><td>2016/17</td><td>7.4</td><td>7.6</td></tr><tr><td>2017/18</td><td>7.7</td><td>7.8</td></tr></tbody></table></div>	Fiscal Year	May	Nov	2010/11	7.9	8.0	2011/12	8.0	8.0	2012/13	8.0	8.0	2013/14	7.8	8.1	2014/15	7.7	8.0	2015/16	7.6	7.8	2016/17	7.4	7.6	2017/18	7.7	7.8																													
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Service Quality Regime – Stations	<p>An average of 58 fails were recorded per 4-week period, in the eight weeks to 22 July. This is an improvement from the previous twelve weeks which saw an average of 60 fails per 4-week period, but remains above the target of 55 and slightly above the level seen in the same eight weeks last year. Graffiti levels continue to be the main driver of fails, with resources being directed to identify and then remove graffiti as quickly as possible.</p> <div><p>Service Quality Regime - Stations</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>1</td><td>65</td><td>48</td><td>55</td></tr><tr><td>2</td><td>60</td><td>45</td><td>65</td></tr><tr><td>3</td><td>60</td><td>55</td><td>55</td></tr><tr><td>4</td><td>82</td><td>52</td><td>62</td></tr><tr><td>5</td><td>72</td><td>60</td><td>58</td></tr><tr><td>6</td><td>75</td><td>58</td><td>55</td></tr><tr><td>7</td><td>75</td><td>55</td><td>55</td></tr><tr><td>8</td><td>58</td><td>45</td><td>55</td></tr><tr><td>9</td><td>65</td><td>50</td><td>55</td></tr><tr><td>10</td><td>68</td><td>55</td><td>55</td></tr><tr><td>11</td><td>72</td><td>55</td><td>55</td></tr><tr><td>12</td><td>65</td><td>65</td><td>55</td></tr><tr><td>13</td><td>58</td><td>55</td><td>55</td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	1	65	48	55	2	60	45	65	3	60	55	55	4	82	52	62	5	72	60	58	6	75	58	55	7	75	55	55	8	58	45	55	9	65	50	55	10	68	55	55	11	72	55	55	12	65	65	55	13	58	55	55
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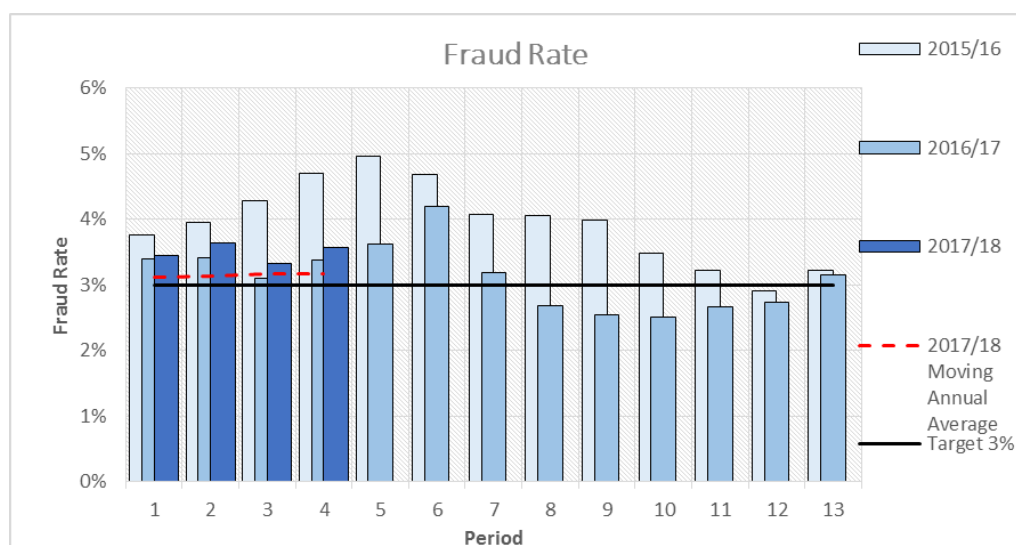
Service Quality Regime – Metrocars

An average of 97 fails per 4-week period were recorded in the eight weeks to 22 July. This is an improvement on the 106 fails per 4-week period recorded in the previous twelve weeks, and an improvement compared with the same eight weeks last year. Unlike Stations, there is no dominant indicator making up the failures so the focus remains on ensuring issues are identified and addressed quickly.



Fraud rate

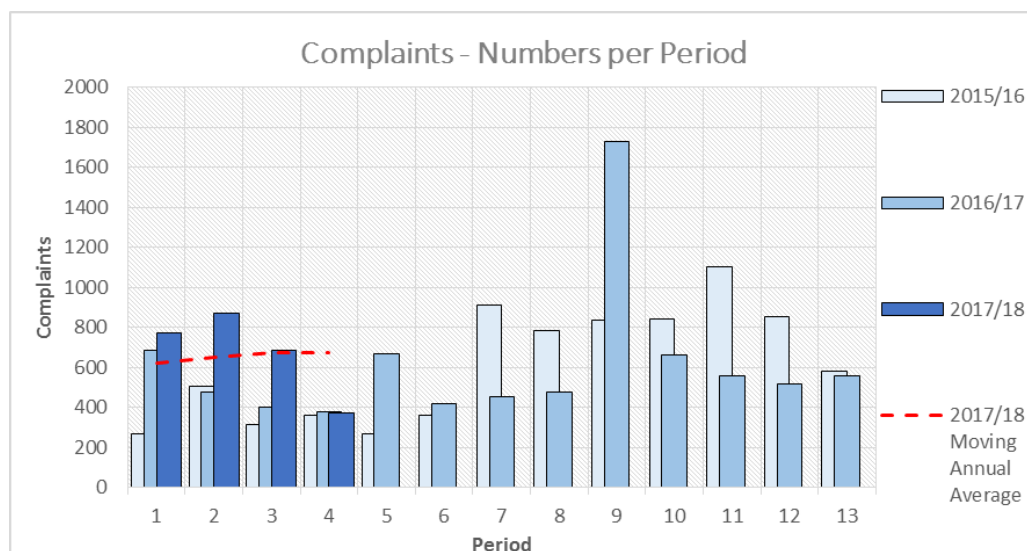
The fraud rate was an average of 3.4% over the eight weeks to 22 July. This is the same as the previous twelve weeks which had also had an average level of 3.4%. The rate is slightly worse than the same eight weeks last year, which had a fraud rate of 3.2%.



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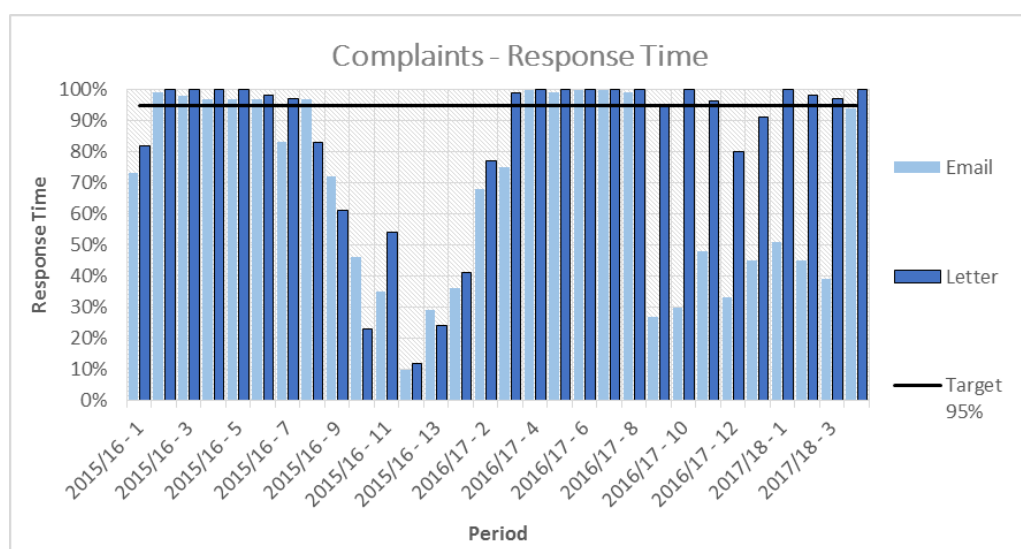
Complaints numbers

Complaints numbers reduced over the eight weeks to 22 July, with an average of 528 per 4-week period. The reduction in the number of complaints reflects the improved service performance and reduction in major disruptions.

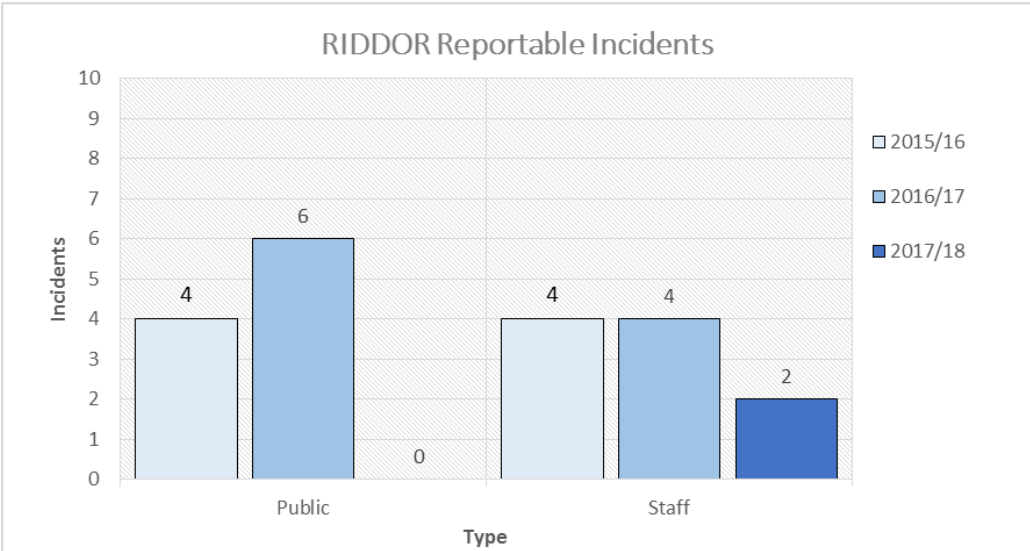


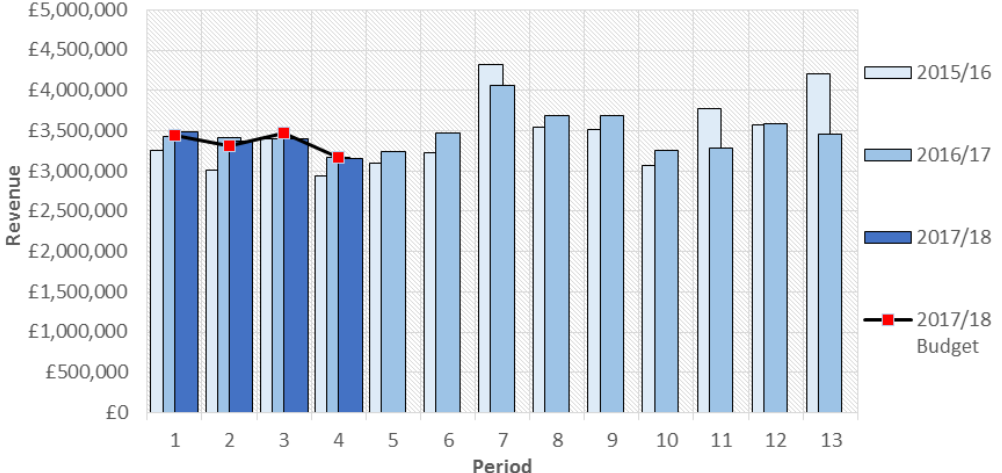
Complaints response time

Response times for letters are now meeting target with emails falling slightly under target for the latest four-week period (94% responded to within 5 working days vs a target of 95%). Extra resources have been used to bring the response time back onto target and, assisted by the lower number of complaints during the latest four-week period.

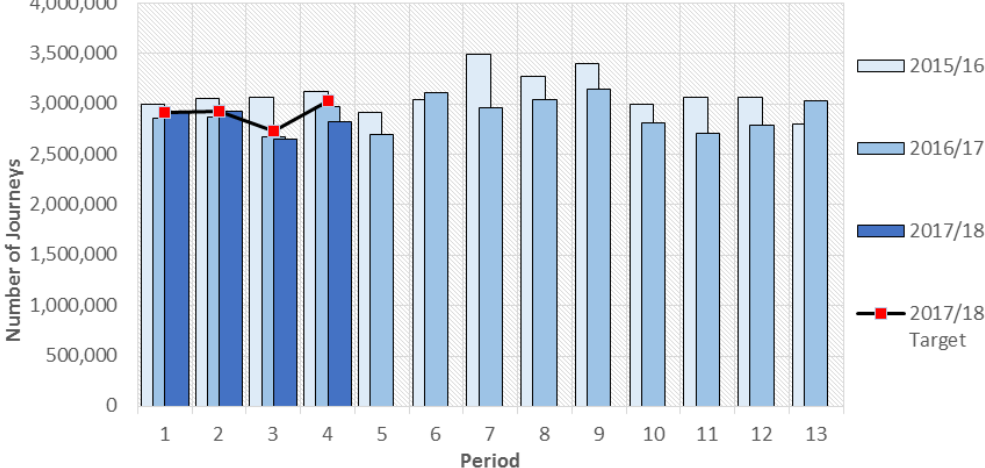


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Safety													
Indicator:	Performance and Key Considerations:												
Number of accidents	<p>There have been two staff RIDDOR reportable accidents in 2017/18 to date and no public RIDDOR reportable accidents.</p> <div><p>RIDDOR Reportable Incidents</p><table><thead><tr><th>Type</th><th>2015/16</th><th>2016/17</th><th>2017/18</th></tr></thead><tbody><tr><td>Public</td><td>4</td><td>6</td><td>0</td></tr><tr><td>Staff</td><td>4</td><td>4</td><td>2</td></tr></tbody></table></div>	Type	2015/16	2016/17	2017/18	Public	4	6	0	Staff	4	4	2
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Farebox																																																																							
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Total Farebox revenue	<p>Total revenue for the year to date currently stands at £13.41m v budget of £13.41m. Periodic performance versus previous years and budget is shown below.</p> <div><p>Total Revenue</p><p>The chart displays total revenue for 13 periods. The y-axis represents revenue from £0 to £5,000,000. The x-axis represents the period from 1 to 13. The legend indicates three years: 2015/16 (light blue), 2016/17 (medium blue), and 2017/18 (dark blue). A red line with square markers represents the 2017/18 Budget. The revenue for 2017/18 is consistently at the budget level of approximately £3,400,000 per period.</p><table><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th>2017/18 Budget</th></tr><tr><td>1</td><td>£3,200,000</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td></tr><tr><td>2</td><td>£3,000,000</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td></tr><tr><td>3</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td></tr><tr><td>4</td><td>£2,900,000</td><td>£3,200,000</td><td>£3,200,000</td><td>£3,200,000</td></tr><tr><td>5</td><td>£3,200,000</td><td>£3,200,000</td><td>£3,200,000</td><td>£3,200,000</td></tr><tr><td>6</td><td>£3,200,000</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td></tr><tr><td>7</td><td>£4,300,000</td><td>£4,100,000</td><td>£4,100,000</td><td>£4,100,000</td></tr><tr><td>8</td><td>£3,500,000</td><td>£3,600,000</td><td>£3,600,000</td><td>£3,600,000</td></tr><tr><td>9</td><td>£3,400,000</td><td>£3,600,000</td><td>£3,600,000</td><td>£3,600,000</td></tr><tr><td>10</td><td>£3,100,000</td><td>£3,200,000</td><td>£3,200,000</td><td>£3,200,000</td></tr><tr><td>11</td><td>£3,700,000</td><td>£3,200,000</td><td>£3,200,000</td><td>£3,200,000</td></tr><tr><td>12</td><td>£3,500,000</td><td>£3,500,000</td><td>£3,500,000</td><td>£3,500,000</td></tr><tr><td>13</td><td>£4,200,000</td><td>£3,400,000</td><td>£3,400,000</td><td>£3,400,000</td></tr></table></div>	Period	2015/16	2016/17	2017/18	2017/18 Budget	1	£3,200,000	£3,400,000	£3,400,000	£3,400,000	2	£3,000,000	£3,400,000	£3,400,000	£3,400,000	3	£3,400,000	£3,400,000	£3,400,000	£3,400,000	4	£2,900,000	£3,200,000	£3,200,000	£3,200,000	5	£3,200,000	£3,200,000	£3,200,000	£3,200,000	6	£3,200,000	£3,400,000	£3,400,000	£3,400,000	7	£4,300,000	£4,100,000	£4,100,000	£4,100,000	8	£3,500,000	£3,600,000	£3,600,000	£3,600,000	9	£3,400,000	£3,600,000	£3,600,000	£3,600,000	10	£3,100,000	£3,200,000	£3,200,000	£3,200,000	11	£3,700,000	£3,200,000	£3,200,000	£3,200,000	12	£3,500,000	£3,500,000	£3,500,000	£3,500,000	13	£4,200,000	£3,400,000	£3,400,000	£3,400,000
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Indicator:	Performance and Key Considerations:																																																																						
Total Patronage	<p>Total patronage for the year as at Period 4 stands at 11.3m v target of 11.6m (-2.4%). This position is reflective of the farebox revenue. The Periodic performance versus the previous two years and versus target is shown below.</p> <div><p>Total Patronage</p><table><thead><tr><th>Period</th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th>2017/18 Target</th></tr></thead><tbody><tr><td>1</td><td>2,950,000</td><td>2,900,000</td><td>2,900,000</td><td>2,900,000</td></tr><tr><td>2</td><td>3,000,000</td><td>2,950,000</td><td>2,950,000</td><td>2,950,000</td></tr><tr><td>3</td><td>3,050,000</td><td>2,850,000</td><td>2,700,000</td><td>2,750,000</td></tr><tr><td>4</td><td>3,100,000</td><td>3,000,000</td><td>2,800,000</td><td>3,050,000</td></tr><tr><td>5</td><td>2,900,000</td><td>2,750,000</td><td></td><td></td></tr><tr><td>6</td><td>3,050,000</td><td>3,100,000</td><td></td><td></td></tr><tr><td>7</td><td>3,500,000</td><td>2,950,000</td><td></td><td></td></tr><tr><td>8</td><td>3,250,000</td><td>3,000,000</td><td></td><td></td></tr><tr><td>9</td><td>3,400,000</td><td>3,150,000</td><td></td><td></td></tr><tr><td>10</td><td>2,950,000</td><td>2,800,000</td><td></td><td></td></tr><tr><td>11</td><td>3,050,000</td><td>2,700,000</td><td></td><td></td></tr><tr><td>12</td><td>3,050,000</td><td>2,800,000</td><td></td><td></td></tr><tr><td>13</td><td>2,800,000</td><td>3,000,000</td><td></td><td></td></tr></tbody></table></div>	Period	2015/16	2016/17	2017/18	2017/18 Target	1	2,950,000	2,900,000	2,900,000	2,900,000	2	3,000,000	2,950,000	2,950,000	2,950,000	3	3,050,000	2,850,000	2,700,000	2,750,000	4	3,100,000	3,000,000	2,800,000	3,050,000	5	2,900,000	2,750,000			6	3,050,000	3,100,000			7	3,500,000	2,950,000			8	3,250,000	3,000,000			9	3,400,000	3,150,000			10	2,950,000	2,800,000			11	3,050,000	2,700,000			12	3,050,000	2,800,000			13	2,800,000	3,000,000		
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Transport North East (Tyne and Wear) Sub-Committee

Date: 14 September 2017

Subject: Update on Nexus' Corporate Risk Register 2017/18

Report of: Managing Director (Transport Operations)

Executive Summary

The report shows that Nexus continues to apply adequate and appropriate controls to its Corporate Risks as a result of which the status of most risks has remained stable since the previous report and therefore remain contained within the risk appetite of the organisation. A change in status has taken place in one risk status which has improved from being assessed as Amber to Green, as explained in the report.

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to note the report and the attached appendix providing an update on Nexus' CRR.

Transport North East (Tyne and Wear) Sub-Committee

1. Background Information

- 1.1 This report provides an update on Nexus' Corporate Risk Register (CRR) for 2017/18, containing fifteen risks, as submitted to the Transport North East (Tyne and Wear) Sub-Committee meeting on 20 April 2017.
- 1.2 In preparing the update report each risk is reviewed, in liaison with the risk owner/actionee, to assess whether there has been any change to the risk score and ensure that the risk control processes remain adequate & appropriate. If there is an alteration to the status of a risk the reasons for the change are explained in this update report.
- 1.3 The following table identifies each of the fifteen risks in turn, the links to workstreams in Nexus' Corporate Business Plan (CBP) for 2017/18 to 2019/20, the current Red/Amber/Green (RAG) status and the direction of travel (comparing the current RAG status with the previous one). A detailed explanation of the nature of each risk, together with controls and milestones, is set out in Appendix 1 to the report. A copy of the scoring matrix that has been applied is also appended for information.

Risk area/CBP workstream link(s):	RAG Status /Score	Direction of travel
Metro performance deterioration Improve Metro performance	Amber 8	↔ (static)
Catastrophic event on Metro Metro performance/Focus on Health and Safety	Amber 8	↔ (static)
Rail North working arrangements Enhance local and national rail services	Green 6	↔ (static)
Payment and customer information systems Embed new technology/Innovate through technology	Green 6	↔ (static)
Metro Asset Renewal Programme fails to deliver intended outcomes/Deliver the Asset Renewal Programme	Green 6	↔ (static)
Non-ARP capital projects fail to deliver intended outcomes/Deliver the non-ARP capital projects	Green 6	↔ (static)
Provision of public transport services and facilities	Amber 9	↔

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does not meet customer expectations. Deliver and develop public transport services and facilities		(static)
Replacement of the Metrocar fleet and putting a new contract in place Obtain a new fleet and prepare for the new Metro contract	Amber 8	↓ (declining)
Long-term funding for Metro Secure long term improvements to Metro infrastructure	Amber 9	↔ (static)
Work to expand the Metro and local rail network does not progress./Plan for expansion of Metro and local rail networks	Amber 9	↔ (static)
Bus Strategy delivery arrangements Plan for local bus service improvements.	Green 6	↑ (improving)
Business cases for external funding Secure investment in local public transport assets	Amber 9	↔ (static)
Future retention of key skills and abilities Refine training and succession planning & Ensure Nexus is an employer of choice	Green 6	↔ (static)
Nexus' service review fails to deliver the necessary savings/Service review to balancing the budget	Green 6	↔ (static)
The Devolution agenda on transport matters is progressed without having due regard to Nexus' funding, functions and powers/Focus on organisational effectiveness	Amber 8	↔ (static)

1.4 As can be seen from the table above there has been a change to the status of the risk, pertaining to 'Bus Strategy Delivery Arrangements', which has improved from Amber to Green. The publication of secondary legislation and the statutory guidance on how to apply the Transport Act 2017 is now very close and it is considered unlikely that this will fail to provide some means to deliver the Bus Strategy. The current risk will therefore fall away and Nexus will examine the statutory guidance, once published, to assess the risk(s) involved in the various delivery routes made available by the new legislation. This will result in a new Corporate Risk being articulated in respect of this workstream.

1.5 The risk associated with 'Replacement of the Metrocar fleet and putting a new contract in place' has deteriorated from Green to Amber. Whilst DfT have fully accepted that the case for a new fleet is not in dispute, the form and quantum of financing and the

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contractual arrangements pertaining are still not resolved.

2. Proposals

- 2.1 The report is for information only: there are no specific proposals arising from this periodic update report on Nexus' Corporate Risk Register (CRR).

3. Reasons for the Proposals

- 3.1 The report is for information only: there are no proposals arising from this periodic update report on Nexus' CRR.

4. Alternative Options Available

- 4.1 The report is for information only: there are no proposals on which to base alternative options arising from this periodic update report on Nexus' CRR.

5. Next Steps and Timetable for Implementation

- 5.1 A report updating on Nexus' CRR will be presented to each scheduled meeting of the Transport North East (Tyne and Wear) Sub-Committee in order to enable the required monitoring considerations and assurance activity to take place in accordance with the NECA's Constitution and the role and functions that are thereby delegated to the Transport North East (Tyne and Wear) Sub-Committee. The update will contain details of any risks where a change in the status has been identified as a result of the review process.

6. Potential Impact on Objectives

- 6.1 Monitoring Nexus' CRR therefore helps to provide assurance that the NECA's policies and objectives are being implemented efficiently and effectively in accordance with the approved plan and that those corporate risks which, if they occurred, could negate achievement of the plan are explicitly recognised and appropriately managed.

7. Financial and Other Resources Implications

- 7.1 There are no direct financial or resource considerations arising from this periodic update report on Nexus' corporate risk register.

8. Legal Implications

- 8.1 There are no direct legal considerations arising from this periodic update on Nexus' corporate risk register.

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9. Key Risks

- 9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing corporate risk plays an important role in risk management and mitigation. A separate review of Nexus' performance against its business plan is provided to each meeting of the Transport North East (Tyne and Wear) Sub-Committee in parallel with this report.

10. Equality and Diversity

- 10.1 There are no specific equalities and diversity considerations arising from this periodic update on Nexus' corporate risks.

11. Crime and Disorder

- 11.1 There are no specific crime and disorder considerations arising from this periodic update on Nexus' corporate risk register.

12. Consultation/Engagement

- 12.1 There are no specific consultation or engagement considerations arising from this periodic update on Nexus' corporate risk register.

13. Other Impact of the Proposals

- 13.1 There are no direct proposals arising from this periodic update on Nexus' CRR, and therefore no consequential impacts other than applying risk management processes and procedures tends to help avoid or lessen the likelihood of the risk or hazard arising.

14. Appendices

- 14.1 Appendix 1 to this report provides a detailed explanation of the nature of each of the risk in Nexus' CRR, together with controls and milestones. A copy of the scoring matrix that has been applied is also appended for information.

15. Background Papers

- 15.1 Nexus' Corporate Business Plan 2017/18 to 2019/20 as considered and approved at the Transport North East (Tyne and Wear) Sub-Committee meeting held on 26 January 2017.
- 15.2 Nexus' Corporate Risk Register as reported to the Transport North East (Tyne and

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Wear) Sub-Committee on 20 April 2017.

16. Contact Officers

- 16.1 Tobyn Hughes,
Managing Director (Transport Operations)
Email: tobyn.hughes@nexus.org.uk
Tel: 0191 203 3236

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

Corporate Risk - relates to those factors that might have a significant effect on the achievement of workstreams in Nexus' Corporate Business Plan and therefore the successful delivery of the NECA's policies and priorities.

Risk - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

Risk appetite - The level of risk that an organisation is prepared to accept in pursuit of its objectives, and before action is deemed necessary to reduce the risk.

Risk Controls or control processes - are those pre-emptive actions which are specifically identified to be taken to lower the impact of the risk or reduce the likelihood of the risk materialising, or both of these.

Risk Matrix - a graphical representation of the Risk Severity and the extent to which the Controls mitigate it.

Risk Owner - has overall responsibility for the management and reporting of the risk.

Risk Actionee – has delegated responsibility from the Risk Owner to take action and manage the risk through application of the appropriate risk controls and processes.

Risk Impact - indicates the potential seriousness should the risk materialise.

Risk Likelihood - indicates the chance of a risk materialising in the time period

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under consideration.

Risk Score - the product of the Impact score multiplied by the Likelihood score.

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Nexus' Corporate Risk Register:

CBP Theme: Deliver public transport today		
CBP Workstream: Improve Metro performance		
Risk Owner: Director of Rail and Infrastructure Risk Area: Performance deterioration	RAG Status (Amber)	Direction of Travel
	8 (2x4) ¹	↔ (static)
Risk: That the transition from Metro being operated by DBTW to operation by Nexus' wholly owned subsidiary, North East Metro Operations Ltd. (NEMOL), results in a decline in performance.		
Impact/Consequence(s): If Metro's operational performance were to decline for an extended period following the transition on 1 April 2017 this could have an adverse impact on Nexus' reputation with regard to service delivery and possible consequences for future funding arrangements that are being negotiated with external stakeholders.		
Control(s): <ul style="list-style-type: none"> Applying 'micro-management' to critical operational issues. Speedy resolution to filling any senior NEMOL posts after the 1/4/17. Close monitoring of the 'Metro Improvement Plan'. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> Embedding the routine performance management and business reporting cycle. 		

CBP Theme: Deliver public transport today		
CBP Workstream: Metro performance/Focus on Health & Safety		
Risk Owner: Director of Rail and Infrastructure Risk Area: Catastrophic event	RAG Status (Amber)	Direction of Travel
	8 (2x4)	← → (static)
Risk: In running any operational railway there is an inherent risk that a catastrophic event may occur.		
Impact/Consequence(s): The impact and consequences should a catastrophic event occur on the Metro system could potentially be very significant, including the possibility for multiple loss of life, lengthy loss of service, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.		
Control(s): <ul style="list-style-type: none"> • A well-developed safety management system (SMS) which is independently accredited by the Office of Rail and Road (ORR) as a prerequisite to granting legal authority to operate a railway. • Robust arrangements for the selection and management of contractors working on Metro infrastructure. • Maintaining a comprehensive suite of engineering standards in all relevant railway disciplines based on industry best practice • The identification of the top 3 potentially catastrophic events we aim to avoid and strive to control: collision, derailment, and fire. • Continuously monitoring & controlling the precursors of these events resulting in the ability to exploit lessons learnt from them (e.g. by reducing the risk of broken rails we can reduce the likelihood of derailments; reducing the amount of flammable material around the system reduces the likelihood of fire; applying strict signalling protocols reduces the likelihood of collision). • Regular reporting to Nexus' Corporate Management Team, on a 4 weekly basis, on each of these top 3 events, with a short summary of any identified precursors. • Undertaking a very significant volume of safety assurance activity in-house as part of everyday practice in the management of safety (e.g., audit, inspection, monitoring and checking). • Participating in joint emergency preparedness exercises with the blue-light services and other interested parties e.g. Network Rail, Newcastle Airport, Train Operating Companies. • Continuation of the Safety Cultural Work started in 2015. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Periodic reporting to Corporate Management Team meetings. 		

CBP Theme: Deliver public transport today		
CBP Workstream: Enhance local and national rail services		
Risk Owner: Director of Rail and Infrastructure Risk Area: Rail North working arrangements	RAG Status (Green)	Direction of Travel
	6 (2x3)	↔ (static)
Risk: Rail North working arrangements may fail to deliver the NECA's ambitions for improvements in rail services.		
Impact/Consequence(s): The NECA is seeking to achieve transformational improvements in rail services for the area. Failure to secure these improvements could leave the NECA area isolated in terms of rail connectivity and thereby limit delivery of the Strategic Economic Plan.		
Control(s): <ul style="list-style-type: none"> • Active participation in Rail North. • Ensuring that the NECA Lead Member for Transport is fully briefed. • Formation of the North East Rail Management Unit (NERMU). • Appointment of NERMU Manager. • Close working relationships developed with Rail North Partnership Directors. • Close working relationships developed with senior managers of newly appointed local rail franchise operators. • Close working relationships developed with senior managers of existing rail franchises that serve the North East. • Transport for the North –of which Rail North is a part – becoming a statutory sub-national body in 2017. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Continue with the newly developed framework for engaging and managing the new North East Rail Franchises. 		

CBP Theme: Deliver public transport today/Plan for tomorrow		
CBP Workstream: Embed new technology/ Innovate through technology		
Risk Owner: Corporate Manager Business Change and Technology Risk Area: Payment and customer information systems	RAG Status (Green)	Direction of Travel
	6 (3x2)	←→ (static)
Risk: Payment and customer information systems do not meet the rate of change in customer expectations.		
Impact/Consequence(s): Customer facing technologies being implemented by Nexus could be overtaken by technological developments and customer experience elsewhere leading to the offer being perceived as inadequate or outdated and unable to deliver the intended benefits for customers and stakeholders.		
Control(s): <ul style="list-style-type: none"> Emerging technology roadmap covering a 10 year timeframe. Embedding technology roadmap within NECA's Transport Plan for the North East. Updating and refreshing the technology roadmap and related plans on a six-monthly basis. Setting timescales and milestones and working to a plan. Aligning with Transport for the North developments. Engaging with ITSO, Innovate UK and the Catapult organisation to accelerate technology delivery timescales. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> Providing input to the Transport Plan for the North East. Providing input to the plans being developed through Transport for the North. 		

CBP Theme: Deliver public transport today		
CBP Workstream: Deliver the Metro Asset Renewal Programme		
Risk Owner: Director of Finance and Resources Risk Area: Metro Asset Renewal Plan	RAG Status (Green)	Direction of Travel
	6 (2x3)	↔ (static)
Risk: DfT has confirmed £120m for the final years of the Metro Asset Renewal Plan (ARP), through to 2020/21. Securing funding for the remainder of the ARP Phase 2 and keeping within budget remains a key concern.		
Impact/Consequence(s): Increased pressure on the funding for and affordability of ARP Phase 2 could mean a further scaling back of the work programme through to 2020/21 and compromise delivery of key elements.		
Control(s): <ul style="list-style-type: none"> • Bids are being made for additional funding e.g. through the Single Local Growth Fund (SLGF) in relation to the station investment programme. • Effective programme management, project delivery and budget control processes. • Value engineering, technology choice, option analysis, specification and scope. • Active stakeholder engagement to obtain involvement and co-operation of third/interested parties e.g. NEMOL, highway authorities, utility companies etc. • Providing sufficient programme/project management resource. • Close and proficient management of all contracts relating to ARP works. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Periodic Affordability Review meetings: <ul style="list-style-type: none"> ○ October 2017 ○ January 2018 ○ April 2018 		


CBP Theme: Deliver public transport today		
CBP Workstream: Deliver non-Metro capital projects		
Risk Owner: Director of Finance and Resources Risk Actionee: Corporate Manager Business Change and Technology Risk Area: Non-ARP capital projects	RAG Status (Green)	Direction of Travel
	6 (2x3)	↔ (static)
Risk: Non-ARP capital programme fails to deliver intended outcomes.		
Impact/Consequence(s): There is a risk that projects are not delivered to time, cost and quality requirements.		
Control(s): <ul style="list-style-type: none"> • Effective programme management, project delivery and budget control processes. • Value engineering, technology choice, option analysis, specification and scope. • Active stakeholder engagement to obtain involvement and co-operation of third/interested parties e.g. NEMOL, highway authorities, utility companies etc. • Providing sufficient programme/project management resource. • Close and proficient management of all contracts relating to non-ARP works. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Periodic Affordability Review meetings: <ul style="list-style-type: none"> ○ October 2017 ○ January 2018 ○ April 2018 		

CBP Theme: Deliver public transport today		
CBP Workstream: Deliver and develop public transport services and facilities		
Risk Owner: Customer Services Director Risk Area: Social exclusion	RAG Status (Amber)	Direction of Travel
	9 (3x3)	← → (static)
Risk: That the need to review Nexus' services to meet required budget reductions could result in increased social exclusion.		
Impact/Consequence(s): Increased social exclusion could manifest itself in particularly older and vulnerable people being less able to access essential local services and healthcare facilities leading to increased health problems and reduced social cohesion.		
Control(s): <ul style="list-style-type: none"> • Prioritisation of key services as part of the review process • Engagement and consultation to help identify practical mitigations • Signposting of alternative service provision 		
Key Milestones/Next Steps: <ul style="list-style-type: none"> • Depending on the outcome of the Nexus service review and budget setting processes through to 2019/20: <ul style="list-style-type: none"> ○ Preparation of an engagement plan ○ Preparation of consultation documentation ○ Preparation of a communications plan ○ Forward planning of meetings with ward councillors ○ Forward planning of meetings with user representative groups 		

CBP Theme: Prepare for the Future		
CBP Workstream: Obtain a new fleet and prepare for the new Metro contract		
Risk Owner: Director of Finance and Resources Risk Area: Arrangements for obtaining a new fleet and forming a new contract not delivered to time.	RAG Status (Amber)	Direction of Travel
	8 (2x4)	↓ (declining)
Risk: That the final business cases for new Metro rolling stock and essential renewals are not delivered on time for DfT's decision making processes.		
Impact/Consequence(s): The proposed replacement of the current fleet and the investment in essential renewals are key elements in the Metrofutures programme. Non-delivery of the business cases to the required DfT deadlines could compromise achievement of the programme.		
Control(s): <ul style="list-style-type: none"> • Metro Business Development team established with external support commissioned. • Outline business cases submitted to DfT. • Economic consultants have determined the BCR at 3.55:1 for the new fleet. • Positive outcomes in relation to external validations from the Office of Government Commerce in December 2016 and the Gleeds Review in March 2017. • On-going dialogue through DfT's Board Investment and Commercial Committee. 		
Key Milestones/Next Steps: <ul style="list-style-type: none"> • BICC slot in September 2017. • Contract strategy to be agreed following BICC approval. 		

CBP Theme: Prepare for the future		
CBP Workstream: Secure long term improvements to Metro's infrastructure		
Risk Owner: Director of Finance and Resources Risk Area: Long term funding for Metro	RAG Status (Amber)	Direction of Travel
	9 (3x3)	↔ (static)
Risk: There is no long-term funding agreement in place to sustain Metro's current operations, replace life expired capital assets and allow future expansion.		
Impact/Consequence(s): Any reduction in Metro external funding will lead to a diminution in service and failing infrastructure.		
Control(s): <ul style="list-style-type: none"> • Effective liaison with DfT including 4-weekly progress reporting on the current Asset Renewal Plan and quarterly reviews. • Procurement strategy & contractual arrangements that minimise risk and deliver VFM. • Value engineering, technology choice, option analysis, specification and scope. • Engaging NECA members in prioritisation processes. • Active stakeholder engagement/increasing public awareness. • Engaging with national government, local councillors & MPs and building public support. • Ensuring that the long term plan Metro forms an integral part of the NECA's Transport Plan for the North East. • Linking Metro to the long term development aspirations of the NECA, local Councils and the North East LEP's Strategic Economic Plan. • Engaging with national government. • Engaging with local councillors and MPs. • Leading in development of the business case. • Identifying and investigating potential funding streams. 		
Key Milestones/Next Steps: <ul style="list-style-type: none"> • BICC slot in September 2017. • Development of a business case for extensions will commence once approval of the funding application for the new fleet is approved by BICC. 		

CBP Theme: Prepare for the future		
CBP Workstream: Plan for the expansion of Metro and local rail networks		
Risk Owner: Transport Strategy Director Risk Actionee: Head of Network Extensions Risk Area: Metro and local rail strategy	RAG Status (Amber)	Direction of Travel
	9 (3x3)	← → (static)
Risk: Expansion of the metro and local rail network does not progress.		
<p>Impact/Consequence(s):</p> <p>Should the project be unable to identify suitable options for expansion of the Metro and local rail systems this could have adverse implications for the local economy and the environment. The growth in housing and employment that is anticipated for the area may not materialise or would be more reliant on the car for accessing work, leisure and shopping activities leading to an increase in traffic congestion with the air quality implications involved. Overall, this may limit the potential for economic growth and prosperity across the NECA area.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> • Delivery of a new Metro fleet. • Embed expansion of the Metro and local rail network within the SEP and the NECA's Transport Plan for the North East. • Establish strong contacts and working relationships with relevant stakeholders. • Develop an appropriate communications strategy to ensure key decision makers are kept informed. • Undertake an extensive market consultation to improve the understanding of the appetite for such schemes in the wider market. • Establish effective programme management disciplines to identify and manage cost and risk. • Identify and utilise suitable frameworks to develop and progress the project including Nexus Stage Gate project control process and the development of an Outline Business Case. • Identify and adopt best practice in the delivery of extensions, establishing a peer review framework. 		
<p>Key Milestones/Next Steps</p> <p>By 31 March 2018:</p> <ul style="list-style-type: none"> • Establish a programme management structure and process. • Establish a stakeholder map. • Completion or progression of an initial programme of works to inform the business case development including a market consultation, identification of best practice and a study to establish the economic value of the Metro and Local Network to the region. 		

CBP Theme: Prepare for the future		
CBP Workstream: Plan for local bus service improvements		
Risk Owner: Transport Strategy Director Risk Actionee: Corporate Manager Bus Services Risk Area: Bus strategy delivery arrangements	RAG Status (Amber)	Direction of Travel
	6 (2x3)	 Improving
Risk: That new legislation does not provide the necessary means to deliver the Bus Strategy.		
Impact/Consequence(s): <p>The 2017 Bus Services Act (the Act) received Royal Assent in May 2017, and provides new means for the NECA to deliver its bus strategies, through improved access to bus information, new forms of bus partnerships and bus franchising (the latter is subject to Secretary of State approval for a non-mayoral combined authority such as NECA).</p> <p>The detailed requirements to implement these options will be set out in Statutory Guidance, scheduled for publication during September 2017.</p>		
Control(s): <ul style="list-style-type: none"> • Ensure local stakeholders are aware of the Act's provisions and their implications. • Engage with DfT. • Undertake research and information gathering projects in order to ensure that decision makers are fully informed about the benefits the Act can deliver. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Joint working between the NECA's three delivery agencies (Nexus, Northumberland County Council and Durham County Council) to prepare a new Bus Strategy, in parallel with the emerging Transport Plan for the North East, and then investigate options to deliver that strategy. • Update and review proposals for delivering the bus strategy once the Statutory Guidance has been published later in 2017. • Prepare a business case for implementation of the preferred bus strategy delivery option. • Re-examination of the risk once the secondary legislation and statutory guidance pertaining to use of the terms of the Act is available. 		

CBP Theme: Prepare for the future		
CBP Workstream: Secure investment in local public transport assets		
Risk Owner: Transport Strategy Director Risk Actionee: Head of Corporate Planning Risk Area: Securing external funding	RAG Status (Amber)	Direction of Travel
	9 (3x3)	← → (static)
Risk: External funding opportunities are not identified or Nexus is not in a position to exploit opportunities		
Impact/Consequence(s): Nexus is unable to attract the greatest potential of external grant funding to enable the delivery of our aspirations for public transport. Nexus is unable to make the step change in quality which reduces our ability to grow patronage and revenue. Nexus is less able to meet the aspirations of its partners, customers and stakeholders for public transport services Nexus is less able to help meet the objectives of the Combined Authority		
Control(s): <ul style="list-style-type: none"> Dedicated resources in Corporate Planning section scanning for funding opportunities and able to develop business cases. Projects suitable for external funding have programmes which include relevant tasks and milestones associated with the funding call. Budgets are established so that Nexus is committed to ensuring resources are in place to develop speculative projects, to maximise readiness for funding calls. Liaison is undertaken with stakeholders, including DfT, LEP and Universities to help identify funding opportunities. A pipeline of potential schemes has been identified. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> Establish resources, including staff and budgets to develop 'pipeline' schemes that are shovel ready (to Outline Business Case / Stagegate 3). Develop possible shovel ready (to Outline Business Case / Stagegate 3) schemes and establish a Nexus' pipeline. Develop pipeline business cases for all potential funding opportunities. 		

CBP Themes: **Focus on organisational effectiveness.**

CBP Workstream: **Refine training and succession planning/Ensure Nexus is an employer of choice**

Risk Owner: Director of Rail and Infrastructure	RAG Status (Green)	Direction of Travel
Risk Actionee: Corporate Manager Legal and Human Resources	6 (2x3)	← → (static)
Risk Area: Future retention of key skills and abilities.		

Risk: Nexus may be unable to recruit and retain key personnel because of public sector pay restraint and competition from more buoyant employers.

Impact/Consequence(s):

This could adversely impact on Nexus' ability to deliver key projects on behalf of the NECA. Placing reliance on third party resources (e.g. external consultants) to provide the required skills and expertise could result in increased costs and/or delays.

Control(s):

- Keeping the "person spec" for key posts under review to optimise the potential size of the application base.
- Monitoring key activities within Nexus recruitment process to ensure optimal outputs are achieved.
- Continuing to develop the internal graduate base from which to draw.
- Exploring the use of the Apprentice Levy to recruit new apprentices and re-skill existing staff to develop into other areas of the business.
- Having succession plans for key business areas.
- Developing training and succession planning to ensure we are fit to meet changing business requirements.

Next Steps/Key Milestones:

- Review future organisational requirements in key parts of Nexus.
- Resource planning with managers to recruit new and re-train existing staff to deliver future organisational requirements working in conjunction with the Director of Strategy.
- Fully utilising the Apprenticeship Levy once the organisational requirements have been determined.

CBP Theme: Focus on organisational effectiveness		
CBP Workstream: Balancing the budget		
Risk Owner: Director of Finance and Resources Risk Area: Nexus' budget	RAG Status (Green)	Direction of Travel
	6 (2x3) Green	↔ (static)
Risk: Nexus fails to deliver a balanced budget.		
Impact/Consequence(s): There is a risk that Nexus' corporate plan might not align with the planned reduction in funding available from the levy, together with the requirement to eliminate reliance on use of reserves by 2019/20.		
Control(s): <ul style="list-style-type: none"> • TWSC endorsement of budget strategy to inform NECA leaders. • Budget managers remitted to prepare service plans. • Consultation with public and key stakeholders was undertaken over June and July 2016. • Base budget review carried out. • Balance sheet review undertaken. • Budget proposals and savings targets agreed. • NECA Leadership Board approved budget proposal, the transport levy for Tyne and Wear and grant to Nexus at its meeting on 17 January 2017. 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • Nexus' strategic budget position to be discussed with LA Treasurers and Chief Executives during summer 2017. • Detailed budget proposals will then be developed and consulted in accordance with the NECA constitution through to the approval of the 2018/19 transport levy at the Leadership Board meeting in January 2018. 		

CBP Theme: Focus on organisational effectiveness		
CBP Workstream: Service review to balancing the budget		
Risk Owner: Managing Director Transport Operations Risk Area: Progressing the devolution agenda	RAG Status (Amber)	Direction of Travel
	8 (2x4)	↔ (static)
Risk: The devolution agenda on transport matters is progressed without due regard to Nexus' funding, functions and powers.		
<p>Impact/Consequence(s):</p> <p>There is a risk that the devolution agenda is progressed without due regard to Nexus' funding, functions and powers potentially leading to sub-optimal decisions with regard to making future provision for public transport arrangements in the NECA area.</p> <p>If devolution or structural change to the NECA area goes ahead without due regard for Nexus duties and powers as the Passenger Transport Executive for Tyne and Wear there is the potential for increased complexity and cost.</p> <p>There will also be uncertainty in the development of area wide transport policies and any associated action to deliver them.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> Engagement with NECA statutory officers to identify legal and financial considerations. Work with the Chief Executives' Group to identify issues and mitigations. Liaison with District officers to identify working approaches in the event of the current statutory arrangements being redefined. 		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> To be determined. 		

Strategic Risk Analysis Toolkit

Action plans must be developed for Red and Amber risks

Determine the risk priority					
Impact					
		Insignificant	Minor	Significant	Critical
Likelihood	High	4	8	12	16
	Medium	3	6	9	12
	Low	2	4	6	8
	Negligible	1	2	3	4

Assess the likelihood of the risk occurring	
High	Risk will almost certainly occur or is occurring at present
Medium	Risk is likely to occur in most circumstances
Low	Risk may occur
Negligible	Risk is unlikely to occur

Assess the impact should the risk occur

Assess the impact should the risk occur							
	Council Priority	Service Delivery	Financial	Reputational			
Critical/Showstopper	<ul style="list-style-type: none">More than 4 priority outcomes affectedMove than one significant service objective adversely affectedDeath of one or more personsMajor environmental impact	<ul style="list-style-type: none">Critical service failure/disruption to frontline servicesStatutory duty/deadlines not metSerious decline/impact on portfolio or performance indicators (PI)Unplanned major re-prioritisation of resources and/or servicesFailure of major programme/project	<ul style="list-style-type: none">Over £2m financial hit on gross budgetSignificant adverse impact on revenue stream (>£1.5m)Loss of major funding opportunity(>£10m)ProsecutionQualification of accountsSignificant risk of fraud or illegal act (pre/post contract)	<ul style="list-style-type: none">Adverse national media attentionLoss of/negative inspection ratingExternal criticism (press)Relationship with supplier severely damagedSignificant loss of community confidenceSignificant decline in resident satisfaction			
Significant	<ul style="list-style-type: none">2-4 priority outcomes adversely affectedOne significant service objective adversely affectedMultiple serious injuriesSignificant environmental impact	<ul style="list-style-type: none">Significant partial loss of frontline servicesRecoverable impact on portfolio, PI's , inspection targetsFailure of non major project or significant delaySome re-prioritisation of services required	<ul style="list-style-type: none">£1m-£2m financial hitNotable adverse impact on ongoing revenue stream (£0.5m-£1.5m)Loss of notable funding opportunityFines/PenaltiesHigh fraud risk	<ul style="list-style-type: none">Adverse regional and/or local media attentionPoor inspection outcomeContinuing unresolved complaintsNotable decline in resident satisfactionDeteriorating supplier relationships			
Minor	<ul style="list-style-type: none">Less than 2 priority outcomes adversely affectedIsolated serious injury/ill healthMinor environmental impact	<ul style="list-style-type: none">Isolated or limited service reductionPoor improvement in measured PI and remedial action required from inspection reports	<ul style="list-style-type: none">£100k-£1m financial hitMinor adverse impact on ongoing revenue streamInternal virementLow risk of fraud	<ul style="list-style-type: none">Adverse local reactionIsolated decline in resident satisfactionFailure to reach agreement with individual suppliersSporadic complaints			
Insignificant	<ul style="list-style-type: none">Minor affect on priorities/service objectivesIsolated minor injury/ill healthNo environmental impact	<ul style="list-style-type: none">Minor/isolated service disruption	<ul style="list-style-type: none">Below £100k financial hit				
Risk Categories							
Financial/Economic	Environmental	Legal	Customers	Partnership	Technological	Performance	People



Transport North East (Tyne and Wear) Sub-Committee

Date: 14 September 2017

Subject: Tyne and Wear Budget Process and Timetable 2018/19

Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to set out the process and timetable for the preparation, consultation and approval of the 2018/19 budget and indicative medium term financial strategy, including consultation with the Tyne and Wear Sub-Committee.

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to note the report and the proposed timetable.

Transport North East (Tyne and Wear) Sub-Committee

1. Background Information

1.1 2018/19 Budget and Medium Term Financial Strategy

- 1.1.1 NECA is required to set its budget and Transport Levies in its area for 2018/19 before 15 February 2018. It is currently planned that the NECA Leadership Board will agree these at its meeting on 16 January 2018.
- 1.1.2 To achieve this, Transport levies must be considered by the Tyne and Wear Transport Sub-Committee and in Durham and Northumberland by mid-December 2017.
- 1.1.3 While the statutory requirement is for an annual budget and levies to be set for 2018/19, it is good practice to set a budget and in particular a capital programme within the context of a Medium Term Financial Strategy covering a three to five year period. In the last two years external factors have meant that NECA has only been able to set annual budgets. The authority will need to take into account the information available about the availability of revenue and capital resources for future years when it considers its budget position for future years.

1.2 Budget Timetable

- 1.2.1 An indicative timetable has been prepared (see Appendix 1) to enable the budget and levy decisions to be taken on 16 January 2018, and to meet the need for consultation over the 2018/19 budget proposals as set out in NECA's constitution.
- 1.2.2 The timetable will be challenging, and requires an outline budget for 2018/19 to be agreed on 21 November for consultation, meaning discussion of substantive policy, strategy and financial considerations in September and October. In order to achieve a two month consultation period before decisions are taken by the Leadership Board, it is proposed that the consultation commences on 14 November based upon the report published for the Leadership Board meeting on 21 November. Any changes made at the Leadership Board will then be reflected in the proposals being consulted upon.
- 1.2.3 Outline budget proposals will highlight the overall level of the capital and revenue budgets for 2018/19 and any significant service impacts upon which consultation would be required. This will include an indication of the changes to the level of any fees and charges – such as the inflationary uplift to Metro Fares and the Tyne Tunnel tolls. It should set out the level of reserves considered prudent for NECA and an assessment of the opportunities and risks facing the authority. More detail can be agreed in early December to be added to the budget report for 16 January.

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1.3 Tyne and Wear Levy

- 1.3.1 Proposals are currently under discussion with the Finance Directors group regarding the NECA Tyne and Wear Transport Levy.
- 1.3.2 The 2017/18 Budget included a reduction in the Tyne and Wear levy of £2.08m to £63.04m, as set out in the January NECA 2017/18 Budget report. Further reductions were envisaged in 2018/19 and 2019/20 in line with funding cuts to constituent authorities. Appendix D of that report reflects the impact of these levy reductions on the grant available to Nexus. This envisaged further Levy reductions of £1.24m in 2018/19 and another £0.590m in 2019/20, provided members agreed a package of Transport Service reductions to make the levy reductions in 2017/18 and future years a sustainable levy reduction after the planned use of reserves had been exhausted.

	Actual 2016/17	Actual 2017/18	<i>Indicative 2018/19</i>	<i>Indicative 2019/20</i>
	£m	£m	£m	£m
Tyne and Wear Levy	65.120	63.040	61.800	61.210
Grant to Nexus	62.500	60.890	59.660	59.070
Costs held by NECA	2.620	2.150	2.140	2.140

- 1.3.3 Good progress is being made by Nexus with the implementation of savings in both 2017/18 and 2018/19 and the implications of these for future years. It is likely that the detailed review of Transport Services to identify service cuts will be deferred and will not now need to be implemented until at least 2019/20. A decision will be needed as to whether the further planned levy reductions should be implemented at the intended level, without a balanced budget being agreed by members for future years. Further savings may also be possible in terms of the costs held by NECA, however this depends on an updated view of cost pressures and this may need to be a decision made at the January Budget meeting.

Detailed information will be discussed with the Committee at a policy seminar in advance of future meetings including a policy seminar in December to consider the finer detail of higher level proposals.

2. Proposals

- 2.1 The proposals are as set out above for information for the Tyne and Wear Sub-Committee.

3. Reasons for the Proposals

- 3.1 This report is for information. The proposed timetable has been developed in order to meet the Authority's responsibilities for budget setting in line with regulations and its own constitution.

Transport North East (Tyne and Wear) Sub-Committee

4. Alternative Options Available

- 4.1 This report is presented for information, with no decision required.

5. Next Steps and Timetable for Implementation

- 5.1 During August and September the budget process is being discussed with Economic Development Officer Group, the Directors of Finance Group, the Heads of Transport Group and individual Treasurers. Senior officers have been encouraged to have discussions within each authority as part of their budget process.
- 5.2 Meetings in September and October with Senior officers and members will identify the key issues that need to be reflected in the initial budget report in November.

6. Potential Impact on Objectives

- 6.1 The budget and Medium Term Financial Strategy will be prepared to reflect the objectives of the Authority including the delivery of the Strategic Economic Plan. Future reports will set out revenue and capital budget proposals in detail that will help deliver the objectives of the Authority.

7. Financial and Other Resources Implications

- 7.1 This report sets out the timetable and process for agreement of the necessary budgets and funding for the Authority. The Chief Finance Officer will draw on available resources to deliver the budget report and plan.

8. Legal Implications

- 8.1 NECA is required by the Transport Levying Bodies (Amendment) Regulations 2015 to issue the transport levies by 15 February preceding the commencement of the financial year in respect of which it is issued.
- 8.2 In accordance with the Budget and Policy Framework Rules of Procedure of the NECA's Constitution, at least 2 months before the calculation of the revenue budget and transport levies are required to be finalised, the Leadership Board will produce initial outline proposals to the NECA's Overview and Scrutiny Committee.

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- 8.3 Once the consultation process has been completed, details of the final proposals in relation to the revenue budget and levies will be referred to the Overview and Scrutiny Committee.

9. Key Risks

- 9.1 The budget timetable has been developed to manage the risk that the budget is not agreed unanimously by the requisite deadline through early discussion with all constituent authorities. The budget proposals will include an assessment of the risk facing the NECA budget, which will be used to inform the level of reserves which is determined to be prudent.

10. Equality and Diversity

- 10.1 There are no equality and diversity implications arising from this report.

11. Crime and Disorder

- 11.1 There are no crime and disorder implications arising from this report.

12. Consultation/Engagement

- 12.1 The budget timetable proposed includes provision for consultation and engagement with key stakeholders, including the various committees of NECA, the North East Chamber of Commerce and officer groups representing all of the NECA constituent authorities.

13. Other Impact of the Proposals

- 13.1 There are no other impacts arising from this report.

14. Appendices

- 14.1 Appendix 1 – Budget Timetable

15. Background Papers

- 15.1 None

Transport North East (Tyne and Wear) Sub-Committee

16. Contact Officer

16.1 Paul Woods, Chief Finance Officer, paul.woods@northeastca.gov.uk, Tel: 07446936840

Eleanor Goodman, Principal Accountant, eleanor.goodman@northeastca.gov.uk, Tel: 0191 277 7518

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

Transport North East (Tyne and Wear) Sub-Committee

Appendix 1 – Budget Timetable 2018/19

DATE	EVENT/MEETING	ACTION
August-September 2017	Budget preparation – discussions with local authorities and officer groups	Consider and comment on NECA budget issues
12 September 2017	NECA Governance Committee	Update on Budget Process and Timetable
14 September 2017	Transport North East Committee – Tyne and Wear Sub Committee	Update on budget process with specific reference to the Tyne and Wear Transport Levy and the Tyne Tunnels budget.
19 September 2017	NECA Leadership Board	Consider and agree 2018/19 budget process/timetable and updated 2017/18 budget position
October 2017	Meetings with individual authorities	Consult/discuss budget proposals; identify and resolve issues
16 November 2017	Transport North East Committee	Consider Transport budget/levy proposals for consideration by Leadership Board
14 November 2017		Draft NECA Leadership Board Budget Report circulated for consultation.
21 November 2017	NECA Leadership Board	Consider and agree draft budget report and any changes to the report for wider consultation
5 December 2017	Governance Committee	Consider budget report as part of consultation process
December 2017 (date to be confirmed)	Tyne and Wear (Transport) Sub Committee Policy Seminar	Informal consideration of the details of the transport budget/levy proposals.
12 December 2017	LA7 Leadership Briefing	Informal consideration of the content of the budget report and levy proposals
14 December 2017	NECA Overview & Scrutiny Committee	Consider budget report as part of consultation process
8 January 2018	Paper circulation	Final budget report published
16 January 2018	NECA Leadership Board	Formally agree levies and budget

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Transport North East (Tyne and Wear) Sub-Committee

Date: 14th September 2017

Subject: Tyne Tunnels - Update

Report Of: Lead Chief Executive For Transport

Executive Summary

The purpose of this report is to provide Members with an update on issues at the Tyne Tunnels relating to:

1. the operation of the New Tyne Crossing vehicle tunnels;
2. the refurbishment of the Tyne Pedestrian and Cyclist Tunnels.

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to:

- i. note the contents of the report relating to the operation of the New Tyne Crossing vehicle tunnels.
- ii note the contents of the report relating to the refurbishment of the Tyne Pedestrian and Cyclist tunnels.

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1.	Background Information
	New Tyne Crossing
1.1	The Project Agreement (PA) for the New Tyne Crossing (NTC) was signed on 23 November 2007. Full operational commissioning was achieved on 21 November 2011. TT2 Ltd are responsible for the day to day management and operation of the New Tyne Crossing.
	Tyne Pedestrian and Cyclist Tunnels
1.2	<p>The major maintenance liability for the Tyne Pedestrian and Cyclist Tunnels (TPCT) was retained by the NECA (formerly the Tyne and Wear Integrated Transport Authority) in the Project Agreement entered into with TT2 Ltd on 23 November 2007. The TPCT is currently undergoing Improvement Works.</p> <p>In April 2015, following the original contractor entering Administration, the NECA took over the role of Main Contractor on the refurbishment of the Tyne Pedestrian and Cyclist Tunnels.</p>

2.	Proposals/ Review
	Traffic Flows
2.1	TT2 are responsible for the day to day management and operation of the tunnels. As part of their duties they are required to provide a Monthly Service Report to the NECA on operational issues, including inspections, and any Health and Safety incidents which have occurred during the period. In addition TT2 submit a claim as part of the payment mechanism for the tunnels which identifies the number and type of vehicles using the tunnels.
2.2	There have been no significant health and safety incidents since the last Committee report.
2.3	TT2 and the NECA constantly review the traffic flows through the Tyne Tunnels. A review of the traffic flow levels through the tunnels over recent months has identified a continued decrease. This is thought to be as a result of Silverlink road works. This continues to be monitored by both the NECA and TT2 Ltd. See Appendix A.
	Tyne Pedestrian and Cyclist Tunnels
2.4	The refurbishment works on the TPCT continues to make good progress with civil engineering, mechanical and electrical contractors working on site.
2.5	The follow works are complete/progressing:

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	<ul style="list-style-type: none"> • Concrete repair to the columns and beams supporting the paving flags in the pedestrian and cyclist tunnels are now complete; • Installation of new support steelwork to the lower landing areas is complete and the concrete slabs have been cast; • Injection and coating works to deal with leaks in the inclined shafts are complete; • Fabrication of bespoke concrete paving and steel paving and deck plates are ongoing. • Installation of the ceiling panels within the inclined shafts are ongoing; • Electrical trunking and cabling works are progressing. <p>The Italian subcontractor has been on site in preparation for the start of the inclined lift installation works.</p>
2.6	<p>Since the last Committee a procurement exercise has been undertaken to re-procure the free to use shuttle bus that operates between Howdon and Jarrow. The winning tender was submitted by the current provided Green Mountain Travel Ltd who have retained their rates for the provision of the service.</p> <p>Approval to award this contract has been given by the Head of paid Service.</p>
2.7	At this time, it is envisaged that the works will be completed in the Spring of 2018.
2.8	A progress booklet showing recent photographs of the tunnels is included in Appendix B.

3.	Reasons for the Proposals
	Tyne Pedestrian and Cyclist Tunnels
3.1	The provision of the shuttle bus operated between Howdon and Jarrow is a replacement service to allow the connectivity for pedestrians and cyclist between Howdon and Jarrow whilst the TPCT is closed.

4.	Alternative Options Available
4.1	This report is for information only.
5.	Next Steps and Timetable for Implementation
	New Tyne Crossing
5.1	NECA officers will continue to monitor the operation of the New Tyne Crossing to protect the interest of the NECA.

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5.2	NECA Officers will liaise with Highways England and TT2 to try and minimise the impact of Silverlink works on road users and the use of the Tyne Tunnels.
	Tyne Pedestrian and Cyclist Tunnels
5.5	<p>The refurbishment works will continue to be overseen by the NTC team based in TT2 Ltd's offices. The contract management of the refurbishment works are being undertaken by the NECA. Specialist sub-contractors are being engaged to complete the project.</p> <p>The Lead Chief Executive for Transport will report regularly on progress to the Sub-Committee.</p>
5.6	The NTC Communications Team continue to action and maintain the Communication Plan, including continuing a dialogue with the adjacent communities, their representatives, pedestrian and cyclist groups and adjacent local authorities.
5.7	Site visits to the see progress with the works have been offered and taken up by Members from North and South Tyneside. Further visits are to be arranged.

6.	Potential Impact on Objectives
	New Tyne Crossing
6.1	The monitoring and administration of the operation of the New Tyne Crossing ensures that the interests and objectives of the NECA are being delivered.
	Tyne Pedestrian and Cyclist Tunnels
6.2	The refurbishment of the TPCT will secure the future operation of this important transport link across the River Tyne. It provides specifically for pedestrians and cyclists and as such contributes positively to addressing climate change by encouraging non-motorised modes of travel. It also has the benefit of helping to reduce the number of motor vehicles on the roads – particularly on residential roads – to the benefit of local communities. The TPCT is also positive in terms of economic development and regeneration because it aids access to jobs in the A19 corridor for those who do not own a car.

7.	Financial and Other Resources Implications
	New Tyne Crossing
7.1	The Tyne Tunnel costs are fully funded by toll income. The assumptions and the financial model assumed an increase in traffic usage over time with additional toll income. The current identified reduction in traffic flows will have an impact on the revenue generated by the Tunnels. This is largely offset by lower contract payments

Transport North East (Tyne and Wear) Sub-Committee

	to the Concessionaire, TT2 Ltd, as these payments are calculated on traffic flows.
	Tyne Pedestrian and Cyclist Tunnels
7.2	The adopted approach of carrying out the project management in house is expected to minimise the delay in the completion of the project which is currently scheduled to be spring 2018.

8.	Legal Implications
	New Tyne Crossing
8.1	There are no legal implications arising directly from this part of the report.
8.2	Tyne Pedestrian and Cyclist Tunnels
	The Order creating the NECA provides that the NECA will be substituted in all contracts (and other legal documents) for the TWITA.

9.	Key Risks
9.1	The risks of uncertain income generation and any other uncertain risks is to be the responsibility of TT2 under the proposal, which means that there are no specific risk management implications arising from this report for NECA.
10.	Equality and Diversity
10.1	There are no implications for equalities and diversity arising directly from this report.
11.	Crime and Disorder
	There are no implications for Crime and Disorder arising directly from this report.
12.	Consultation/Engagement
12.1	The Head of Paid Service, Monitoring Officer and Chief Finance have been consulted.
13.	Other Impact of the Proposals
13.1	The refurbishment of the TPCT will secure the future operation of this important transport link across the River Tyne. It provides specifically for pedestrians and cyclists and as such contributes positively to addressing climate change by encouraging non-motorised modes of travel. It also has the benefit of helping to

Transport North East (Tyne and Wear) Sub-Committee

	reduce the number of motor vehicles on the roads – particularly on residential roads – to the benefit of local communities. The TPCT is also positive in terms of economic development and regeneration because it aids access to jobs in the A19 corridor for those who do not own a car.
14.	Appendices
14.1	Appendix A: Traffic Figures for the New Tyne Crossing Appendix B: Tyne Pedestrian and Cyclist Tunnel Progress Booklet
15.	Background Papers
15.1	River Tyne (Tunnels) Order 2005 Report dated 2 February 2010 - TPCT Lift Modernisation and Investigatory works – Confidential Report dated 22 July 2010 - TPCT - Investment Proposals River Tyne (Tunnels) (Modification) Order 2011
16.	Contact Officers
16.1	Paul Woods, Chief Finance Officer, paul.woods@northtyneside.gov.uk , Tel: 07446936840 John Softly, Assistant Director Legal Services, john.softly@newcastle.gov.uk , Tel: 0191 277 7047 Alastair Swan, Principal Engineer, alastair.swan@newcastle.gov.uk , Tel: 0191 211 5931
17.	Sign off ✓ <ul style="list-style-type: none"> • Head of Paid Service: ✓ • Monitoring Officer: ✓ • Chief Finance Officer: ✓
18.	Glossary

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	<p>TPCT – Tyne Pedestrian and Cyclist Tunnel</p> <p>NTC – New Tyne Crossing</p> <p>TWITA – Tyne and Wear Integrated Transport Authority</p> <p>PA – Project Agreement (relating to the contract for the provision of the New Tyne Crossing)</p> <p>RPI – Retail Price Index</p> <p>NELB – North East Leadership Board</p> <p>TNE – Transport North East</p> <p>TWSC – Tyne and Wear Sub Committee</p>
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Transport North East (Tyne and Wear) Sub-Committee

Appendix A – Traffic Figures for the New Tyne Crossing

1 Background Information

The Tyne Tunnels operation transferred to the Concessionaire, TT2 Ltd, on 1 February 2008. Their operational performance is monitored by the Engineer to the Tunnels.

2 Operational Performance

2.1 The following graphs give a breakdown of the traffic flows through the Tyne Vehicle tunnels for the last financial year.

2.1.1 Table 1: TT2 Monthly Traffic Statistics. Contains the data used to create the Graphs A to C inclusive.

2.1.2 Graph A: TT2 Monthly Traffic Figures. Illustrates the total monthly traffic flows through the Tunnels, for the period 1 April 2017 to 31 August 2017.

2.1.3 Graph B: TT2 Monthly Traffic Figures by Vehicle Type. Illustrates the monthly traffic flows by Vehicle Type, for the period 1 April 2017 to 31 August 2017.

Class 1 – motorbikes, Class 2 Cars and Light Goods Vehicles under 3500kgs, Class 3 Heavy Goods Vehicles and Exempts

2.1.4 Graph C: TT2 Monthly Traffic Figures by Payment Type. Shows how customers met the toll requirements. Cash or Permit.

2.1.5 Table 2: Presents Environmental Data for the Tunnels.

TT2 Monthly Traffic Statistics

Monthly	2017/2018													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2017/2018	1,339,682	1,419,309	1,403,299	1,419,925	0	0	0	0	0	0	0	0	forecast	
2016/2017	1,558,122	1,563,097	1,551,438	1,567,605	1,516,502	1,457,122	1,461,583	1,429,020	1,271,255	1,322,420	1,281,275	1,481,023		
Capacity	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,184,000	2,418,000		

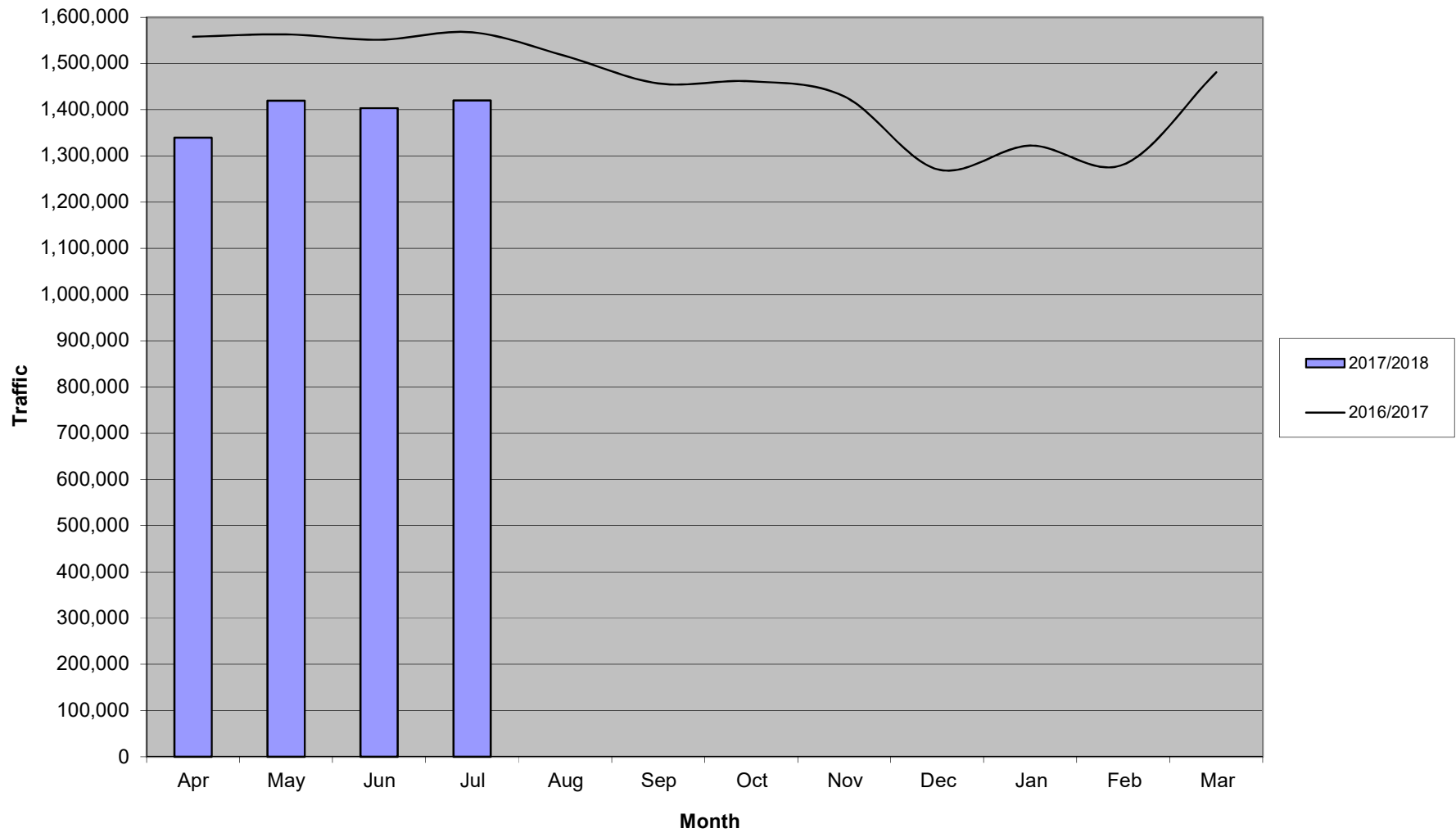
Traffic by Class	2017/2018													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2017/2018	1,339,682	1,419,309	1,403,299	1,419,925	0	0	0	0	0	0	0	0		
2016/2017	1,558,122	1,563,097	1,551,438	1,567,605	1,516,502	1,457,122	1,461,583	1,429,020	1,271,255	1,322,420	1,281,275	1,481,023		
Capacity	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,184,000	2,418,000		
Class 1	17,675	21,327	19,424	19,107	0	0	0	0	0	0	0	0	CI1 % ETC	
Class 2	1,203,550	1,272,084	1,261,526	1,277,628	0	0	0	0	0	0	0	0	CI2 % ETC	
Class 3	69,811	75,135	72,823	72,658	0	0	0	0	0	0	0	0	CI3 % ETC	
Exempts	48,646	50,763	49,526	50,532	0	0	0	0	0	0	0	0	Ex % ETC	
													Total %	

Class,Cash,Permit	2017/2018													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2017/2018	1,339,682	1,419,309	1,403,299	1,419,925	0	0	0	0	0	0	0	0		
2016/2017	1,558,122	1,563,097	1,551,438	1,567,605	1,516,502	1,457,122	1,461,583	1,429,020	1,271,255	1,322,420	1,281,275	1,481,023		
Capacity	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,184,000	2,418,000		
Class 1 Cash	17675	21327	19424	19107	0	0	0	0	0	0	0	0	C1	
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0	P1	
Class 2 Cash	655995	653081	642326	682930	0	0	0	0	0	0	0	0	C2	
Class 2 Permit	547555	619003	619200	594698	0	0	0	0	0	0	0	0	P2	
Class 3 Cash	12740	14076	13997	14209	0	0	0	0	0	0	0	0	C3	
Class 3 Permit	57071	61059	58826	58449	0	0	0	0	0	0	0	0	P3	
Exempts	10689	10840	10290	11260	0	0	0	0	0	0	0	0	Ex	
Exempts Permit	37957	39923	39236	39272	0	0	0	0	0	0	0	0	P, Ex	
													Tolls to Date £	

2016/2017 Traffic by Class															
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	CI1 % ETC		
Class 1 total	16,763	22,597	23,464	22,981	21,107	20,862	16,403	10,785	8,360	8,449	9,766	16,151	CI2 % ETC		
Class 2 total	1,400,107	1,401,345	1,386,027	1,405,523	1,359,003	1,306,883	1,317,764	1,288,188	1,152,068	1,197,800	1,157,085	1,333,526	CI3 % ETC		
Class 3 total	89,511	85,983	89,581	84,989	81,841	79,301	76,279	80,354	64,024	69,432	70,723	79,767	Ex % ETC		
Exempts total	51,741	53,172	52,366	54,112	54,551	50,076	51,137	49,693	46,803	46,739	43,701	51,579			
2016/2017 Class,Cash,Permit														TOTAL % ETC	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
Class 1 Cash	16763	22597	23464	22981	21107	20862	16403	10785	8360	8449	9766	16151			
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0			
Class 2 Cash	768490	779434	748910	791471	792522	702008	709180	648245	626240	588306	578555	660200			
Class 2 Permit	631617	621911	637117	614052	566481	604875	608584	639943	525828	609494	578530	673326			
Class 3 Cash	19196	18255	18992	17626	16845	16192	14853	15006	11804	11955	11902	14511			
Class 3 Permit	70315	67728	70589	67363	64996	63109	61426	65348	52220	57477	58821	65256			
Exempts	9224	10072	10247	11302	12021	9919	10166	9075	9620	8584	8433	10442			
Exempts Permit	42517	43100	42119	42810	42530	40157	40971	40618	37183	38155	35268	41137			

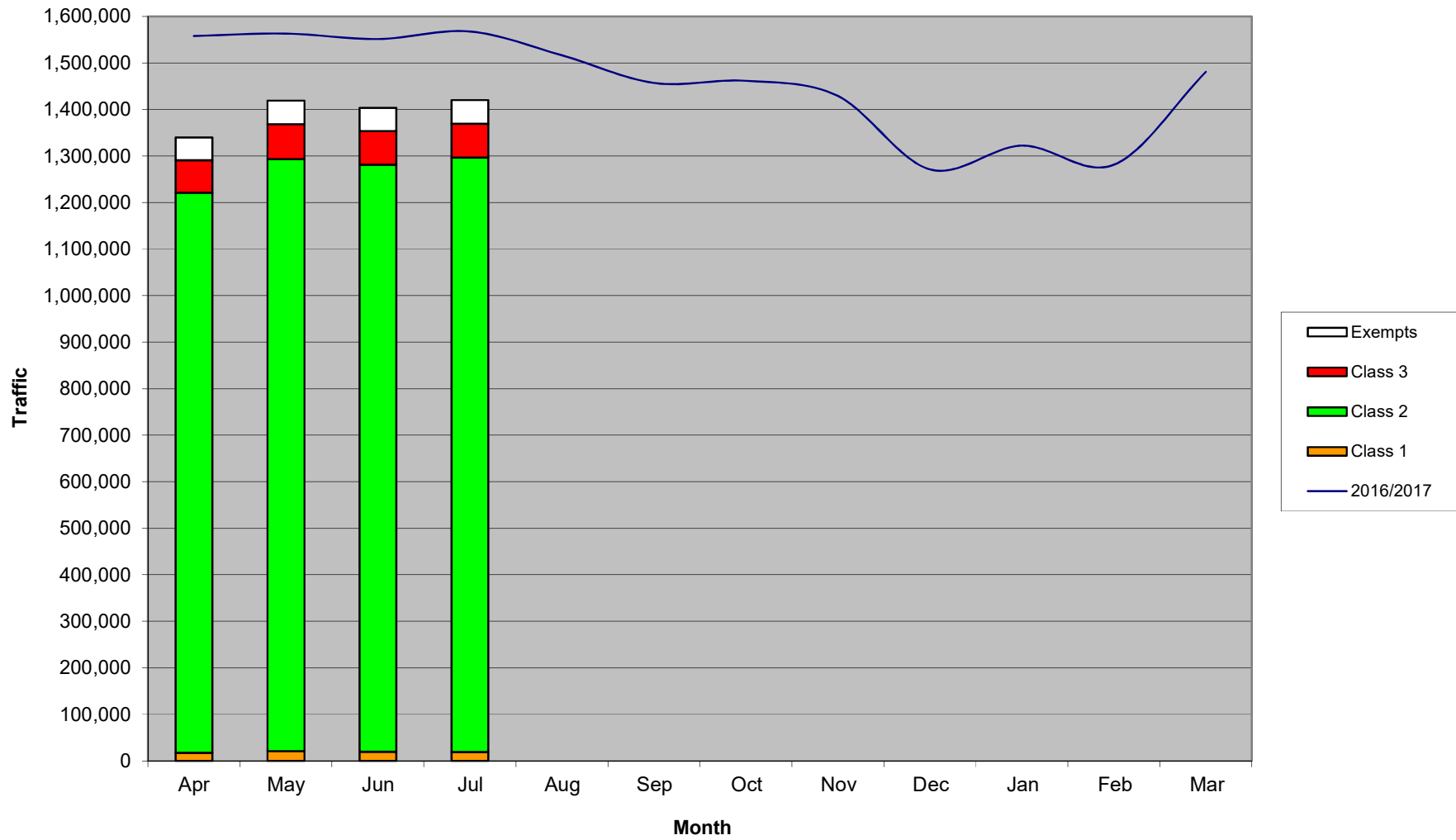
Table 1: TT2 Monthly Traffic Statistics

TT2 TRAFFIC FIGURES



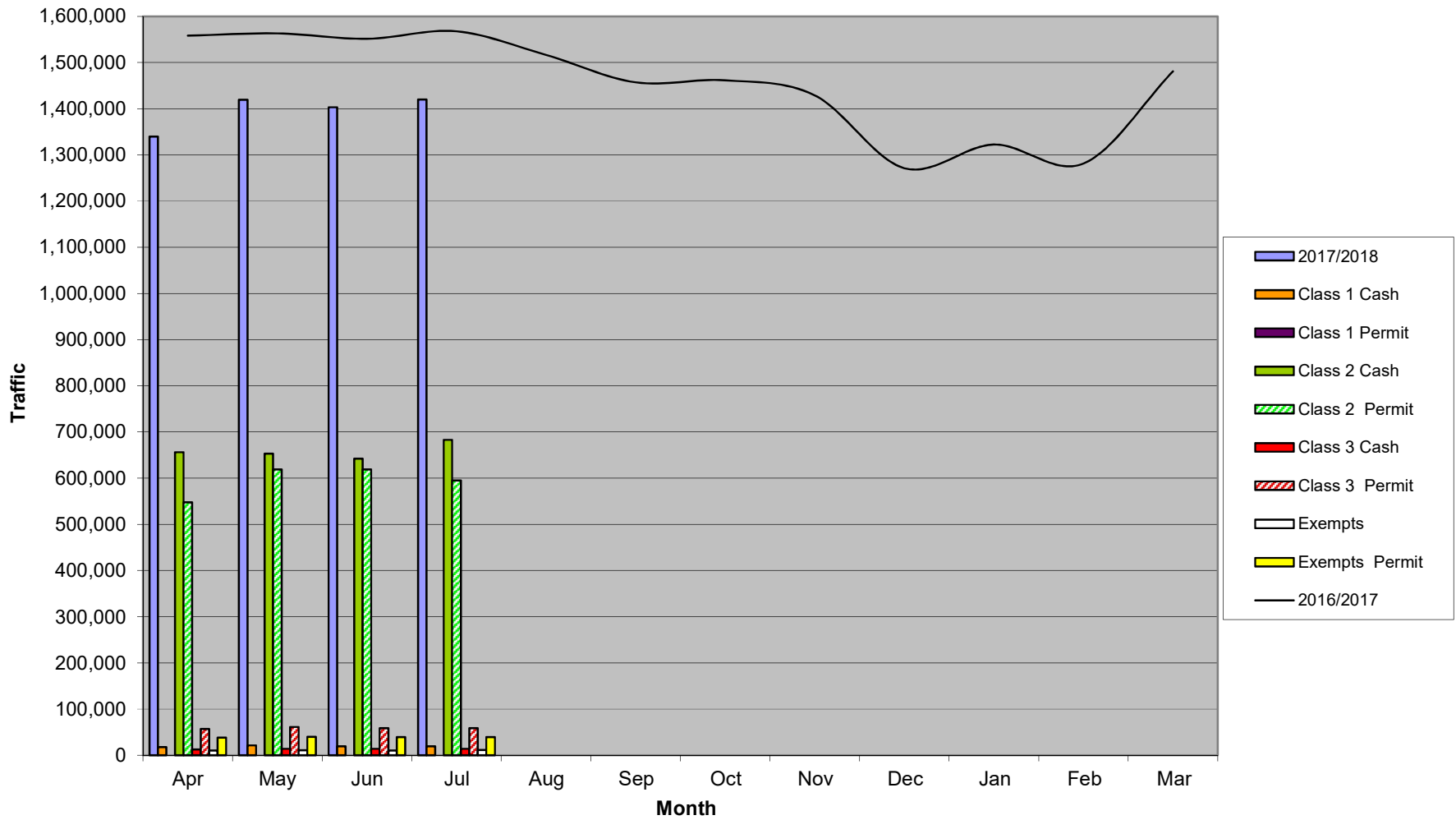
Graph A: TT2 Monthly Traffic Figures

TT2 TRAFFIC FIGURES



Graph B: TT2 Monthly Traffic Figures by Vehicle Type

TT2 TRAFFIC FIGURES Class, Cash, Permit



Graph C: TT2 Monthly Traffic Figures by Payment Type

Tunnel Environmental Conditions

Title	April	May	June	July	August	September	October	November	December	January	February	March
2017/2018	April	May	June	July	August	September	October	November	December	January	February	March
CO												
CO Allowable [ppm]	35	35	35	35	35	35	35	35	35	35	35	35
Southbound Monthly Mean [ppm]	0.63	0.74	0.74	0.82								
Northbound Monthly Mean [ppm]	0.96	0.90	0.99	0.88								
Reduced Visibility												
Visibility Allowable [%Obs]	50	50	50	50	50	50	50	50	50	50	50	50
Southbound Monthly Mean [%Obs]	0.56	0.58	0.59	0.55								
Northbound Monthly Mean [%Obs]	0.36	0.42	0.43	0.45								
Nitrogen Monoxide												
Nitrogen Monoxide Allowable [ppm]	5	5	5	5	5	5	5	5	5	5	5	5
Southbound Monthly Mean [ppm]	0.26	0.30	0.30	0.33								
Northbound Monthly Mean [ppm]	0.50	0.55	0.56	0.82								

Table 2: Presents Environmental Data for the Tunnels.

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Tyne Pedestrian & Cyclist Tunnels



Refurbishment Progress September 2017



The existing tiling has been removed from the walls of the link corridor from the pedestrian tunnel to the vertical lift to allow resin injection works to be carried out to prevent water penetration into the tunnels. Once dry these walls will be retiled.

This view is taken looking down the north inclined shaft. The cladding panels are being re-fixed. The majority of the panels are original. Where panels have to be replaced they are being supplied by Formica who supplied the original panels.





This view shows the installation of new support steelwork to support the lower landing floors at the entrance to the tunnels. The original steelwork was badly corroded and had to be replaced.



The lower floor concrete slabs have been cast around the new steelwork. This allows scaffolding to be erected on the topside to allow the cladding panels to the lower halls to be installed.



In the centre of the tunnels allowance has been made for ventilation ducts and for the construction of foundations for seats and help points



Produced by
North East Combined Authority
c/o TT2 Limited, Tyne View Terrace
Wallsend NE28 0PD

FOR MORE INFORMATION VISIT
www.tynepedestrianandcyclisttunnels.co.uk/



ARUP

CAPITA

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