



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

Thursday 20th April, 2017 at 3.00 pm

Meeting to be held in a Committee Room, County Hall, Morpeth, NE61 2EF (Meeting to be held following the conclusion of the Transport North East Committee)

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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 held on 27 February 2017 **1 - 4**

4. Metro Performance Update **5 - 18**

5. Completion of Metro Transition

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

6. Monitoring Nexus' Performance 1 April 2016 - 4 March 2017 **19 - 30**

7. Nexus' Corporate Risks 2017 - 2018 **31 - 58**

8. **Tyne Tunnels Update**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

9. **Date and Time of Next Meeting**

13 July 2017, 3.00pm (or following the arising of the Transport North East Committee) at North Tyneside Council Offices

10. **Exclusion of Press and Public**

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

11. **Confidential Minutes of Meeting held on 27 February 2017**

59 - 60

12. **Tyne Tunnels Update (confidential report)**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

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

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

27 February 2017

(1.30 - 3.25 pm)

Meeting held Committee Room, Civic Centre, Newcastle upon Tyne. NE1 8QH

Present:

Councillor: J Harrison (Chair)

Councillors: G Hobson, J McCarty and M Mordey

131 APOLOGIES FOR ABSENCE

Apologies were received from Cllr Brain (Gateshead)

132 DECLARATIONS OF INTEREST

None

133 MINUTES OF THE PREVIOUS MEETING HELD ON 26 JANUARY 2017

RESOLVED – that the minutes of the meeting held on 26 January 2017 were agreed as a correct record and signed by the Chair

134 METRO PERFORMANCE MONITORING MEASURES

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

Members considered the proposal for a set of performance measures relating to Metro to aid future monitoring of performance by the Sub-Committee.

Members also accepted that update reports on performance measures will be presented at future meetings.

The proposed measures fell into six categories as follows:

- Operational performance
- Fleet performance
- Customer experience
- Safety
- Farebox revenue

- Patronage

In discussion Members commented/questioned as follows:

- Overall the current performance measures work therefore is there really a need to change.
- In relation to Operational Performance (Excess Headway Minutes) it was felt that the three measures (Operator Attributed, Nexus Attributed and Network Rail Attributed) adequately demonstrated any change and therefore should be retained.
- Regarding Fleet Performance members felt that the service experienced by passengers would remain at current levels until the fleet was replaced. In addition to this a question was put as to whether the performance targets were realistic especially if there was a further decline in the overall performance of the fleet.
- Reference was made to capital investment and infrastructure improvements which may demonstrate positive improvements in the measures.
- Members briefly discussed performance measures and targets in respect of fraud rates on the Metro system. The current target of 3% was achievable and with the introduction of measures such as a more cashless system and gates at some of the barriers members felt that officers should investigate how the current target could be reduced to say 2% and achieve a revenue return.

The Sub-Committee were of the opinion that the six proposed measures/categories were appropriate. They also stipulated that performance reports cover a 3 year period rather than the 2 year period included in the reports so that 'trends' were more obvious to the public and Members.

RESOLVED that –

- i. Approval was given to the measures outlined in the appendix to the report.
- ii. The Sub-Committee to receive performance reports against the measures at future meetings.
- iii. The Sub-Committee to review measures if and when appropriate.
- iv. Performance reports to cover a 3 year period rather than the 2 year period included in the reports so that 'trends' were more obvious to the public and Members.

135 **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 proposed the adoption of a format to be used for the presentation of the latest performance and key considerations for the Sub-Committee. It was noted that the reports presented to Committee would always be for the preceding reporting period.

In discussion members commented on the following:

- The processes in place to inform Members of any major incidents.
- Apprehension in relation to high customer expectations especially since the same stock will be in use until the fleet is replaced and there will still be problems with overhead lines.
- Nexus will take over responsibility for the concession on 1 April, however, Members will not have the opportunity to monitor the performance of Metro operations until September.
- Address the balance between improving customer satisfaction and running to timetable (given the time it can take to turn a train around).
- The renewal of Killingworth Road bridge (expected to take approximately six weeks during the school summer holidays) and road improvements at Haddricks Mill both impacting on performance.

Points to note were:

When the current concession began provision was made to develop a Customer Charter which included the display of a poster in each Metro station with details of key measures. Nexus intended to continue with the charter.

Over recent years performance had declined and future improvements will take time. Inclement weather, severe flooding and major track renewal/improvements would all impact on performance.

In relation to customer expectations it was noted that passengers could experience some delay due to the turnaround time involved in preparing a train for its next customers.

136 **DATE AND TIME OF NEXT MEETING**

20 April 2017 following the conclusion of the Transport North East Committee.

137 **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 8 and 9 (Confidential Minutes of the Previous Meeting and Tyne Tunnels Update) because exempt information

was likely to be disclosed and the public interest test against disclosure was satisfied.

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

Date: 20 April 2017

Subject: Metro performance update

Report of: Managing Director (Transport Operations)

Executive Summary

The report provides an update on Metro performance for twelve weeks from 11 December 2016 to 4 March 2017 (Periods 10, 11 and 12).

Recommendations

It is recommended that the Sub-Committee receives and considers the report and attached appendix giving details of Metro performance.

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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.
- 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 twelve weeks from 11 December 2016 to 4 March 2017

2 Proposals

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

3 Next Steps

- 3.1 The next performance update will be presented at the July 2017 meeting of the Committee.

4 Potential Impact on Objectives

- 4.1 Performance monitoring and review can help ensure the achievement of desired outcomes.

5 Finance and Other Resources

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

6 Legal

- 6.1 There are no direct legal considerations arising from this report.

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7 Other Considerations

7.1 Consultation/Community Engagement

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

7.2 Human Rights

There are no specific human rights considerations arising from this report.

7.3 Equalities and Diversity

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

7.4 Risk Management

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

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

There are no specific environment and sustainability considerations arising from this report.

8 Background Documents

8.1 None

9 Links to the Local Transport Plans

9.1 This report has links to the delivery of policies and objectives set out in the Local Transport Plan for Tyne and Wear.

10 Appendices

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

10.1 Appendix 1 – Metro performance update report

11 Contact Officers

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

12 Sign off

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

Please use ✓



Metro performance update

Periods 10, 11 and 12 2016/17

(11 December 2016 to 4 March 2017)

Punctuality: **82%**
77% Last year

**Customer
Satisfaction:** **7.7 / 10** November 2016
7.4 / 10 May 2016
7.6 / 10 November 2015

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Glossary of terms

EHWM - Excess Headway Minutes, the method by which delays experienced by passengers are measured. The total EHWM 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.

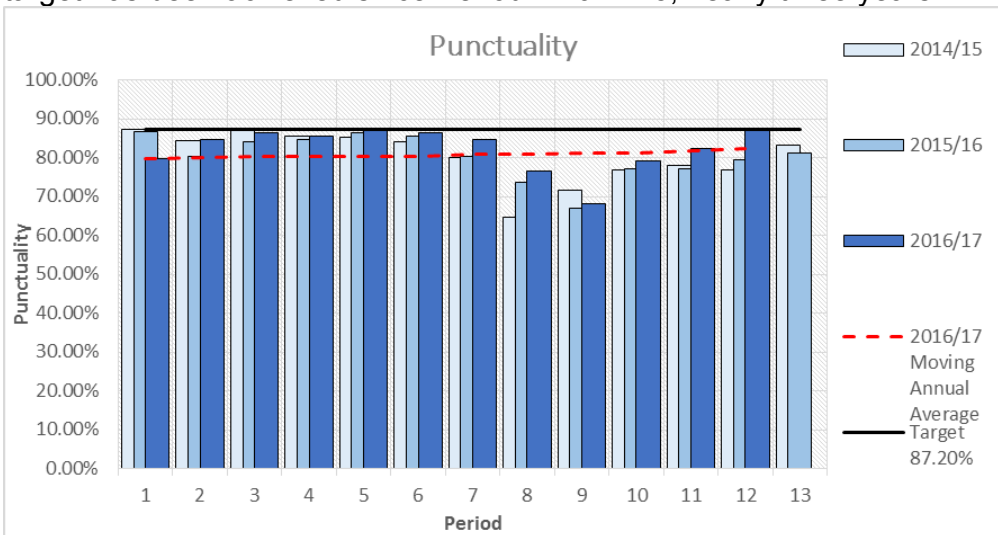
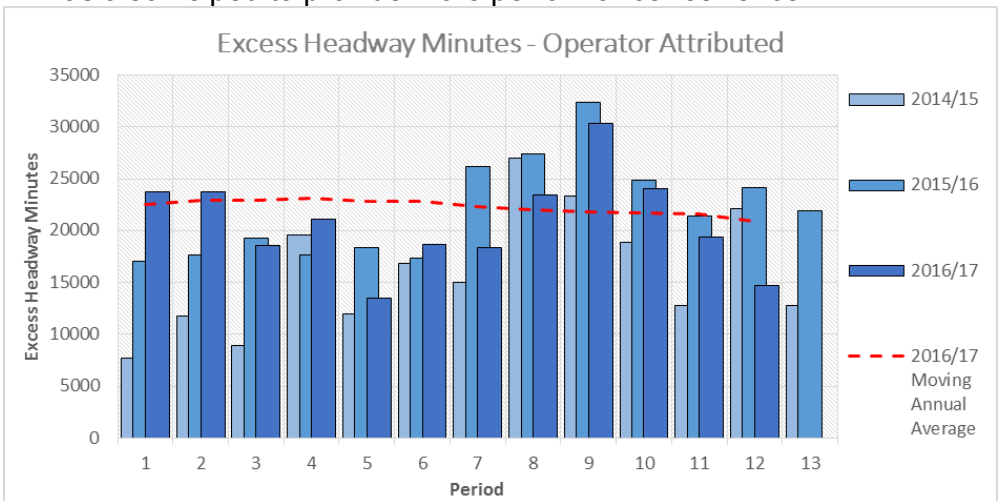
Period – 4-week periods (there are 13 in each financial year) used for financial, accounting and performance measurement purposes.

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.

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

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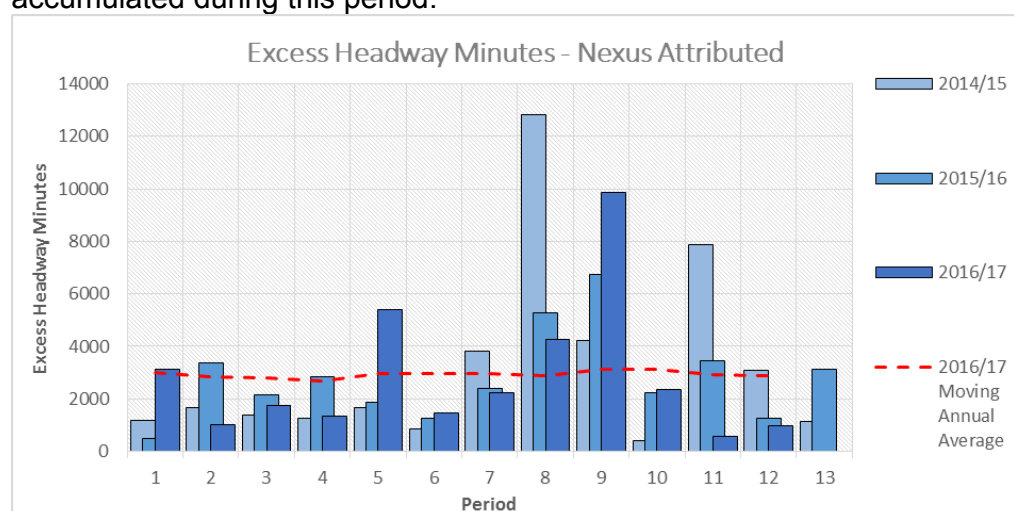
Operational performance	
Indicator:	Performance and Key Considerations:
Punctuality	<p>Over the three periods leading up to 4 March an average punctuality figure of 82% was achieved by Metro compared to 77% over the same twelve weeks last year and 5.5% better than the previous 12 weeks performance this year. The final 4-week period ending 4 March saw the punctuality target of 87.2% being achieved. This was the first time the target has been achieved since Period 1 2014/15, nearly three years.</p>  <p>The chart displays punctuality percentages across 13 periods. The 2016/17 data (dark blue) shows a significant improvement, starting at approximately 80% in Period 1 and reaching the 87.2% target by Period 13. The 2015/16 data (medium blue) shows a peak in Period 9 before declining. The 2014/15 data (light blue) is mostly obscured by the other bars.</p>
Excess Headway Minutes (Operator)	<p>An average of 19,370 Excess Headway Minutes per four-week period was allocated to the Operator, a reduction of nearly 4,500 Excess Headway Minutes per four-week period when compared with the previous three periods and a 4,100 reduction per four-week period when compared with the same periods last year. Improvements in fleet and driver performance have made the majority of the contribution to the reduction in Excess Headway Minutes. The introduction of the new Metro timetable in Period 12 has also helped to provide more performance resilience.</p>  <p>The chart shows a general downward trend in excess headway minutes over the 13 periods. The 2016/17 data (dark blue) shows a peak in Period 9 and then a sharp decline in Period 12, coinciding with the introduction of the new timetable. The 2015/16 data (medium blue) shows a peak in Period 9. The 2014/15 data (light blue) is mostly obscured by the other bars.</p>

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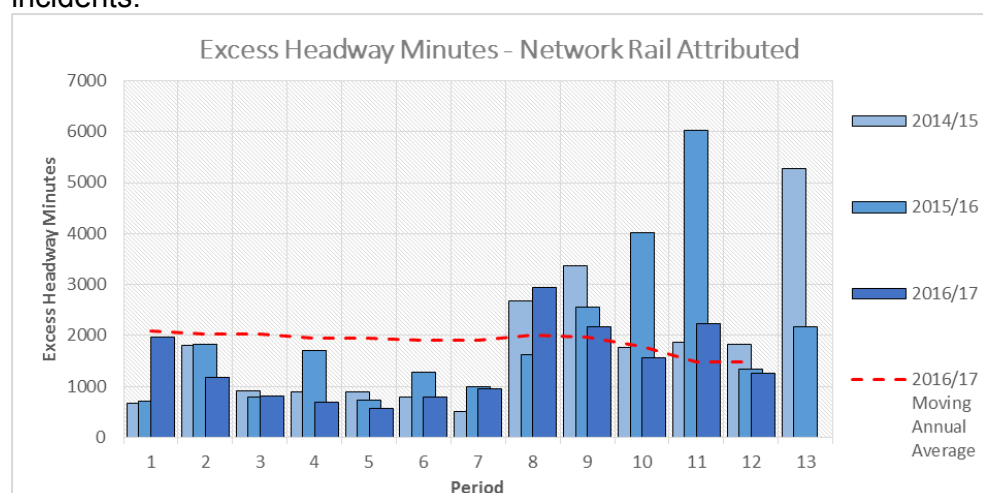
Excess Headway Minutes (Nexus Rail)

An average of 1,300 Excess Headway Minutes per four-week period was allocated to Nexus Rail; this is a reduction of nearly 4,100 Excess Headway Minutes per four-week period when compared with the previous three periods, and 1,000 Excess Headway Minutes reduction per four-week period when compared with the same periods in the previous year. This year's 12 week monitoring period included Period 11 with just 566 Excess Headway Minutes. During Period 10 a track defect in a tunnel was responsible for a large proportion of the Excess Headway Minutes accumulated during this period.



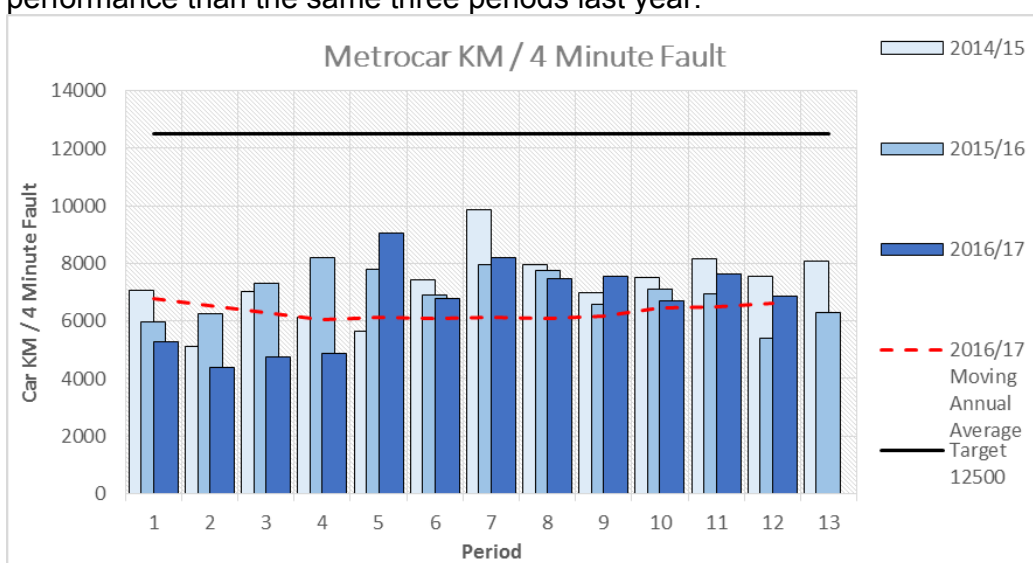
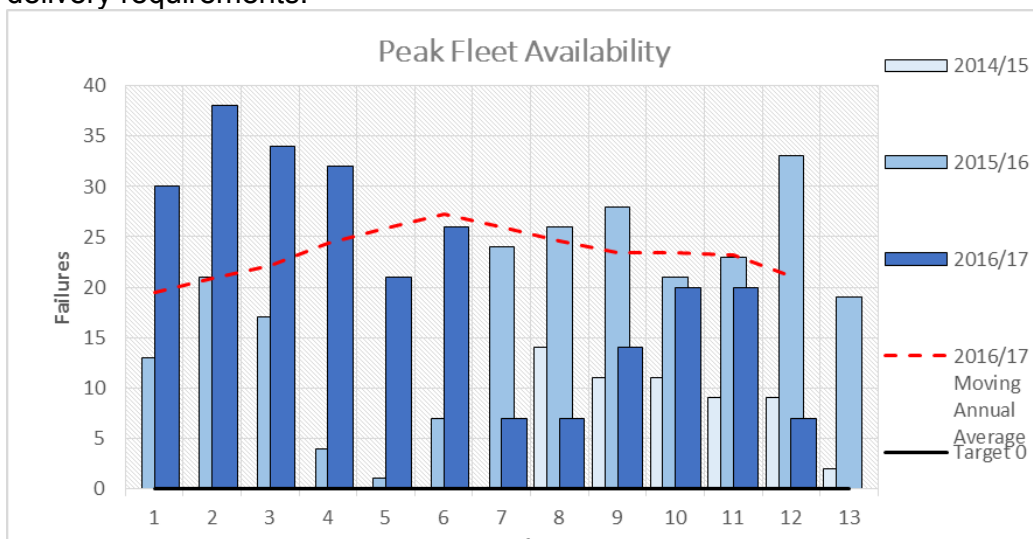
Excess Headway Minutes (Network Rail)

Network Rail performance improved slightly in the quarter but was still affected by signalling issues and a points defect at Park Lane. These faults have now been rectified. An average of 1,700 Excess Headway Minutes per four-week period was allocated to Network Rail ; this is a reduction of just over 300 Excess Headway Minutes per four-week period when compared with the previous three periods and 1,900 Excess Headway Minute reduction per four-week period when compared with the same periods in the previous year. It should be noted last years corresponding periods included two very significant overhead line incidents.



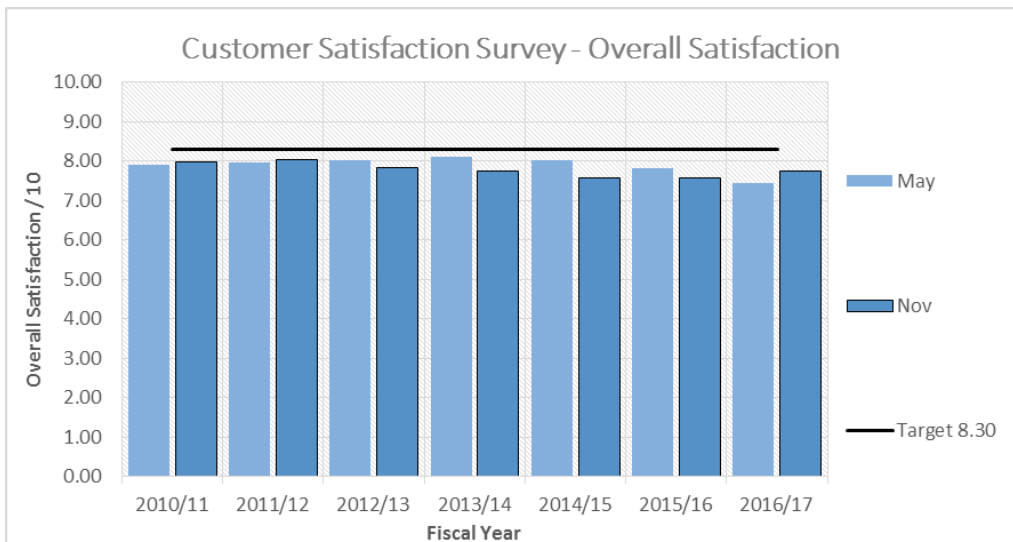
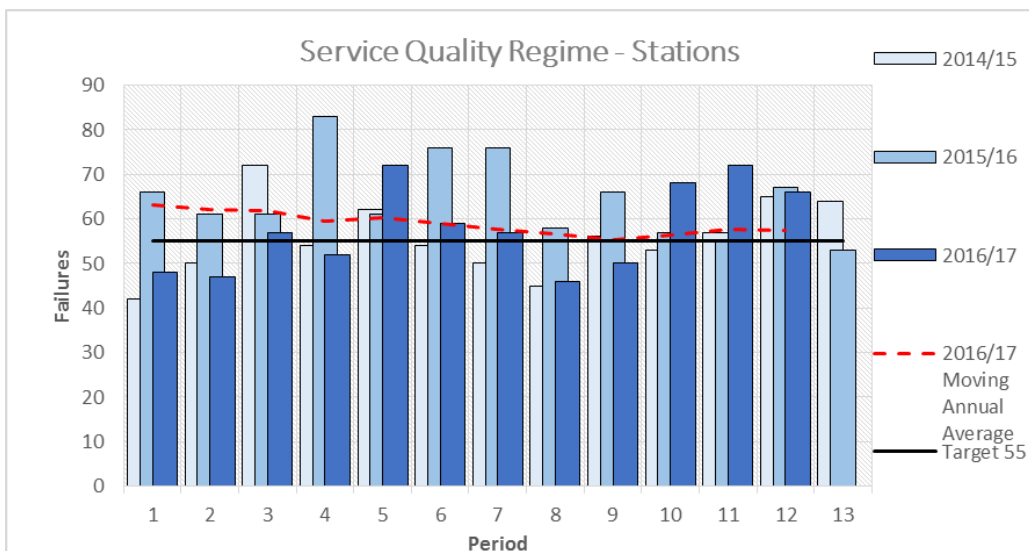
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Fleet performance																																																									
Indicator:	Performance and Key Considerations:																																																								
Metrocar kilometres per 4+ Excess Headway Minute fault	<p>Performance was an average of 7,053km per fault in the three periods under review. This is in line with the long-term average and whilst a slight deterioration from the previous three periods, still represents a recovery from the poorer performance experienced earlier in the year and a better performance than the same three periods last year.</p> <div><p>Metrocar KM / 4 Minute Fault</p><table><thead><tr><th>Period</th><th>2014/15</th><th>2015/16</th><th>2016/17</th></tr></thead><tbody><tr><td>1</td><td>7000</td><td>6000</td><td>5500</td></tr><tr><td>2</td><td>5500</td><td>6200</td><td>4500</td></tr><tr><td>3</td><td>7000</td><td>7200</td><td>4800</td></tr><tr><td>4</td><td>8200</td><td>8200</td><td>4800</td></tr><tr><td>5</td><td>7800</td><td>9000</td><td>9000</td></tr><tr><td>6</td><td>7200</td><td>6800</td><td>6800</td></tr><tr><td>7</td><td>9800</td><td>8200</td><td>8200</td></tr><tr><td>8</td><td>8000</td><td>7800</td><td>7500</td></tr><tr><td>9</td><td>7200</td><td>7500</td><td>7500</td></tr><tr><td>10</td><td>7500</td><td>7000</td><td>6800</td></tr><tr><td>11</td><td>8200</td><td>7800</td><td>7500</td></tr><tr><td>12</td><td>7500</td><td>5500</td><td>6800</td></tr><tr><td>13</td><td>8200</td><td>6200</td><td>6200</td></tr></tbody></table></div>	Period	2014/15	2015/16	2016/17	1	7000	6000	5500	2	5500	6200	4500	3	7000	7200	4800	4	8200	8200	4800	5	7800	9000	9000	6	7200	6800	6800	7	9800	8200	8200	8	8000	7800	7500	9	7200	7500	7500	10	7500	7000	6800	11	8200	7800	7500	12	7500	5500	6800	13	8200	6200	6200
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Peak fleet availability	<p>Peak fleet availability in the twelve weeks ending 4 March saw the full service delivery requirement being met on 59% (67/114) of the weekday morning and evening peaks compared to 76% (92/120) in the preceding twelve weeks. This is also an improvement on the same three periods last year when only 32% of morning and evening peaks met the full service delivery requirements.</p> <div><p>Peak Fleet Availability</p><table><thead><tr><th>Period</th><th>2014/15</th><th>2015/16</th><th>2016/17</th></tr></thead><tbody><tr><td>1</td><td>13</td><td>30</td><td>30</td></tr><tr><td>2</td><td>21</td><td>38</td><td>38</td></tr><tr><td>3</td><td>17</td><td>34</td><td>34</td></tr><tr><td>4</td><td>4</td><td>32</td><td>32</td></tr><tr><td>5</td><td>1</td><td>21</td><td>21</td></tr><tr><td>6</td><td>7</td><td>26</td><td>26</td></tr><tr><td>7</td><td>7</td><td>24</td><td>24</td></tr><tr><td>8</td><td>14</td><td>26</td><td>26</td></tr><tr><td>9</td><td>11</td><td>28</td><td>14</td></tr><tr><td>10</td><td>11</td><td>21</td><td>20</td></tr><tr><td>11</td><td>9</td><td>23</td><td>20</td></tr><tr><td>12</td><td>9</td><td>33</td><td>7</td></tr><tr><td>13</td><td>2</td><td>19</td><td>19</td></tr></tbody></table></div>	Period	2014/15	2015/16	2016/17	1	13	30	30	2	21	38	38	3	17	34	34	4	4	32	32	5	1	21	21	6	7	26	26	7	7	24	24	8	14	26	26	9	11	28	14	10	11	21	20	11	9	23	20	12	9	33	7	13	2	19	19
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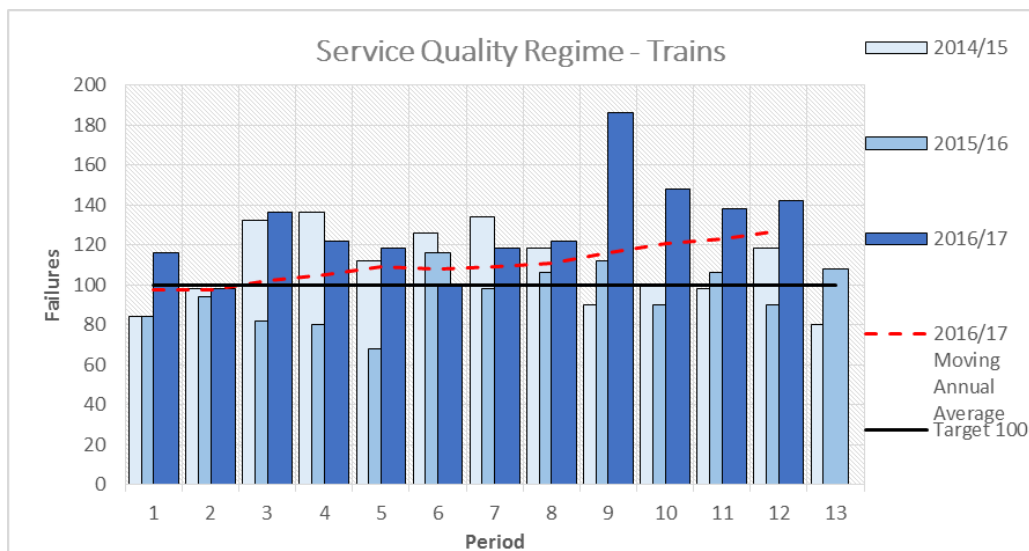
Customer experience																																																									
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Customer Satisfaction Survey	<p>The November 2016 Metro Customer Satisfaction Survey (CSS) score rose to 7.7, a slight improvement on both the May 2016 score of 7.4 and the previous November score of 7.6. The recorded score however remains some way short of the 8.3 target.</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>7.9</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>7.9</td></tr><tr><td>2013/14</td><td>8.1</td><td>7.8</td></tr><tr><td>2014/15</td><td>8.0</td><td>7.6</td></tr><tr><td>2015/16</td><td>7.9</td><td>7.6</td></tr><tr><td>2016/17</td><td>7.5</td><td>7.7</td></tr></tbody></table></div>	Fiscal Year	May	Nov	2010/11	7.9	7.9	2011/12	8.0	8.0	2012/13	8.0	7.9	2013/14	8.1	7.8	2014/15	8.0	7.6	2015/16	7.9	7.6	2016/17	7.5	7.7																																
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Service Quality Regime – Stations	<p>An average of 69 fails were recorded per 4-week period, in the twelve weeks to 4 March. This is a deterioration from the previous twelve weeks, primarily due to increased levels of graffiti on the Metro system. This poorer position is also reflected when comparing with the same three periods last year.</p> <div><p>Service Quality Regime - Stations</p><table><thead><tr><th>Period</th><th>2014/15</th><th>2015/16</th><th>2016/17</th></tr></thead><tbody><tr><td>1</td><td>42</td><td>65</td><td>48</td></tr><tr><td>2</td><td>50</td><td>60</td><td>47</td></tr><tr><td>3</td><td>72</td><td>60</td><td>57</td></tr><tr><td>4</td><td>55</td><td>83</td><td>52</td></tr><tr><td>5</td><td>62</td><td>72</td><td>58</td></tr><tr><td>6</td><td>55</td><td>76</td><td>58</td></tr><tr><td>7</td><td>50</td><td>76</td><td>57</td></tr><tr><td>8</td><td>45</td><td>58</td><td>46</td></tr><tr><td>9</td><td>66</td><td>55</td><td>50</td></tr><tr><td>10</td><td>55</td><td>68</td><td>57</td></tr><tr><td>11</td><td>55</td><td>72</td><td>57</td></tr><tr><td>12</td><td>65</td><td>66</td><td>57</td></tr><tr><td>13</td><td>64</td><td>53</td><td>53</td></tr></tbody></table></div>	Period	2014/15	2015/16	2016/17	1	42	65	48	2	50	60	47	3	72	60	57	4	55	83	52	5	62	72	58	6	55	76	58	7	50	76	57	8	45	58	46	9	66	55	50	10	55	68	57	11	55	72	57	12	65	66	57	13	64	53	53
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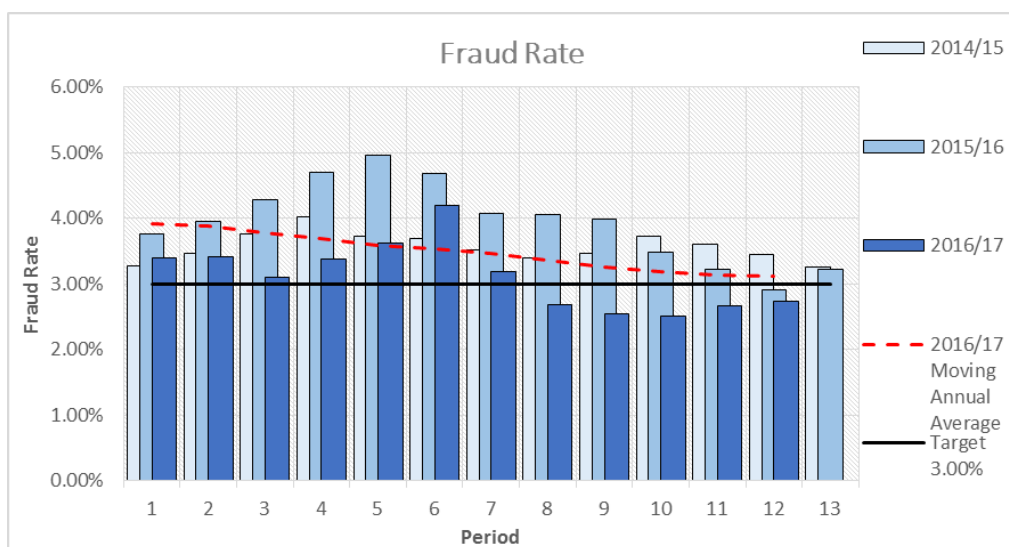
Service Quality Regime – Metrocars

An average of 143 fails were recorded per 4-week period, in the twelve weeks to 4 March. This is a deterioration from 114 per 4-week period in the previous quarter and worse than the target of 100 and the same three periods last year. Failures increased in several indicators and actions are being put in place to improve performance in these areas.



Fraud rate

The fraud rate maintained its performance at just over 2.5% during the 12-week period. This level represents a high performance when compared with historic levels and is a significant improvement when compared with the same three periods last year.

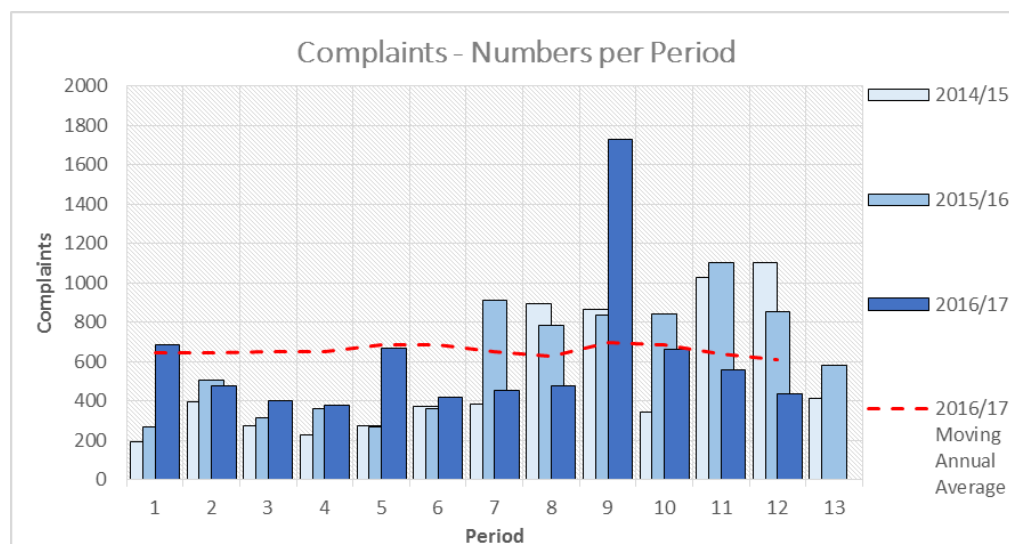


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Transport North East (Tyne and Wear) Sub-Committee

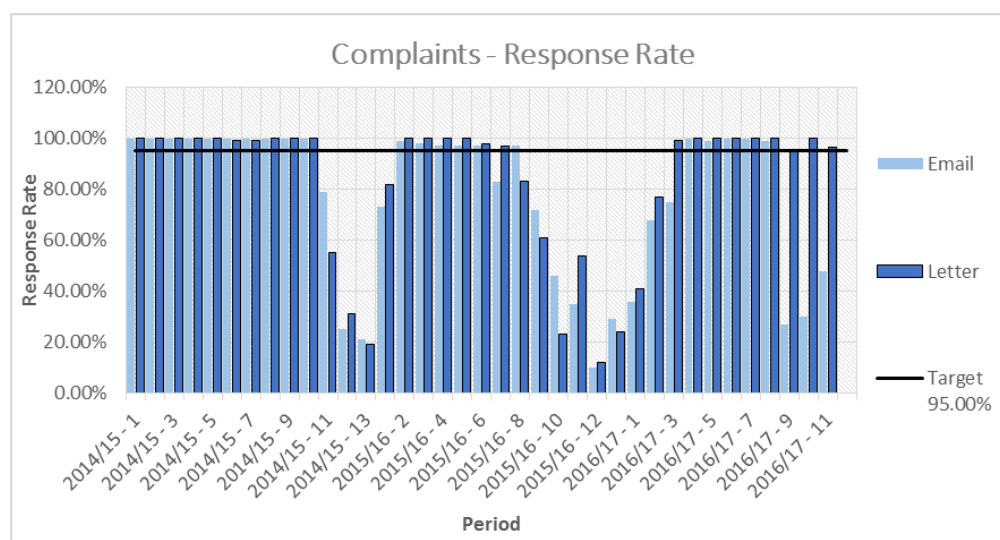
Complaints numbers

Following the large volume of complaints received at the end of Period 9, complaints numbers returned to a level more in line with expected volumes at an average of 550 per 4-week period. Levels were also reduced when compared with the same three periods last year, which was affected by two significant overhead line disruptions on Network Rail infrastructure.



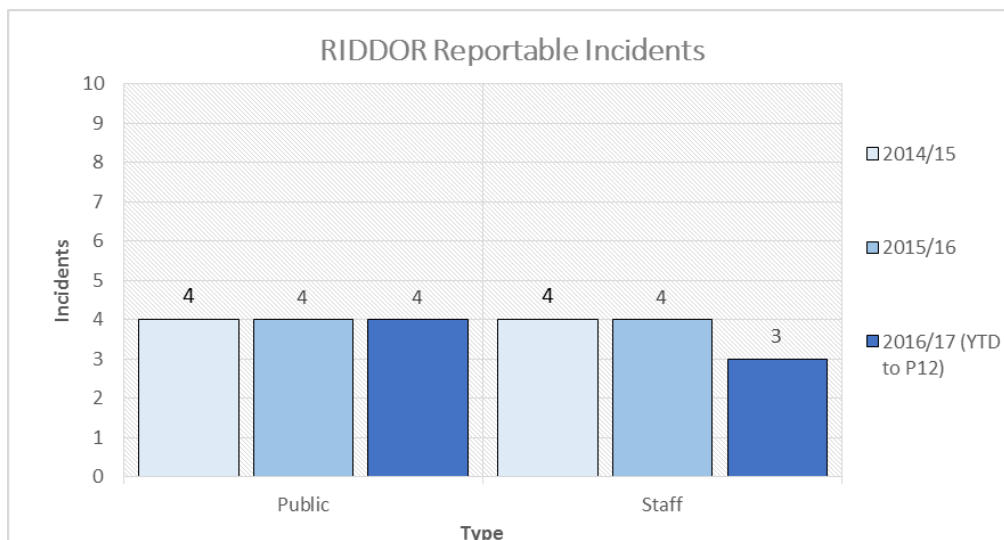
Complaints response time

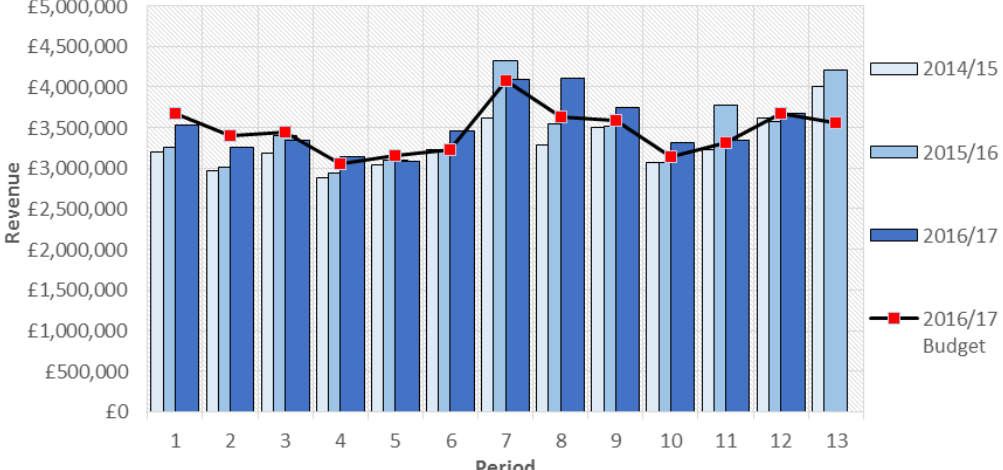
Reflecting the high volume of complaints during Period 9, response times fell below target. Whilst the response rate for Period 12 is not yet available, it is expected that the backlog of complaints has been caught up and the target is close to being met. Response times also fell below target in the same three periods last year but by a greater margin than this year.



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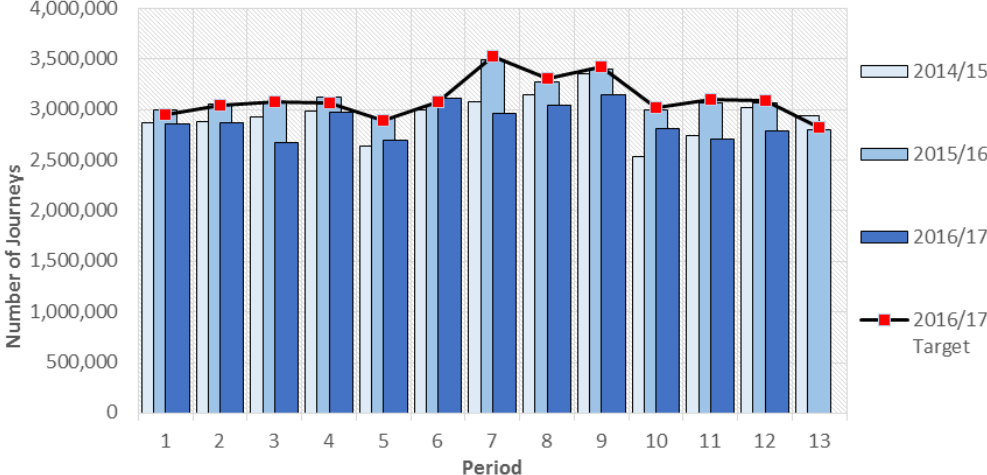
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Safety													
Indicator:	Performance and Key Considerations:												
Number of accidents	<p>There were no RIDDOR reportable accidents in the twelve-week period, and numbers remain broadly in line with previous years.</p> <div><p>RIDDOR Reportable Incidents</p><table><thead><tr><th>Type</th><th>2014/15</th><th>2015/16</th><th>2016/17 (YTD to P12)</th></tr></thead><tbody><tr><td>Public</td><td>4</td><td>4</td><td>4</td></tr><tr><td>Staff</td><td>4</td><td>4</td><td>3</td></tr></tbody></table></div>	Type	2014/15	2015/16	2016/17 (YTD to P12)	Public	4	4	4	Staff	4	4	3
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Public	4	4	4										
Staff	4	4	3										

Farebox																																																																							
Indicator:	Performance and Key Considerations:																																																																						
Total Farebox revenue	<p>Total revenue for the year to date currently stands at £42.017m v budget of £41.386m (+1.5%). Periodic performance versus last year and versus budget is shown below.</p> <div><p>Total Revenue</p><table><thead><tr><th>Period</th><th>2014/15</th><th>2015/16</th><th>2016/17</th><th>2016/17 Budget</th></tr></thead><tbody><tr><td>1</td><td>3,200,000</td><td>3,300,000</td><td>3,500,000</td><td>3,600,000</td></tr><tr><td>2</td><td>3,000,000</td><td>3,100,000</td><td>3,200,000</td><td>3,300,000</td></tr><tr><td>3</td><td>3,200,000</td><td>3,300,000</td><td>3,400,000</td><td>3,500,000</td></tr><tr><td>4</td><td>3,000,000</td><td>3,100,000</td><td>3,200,000</td><td>3,300,000</td></tr><tr><td>5</td><td>3,100,000</td><td>3,200,000</td><td>3,300,000</td><td>3,400,000</td></tr><tr><td>6</td><td>3,200,000</td><td>3,300,000</td><td>3,400,000</td><td>3,500,000</td></tr><tr><td>7</td><td>3,500,000</td><td>3,600,000</td><td>3,700,000</td><td>3,800,000</td></tr><tr><td>8</td><td>3,300,000</td><td>3,400,000</td><td>3,500,000</td><td>3,600,000</td></tr><tr><td>9</td><td>3,400,000</td><td>3,500,000</td><td>3,600,000</td><td>3,700,000</td></tr><tr><td>10</td><td>3,100,000</td><td>3,200,000</td><td>3,300,000</td><td>3,400,000</td></tr><tr><td>11</td><td>3,300,000</td><td>3,400,000</td><td>3,500,000</td><td>3,600,000</td></tr><tr><td>12</td><td>3,500,000</td><td>3,600,000</td><td>3,700,000</td><td>3,800,000</td></tr><tr><td>13</td><td>3,700,000</td><td>3,800,000</td><td>3,900,000</td><td>4,000,000</td></tr></tbody></table></div>	Period	2014/15	2015/16	2016/17	2016/17 Budget	1	3,200,000	3,300,000	3,500,000	3,600,000	2	3,000,000	3,100,000	3,200,000	3,300,000	3	3,200,000	3,300,000	3,400,000	3,500,000	4	3,000,000	3,100,000	3,200,000	3,300,000	5	3,100,000	3,200,000	3,300,000	3,400,000	6	3,200,000	3,300,000	3,400,000	3,500,000	7	3,500,000	3,600,000	3,700,000	3,800,000	8	3,300,000	3,400,000	3,500,000	3,600,000	9	3,400,000	3,500,000	3,600,000	3,700,000	10	3,100,000	3,200,000	3,300,000	3,400,000	11	3,300,000	3,400,000	3,500,000	3,600,000	12	3,500,000	3,600,000	3,700,000	3,800,000	13	3,700,000	3,800,000	3,900,000	4,000,000
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Patronage																																																																							
Indicator:	Performance and Key Considerations:																																																																						
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North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

Date: 20 April 2017

Subject: Monitoring Nexus' Performance:
1 April 2016 to 4 March 2017

Report of: Chief Executive Officer for Transport
Managing Director (Transport Operations)

EXECUTIVE SUMMARY

This report provides an update on Nexus' performance against its Corporate Business Plan (CBP) targets and objectives for 2016/17 for the duration of the twelve four-week reporting periods from 1 April 2016 to 4 March 2017, the period from 1 April 2016 to 10 December 2016 having been previously reported to the Sub-Committee.

RECOMMENDATIONS

It is recommended that the Sub-Committee receives and considers the report and the attached appendix giving details of Nexus' corporate performance in delivering services and projects for 2016/17.

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1 Background Information

- 1.1 This report provides a review of Nexus' performance against its Corporate Business Plan (CBP) targets and objectives for 2016/17.
- 1.2 Nexus' CBP for 2016/17 has three main themes and fifteen workstreams which are identified in Appendix 1 (attached).

Of the 15 work streams:-

- Thirteen workstreams are rated 'Green' in status, three from four in Theme 1 'Improve public transport today'; seven from eight in Theme 2 'Prepare for the future', and all three in Theme 3 'Be an effective delivery agent for the NECA'.
 - There is one workstream under 'Improve public transport today' categorised as 'Amber' relating to 'Reverse unsatisfactory Metro performance'. It should be noted that while Metro Charter Performance has been above last year's results for 11 consecutive periods, it has been below target in most cases, fleet availability has been challenging at times, and ridership has been below target.
 - The second 'Amber' workstream, in Theme 2 'Prepare for the future', is in relation to the workstream 'Develop business cases to improve transport assets' because it has not proved possible to secure bidding status for Single Local Growth Fund (SLGF) funding for the proposed Metro station improvement schemes. Alternative sources of external funding are being investigated.
- 1.3 Over the three periods leading up to 4 March an average punctuality figure of 82% was achieved by Metro compared to 77% over the same twelve weeks in the previous year. The 4-week period ending 4 March saw the Metro punctuality target of 87.2% being achieved, corresponding with the introduction of the new Metro timetable from 5 February.
 - 1.4 The decline in patronage, largely from leisure trips and trips taken using third-party sales has continued to be evident, with marketing and promotional measures, being implemented to seek to counter this, and a comprehensive programme of activities being planned for 2017-18.

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- 1.6 Appendix 1 provides a full review of Nexus' performance against the business plan over the period from 1 April 2016 to 4 March 2017 with particular reference being drawn from the twelve weeks from 11 December 2016 to 4 March 2017, the earlier period having already been the subject of reports to the Sub-Committee at its meetings in July, September and November 2016 and January 2017.

2 Proposals

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

3 Next Steps

- 3.1 The next performance update will be presented at the July 2017 meeting of the Committee.

4 Potential Impact on Objectives

- 4.1 Performance monitoring and review can help ensure the achievement of desired objectives.

5 Finance and Other Resources

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

6 Legal

- 6.1 There are no direct legal considerations arising from this report.

7 Other Considerations

7.1 Consultation/Community Engagement

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

7.2 Human Rights

There are no specific human rights considerations arising from this report.

7.3 Equalities and Diversity

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

7.4 Risk Management

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There are no specific risk management considerations arising from this report as there are no issues requiring escalation at this time. Applying performance management can help mitigate and avoid the occurrence of risks.

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

There are no specific environment and sustainability considerations arising from this report.

8 Background Documents

8.1 Nexus' Corporate Business Plan 2016/17.

9 Links to the Local Transport Plans

9.1 This report has links to the delivery of policies and objectives set out in the Local Transport Plan for Tyne and Wear.

10 Appendices

10.1 Nexus' summary performance report on the delivery of services and projects against its business plan.

11 Contact Officers

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

12 Sign off

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

Please use ✓

13 Glossary

Theme 1: Improve Public Transport Today		
Workstream:	RAG Status	Key Considerations:
Reverse unsatisfactory Metro performance (RAG Status: Amber)	A	<p>As at 4 March Metro Punctuality was recorded at 87.2% compared to 79.3% at the same point last year. This is the eleventh consecutive period in which the punctuality figure has been better than corresponding performance in the prior year. The introduction of the new Metro timetable from 5 February 2017 has seen a better year on year result for that particular period. Over the three four-week periods leading up to 4 March an average punctuality figure of 82% was achieved by Metro compared to 77% over the same twelve weeks last year.</p>
		<p>The latest Metro Customer Satisfaction Survey (CSS) score (November 2016) was 7.7, a slight improvement on both the May 2016 score of 7.4 and the previous November score of 7.6. Performance does however remain some way short of the 8.3 target. The next CSS is scheduled to take place in May 2017.</p>
		<p>A decline in patronage, largely from leisure trips and trips taken using third-party products has continued. Marketing plans are in place to maximise leisure travel opportunities in the 12 months ahead. Ridership in the year to 4 March 2017 stands at 34.650m against a cumulative target of 37.576m with a total of 37.494m having been recorded at the same point last year. It should be noted however, that sales revenues are in excess of budget, reflecting the fact that almost 60% of the decline in boardings relates to Gold Card and Network One ticket holders.</p>
		<p>Peak fleet availability in the twelve weeks ending 4 March saw the full service delivery requirement being met on 59% (67/114) of the weekday morning and evening peaks compared to 76% (92/120) in the preceding twelve weeks. The introduction of the new timetable on 5 February has helped improve resilience and in the final 4 week period ending 4 March peak availability improved to an average of 91.4%.</p>
Improve local rail services (RAG status: Green)	G	<p>The North East Rail Management Unit (NERMU) Board has signed-off its draft Business Plan for 2017/18. NERMU responded to the Northern consultation on the planned December 2017 timetable. Although there were some positive improvements proposed (Darlington to Bishop Auckland hourly service introduced earlier than originally planned), there were also some disappointments as some expected improvements have</p>

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		<p>been delayed (improved frequencies on the Newcastle to Carlisle, Tyne Valley line), NERMU will continue to work with Northern to seek introduction of these services at the earliest opportunity.</p>
		<p>On the 13th March 2017 RMT held a one day strike in relation to Arriva's plans for the implementation of Driver Controlled Operation (DCO) on Northern Rail services. Despite the industrial action many services continued to run in the North East on the day.</p> <p>A second day of action has now been called for the Saturday 8th April.</p> <p>The Rail North position is as follows: "Rail North supports Northern's plans to transform rail travel and services across the North of England which will deliver substantial passenger benefits and benefit the UK economy. We are disappointed that further industrial action appears likely. Staffing proposals are a matter for the operator to agree with staff and the unions. We encourage both sides to remain in dialogue and try and find a way forward that avoids impacting on the travelling public."</p>
<p>Innovate through technology (RAG status: Green)</p>	<p>G</p>	<p>Nexus continues to work in partnership with NELEP to secure funding for a 5G test bed. High quality digital connectivity for the commuter market (high volumes, short distances) has been selected as one of the first "use cases" and the Tyne and Wear Metro could be a test bed for this. Interest in the project continues to grow, with the UK Space Agency indicating they may be able to offer financial support for a rural test bed, utilising satellite technology.</p>
		<p>The North East Smart Ticketing Initiative (NESTI) has designed a Remote Ticket Download application (i.e. buy online and collect by holding your card to your phone). The application is expected to be available for trial in early April. ITSO (the National Standards body for Smart Ticketing) have also agreed to support a Host Card Emulation (your phone becomes your POP Card) trial on Tyne and Wear Metro and discussions are underway jointly with Digital Catapult NE&TV to procure this through an Innovation competition targeted at the local technology sector (although open nationally).</p>
		<p>Transport for the North (TfN) and partner authorities are developing a specification for a Smart Ticket Back Office which is likely to incorporate major bus operators, although the terms of engagement are yet to be agreed.</p>
		<p>Live Travel Map has now been launched and initial feedback has been very positive. The reliability and</p>

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		quality of data is steadily improving.
		The ITT for the construction of the new Metro maintenance skills and training facility at South Shields has been issued and tenders are due to be returned by 6th April. Confirmation of LGF funding will be sought once the business case, incorporating the tender price is finalised.
Deliver the Asset Renewal Plan (RAG status: Green)	G	At the end of period 12, the Metro Asset Renewal Programme (ARP) capital expenditure forecast for 2016/17 was £35.691m. Although the forecast is £2.777m less than the latest approved budget of £38.468m, it has already surpassed the minimum spend target set by the DfT. Expenditure in the period was 97% of the forecast. The majority of the under spend in 2016/17 will be committed in 2017/18 which is allowed under the terms of the grant from DfT.
		The refurbishment of Central station Metro station was completed in February.
		Consultation with stakeholders to introduce 'Sunderland AFC' branding to the Stadium of Light station is progressing.
		A trial to implement 'platform gap fillers' has commenced as part of the scheme to ensure compliance with the Rail Vehicle Accessibility Regulations requirements, effective from 31 December 2019.
		The design for the replacement of Killingworth Road bridge has been submitted by the contractor. Service and cable diversions are being coordinated in advance of the main works. This project is scheduled for summer 2017 – concurrently with track renewal work in the area aimed at minimising the impact on Metro services.
		The renewal of track from Tynemouth to Northumberland Park is largely complete. Some drainage works remain outstanding and are expected to be completed in 'Control of Line' (CoL) in late March 2017.
		The track renewal contract from Northumberland Park to South Gosforth stations is scheduled for award April. The works will be delivered in summer 2017 – timed to align with the replacement of Killingworth Road bridge.
		Planning and survey work continues for the system-wide renewal of the overhead line. A training facility has been established in South Shields and works will commence in June 2017.

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Theme 2: Prepare for the Future		
Workstream:	RAG Status	Key Considerations:
Secure Metro's financial future (RAG status: Green)	G	The DfT Board Investment and Commercial Committee (BICC) considered a paper seeking funding to replace the Metro fleet in January 2017. Whilst the strategic case for the new fleet is largely accepted, there has been extensive dialogue with DfT and HM Treasury in relation to funding, with no firm decisions as yet.
		The Outline Business Case (OBC) for the new fleet and essential renewals will be further examined by DfT in advance of a further BICC meeting scheduled for 19 June. In order to raise awareness of the project, a Parliamentary reception was held on 7 February and was well attended with very positive feedback. In January, Nexus received an 'Amber/Green' rating from the DfT initiated OGC Review of the Metro Futures programme, a rating which reflects really well on Nexus.
Design a new Metro fleet (RAG status: Green)	G	Mott MacDonald has been commissioned to update the outline fleet specification prior to procurement commencing. Feedback from customer market research was reported to TNEC in February and the findings will help inform the fleet specification. Transport Focus and Newcastle University's OpenLab played an instrumental role in the research and attended the Parliamentary Reception in order to raise awareness of their work and the feedback from customers. The research has also attracted media attention.
Restructuring of Metro operations (RAG status: Green)	G	From 1 April 2017 Nexus will assume responsibility for Metro passenger services via its wholly owned subsidiary, North East Metro Operations Limited, which was incorporated in January 2017. All of the various transition workstreams are now largely complete and a budget has been established for the subsidiary company.
Influence Network Rail's planning process (RAG status: Green)	G	A Rail Fares Simplification Study is being undertaken through Rail North to provide a wider understanding of the range of existing fares; the process of fare setting, and the regulations which govern fares.
		Network Rail (NR) are presenting an update to TNEC on the 20 th April on their bid to DfT for funding for the next control period (CP6) covering 2019 to 2024. Network Rail have indicated that investment will be restricted, with assets being life extended where possible, rather than being renewed. This could have significant impacts on train service performance. Representations have been made to

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		make the ECML north of York both HS2 and Northern Powerhouse Rail ready through a programme of works up to 2033. NR is proposing the development of a pipeline of schemes (yet to be agreed) for future development of the ECML.
Develop a new local rail strategy (RAG status: Green)	G	Nexus has appointed a Head of Network Extensions to take forward the development and implementation of the objectives for extensions set out in the Metro and local rail strategy approved by the Leadership Board in July 2016. Outputs from the wider Metro Futures project, such as the development of timetable and demand models, will be used to inform the strategic case(s) for the extensions.
Plan next step for buses (RAG status: Green)	G	Work is progressing to develop a new Bus Strategy covering the NECA area. The Officer Working Group is engaging with local bus operators as part of the strategy development process, with a first meeting scheduled for mid-April.
		The Bus Services Bill continues its passage through Parliament. The Report stage was completed on 16 March, during which the Government reintroduced through amendments a number of features that Nexus does not support which was included in its submission to the HOC committee, including a limitation on who can access bus franchising powers without approval from the Secretary of State, and a ban on the creation of a new municipally-owned bus operation. The Bill's report stage is scheduled for 27 March, with a Third Reading to follow. DfT believes the Act will receive Royal Assent in May 2017.
		On 8 February, DfT issued draft guidance and regulations associated with the Bill. Nexus has provided a detailed response and highlighted a number of important areas where guidance and regulations can be improved in order that the objectives of the Bill are not hampered, e.g. for TUPE transfer arrangements and business case guidance. Nexus has also contributed to the Urban Transport Group's (UTG) response to the consultation.
		The commercial bus operators in Durham, Tyne and Wear and Northumberland have formed an association to pursue partnership working an initial meeting between operators and local transport authorities has been scheduled for late March.

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Review of Nexus' services (RAG status: Green)	G	The Leadership Board approved Nexus' revenue budget for 2017/18 and an indicative revenue budget for 2018/19 to 2019/20 together with the Metro capital programme for 2017/18 to 2019/20, on 17 January 2017. Nexus' three year business plan (CBP) covering the period 2017/18 to 2019/20 was endorsed by TWSC on 26 January 2017 and Nexus' progress in its delivery will be monitored by the Sub-committee accordingly.
Develop business cases to improve transport assets (RAG status: Amber)	A	Progress on development of the 'above ground' concourse area at Sunderland station is being hampered because Network Rail, the station owner, does not yet have a confirmed programme for delivering the works. Nexus and the NECA have helped facilitate meetings with Network Rail and Sunderland City Council in an attempt to progress the project and its business case.

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Workstream:	RAG Status	Key Considerations:
Develop training and succession planning (RAG status: Green)	G	Nexus is actively considering the recruitment of new apprentices and a programme of succession planning is being developed.
Focus on health, safety and the environment (RAG status: Green)	G	Delivering the first round of "Influencing for Safety" development sessions for Nexus Rail's front-line supervisors is now complete. Further iterations are being planned.
		The Accident Frequency Rate (AFR) remains at 0.68 (0.87 in P9, 0.86 in P10, 0.68 in P11) and, at 4 March, Nexus had achieved a continuous period of 201 RIDDOR accident free days.
		In the year to 4 March there have been 89 reports received under the 'Close Call' safety initiative, giving a valuable opportunity to identify potential learning points.
Exercise due diligence in managing capital and revenue resources (RAG status: Green)	G	The non-Metro capital programme forecast for 2016/17 at 4 March was £1.929m. Slippage will be accommodated in 2017/18 with the resources underpinning the programme sufficiently flexible to allow for this.
		As at 4 March 2017 a surplus of £1.448m is forecast against the 2016/17 budget deficit of £0.382m. This demonstrates a positive variation of £1.830m against the current year budget.
		Nexus will implement a staffing restructure, involving use of the Voluntary Redundancy Scheme, to save £0.800m in employee costs from 1 April 2017.

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Transport North East (Tyne and Wear) Sub-Committee

Date: 20 April 2017

Subject: Nexus' Corporate Risks 2017/18

Report of: Managing Director (Transport Operations)

Executive Summary

The purpose of this report is to advise and seek comment from the Sub-Committee regarding Nexus' corporate risk register (CRR).

Recommendations

The Sub-Committee is asked to note and provide comment on Nexus' CRR for 2017/18.

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1 Background Information

- 1.1 Nexus defines its corporate risks as those matters which, if the risk occurred, could have adverse consequences for the achievement of the Corporate Business Plan (CBP). Financial year 2016/17 ended with fourteen risks in Nexus' CRR as follows:

1. **That a catastrophic event may occur on the Metro**
2. **Rail North working arrangements.**
3. **Payment and customer information systems do not meet customer expectations.**
4. **Non-Metro capital programme fails to deliver intended outcomes.**
5. **Metro Asset Renewal Programme fails to deliver intended outcomes**
6. **Long term funding for Metro**
7. **Replacement Metrocar fleet and Essential Renewals Business Cases not delivered on time.**
8. **Nexus is insufficiently prepared to undertake Metro operations with effect from 01 April 2017.**
9. **Bus Strategy delivery arrangements.**
10. **Nexus' service review fails to deliver the necessary savings.**
11. **Business cases to secure additional funding for improvements to the asset base are not delivered to time.**
12. **Future retention of key skills and abilities.**
13. **That the process of bringing Metro operations in-house results in a significant decline in service level outputs and customer satisfaction**
14. **The Devolution agenda on transport matters is progressed without having due regard to Nexus' funding, functions and powers.**

- 1.2 It should be noted that, with regard to risk number 13 above, Members have considered updates on the transition project at previous meetings of this Sub-Committee and policy seminars. Members noted that the transition between operators elsewhere in the UK rail industry has sometimes resulted in a decline in performance. The Sub-Committee therefore identified the need to closely monitor the performance of the Metro following the transition. A set of measures for the Sub-Committee to consider and monitor has been adopted to provide increased transparency in the management of this particular risk which will remain on Nexus CRR associated with the workstream 'Improve Metro performance' (see table below).

- 1.3 For 2017/18 the corporate risks are primarily linked to the three themes and sixteen workstreams contained in Nexus' three-year CBP which was

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approved by the sub-committee at its meeting of 26 January 2017. Taking into account the need to carry forward risk 1 from the above list (equating to the CBP workstream 'Focus on health, safety and the environment', noting there is a robust Safety Management System in place with independent regulation through the Office of Rail and Road) and risk 14 relating to devolution matters, the themes and workstreams from the CBP to consider in respect of articulating the remainder of Nexus' corporate risks are as follows:

Nexus Corporate Business Plan 2017/18 to 2019/20

Theme	Workstream
Deliver public transport today:	<ul style="list-style-type: none">• Improve Metro performance• Enhance local and national rail services• Embed new technology• Deliver the Asset Renewal Plan• Deliver non-Metro capital projects• Deliver and develop services and facilities
Prepare for the future:	<ul style="list-style-type: none">• Obtain a new fleet & prepare for the new contract• Secure long-term improvements to Metro infrastructure• Plan for the expansion of Metro and local rail networks• Plan for local bus service improvements• Innovate through technology• Secure investment in local public transport assets
Focus on organisational effectiveness:	<ul style="list-style-type: none">• Refine training and succession planning• Ensure Nexus is an employer of choice• Service review to balancing the budget

- 1.4 In order to better articulate certain corporate risks it is proposed to combine workstreams that are closely related as follows:

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- Embed new technology (short term) /Innovate through technology (longer term)
- Refine training and succession planning/Ensure Nexus is an employer of choice

1.5 The following fifteen corporate risks are therefore to be managed by Nexus with updates being reported to the Sub-Committee:

- i. That Metro performance deteriorates
- ii. That a catastrophic event may occur on the Metro
- iii. Rail North working arrangements.
- iv. New technology does not meet customer expectations.
- v. Metro Asset Renewal Programme fails to deliver intended outcomes.
- vi. Non-Metro capital programme fails to deliver intended outcomes.
- vii. Nexus' delivery of public transport services and facilities does not meet customer expectations.
- viii. Arrangements to replace the Metrocar fleet and put the new contract in place not delivered to time.
- ix. Essential Renewals Business Case does not deliver intended outcomes.
- x. Work to expand the Metro and local rail network does not progress.
- xi. Bus Strategy delivery arrangements.
- xii. Business cases to secure additional funding for improvements to the asset base are not successful.
- xiii. Future retention of key skills and abilities.
- xiv. Nexus' service review fails to deliver the necessary savings.
- xv. The devolution agenda being carried forward without due regard to Nexus' funding, functions and powers.

1.6 The following table identifies each of the fifteen risks in turn, the links to workstreams in Nexus CBP for 2017/18, the current RAG status and the direction of travel where applicable (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.

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Risk area CBP workstream link:	RAG Status	Direction of travel
Metro performance Deliver public transport today	Amber	↔ (static)
Catastrophic event on Metro Metro performance/Focus on Health and Safety	Amber	↔ (static)
Rail North working arrangements Enhance local and national rail services	Green	↔ (static)
Payment and customer information systems Embed new technology/Innovate through technology	Green	↔ (static)
Metro Asset Renewal Programme fails to deliver intended outcomes Deliver the Asset Renewal Programme	Green	↔ (static)
Non-ARP capital projects fail to deliver intended outcomes Deliver the non-ARP capital projects	Green	↔ (static)
Provision of public transport services and facilities does not meet customer expectations. Deliver and develop public transport services and facilities	Amber	N/A New
Replacement of the Metrocar fleet and putting a new contract in place Obtain a new fleet and prepare for the new Metro contract	Green	↔ (static)
Long-term funding for Metro Secure long term improvements to Metro infrastructure	Amber	↔ (static)

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Work to expand the Metro and local rail network does not progress. Plan for expansion of Metro and local rail networks	Amber	N/A New
Bus Strategy delivery arrangements Plan for local bus service improvements.	Amber	↔ (static)
Business cases for external funding Secure investment in local public transport assets	Amber	↔ (static)
Future retention of key skills and abilities Refine training and succession planning/Ensure Nexus is an employer of choice	Green	↔ (static)
Nexus' service review fails to deliver the necessary savings Service review to balancing the budget	Green	↔ (static)
The Devolution agenda on transport matters is progressed without having due regard to Nexus' funding, functions and powers Focus on organisational effectiveness	Amber	↔ (static)

2 Proposals

- 2.1 Nexus will continue to manage its corporate risk register to record, monitor and report to the Tyne and Wear Sub Committee at quarterly intervals.

3 Next Steps

- 3.1 A quarterly update on Nexus corporate risks will be reported to the Committee.

4 Potential Impact on Objectives

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- 4.1 Nexus' corporate risk register will not impact directly on the objectives of the Authority's policies and priorities; however Nexus' approach to risk management will support delivery of aims and ambitions by acknowledging the biggest threats and putting plans in place to manage them.

5 Finance and Other Resources

- 5.1 There are no direct financial implications for the NECA regarding the management of Nexus' Corporate Risk Register.

6 Legal

- 6.1 There are no specific legal implications for the NECA arising directly from this report.

7 Other Considerations

7.1 Consultation/Community Engagement

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

7.2 Human Rights

There are no Human Rights implications directly arising from this report.

7.3 Equalities and Diversity

There are no equalities and diversity implications directly arising from this report.

7.4 Risk Management

There are no direct risk management implications for the NECA arising from this report which provides the assurance that Nexus is managing its corporate risks.

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

There are no environment and sustainability implications directly arising from this report.

8 Background Documents

- 8.1 Nexus' Corporate Business Plan 2017/18 to 2019/10.

9 Links to the Local Transport Plans

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- 9.1 Nexus' approach to corporate risk management will support delivery of the Strategic Economic Plan and the Tyne and Wear Local Transport Plan, by identifying and dealing with the biggest long-term threats to delivery.

10 Appendices

- 10.1 Appendix 1 details each of Nexus' fourteen corporate risks.
10.2 Appendix 2 is the risk analysis toolkit that has been applied.

11 Contact Officers

- 11.1 Tobyn Hughes, Managing Director (Transport Operations),
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0191 2033246

12 Sign off

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

Please use ✓

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

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

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

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Appendix 1

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)
<u>Risk</u> That the transition from Metro being operated by DBTW to operation by Nexus' wholly owned subsidiary results in a decline in performance.		
Impact/Consequence(s): If Metro's operational performance were to decline for an extended 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">• Close monitoring of NEMOL activities• Meticulous auditing of key delivery outputs from NEMOL• Applying 'micro-management' to critical Metro operations issues		
Next Steps/Key Milestones: <ul style="list-style-type: none">• Periodic CMT meetings• Periodic reporting to TWSC		

The overall Risk Score is calculated as Likelihood x Impact in a 4x4 Risk Matrix (Toolkit appended)

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CBP Theme: Deliver public transport today		
CBP Workstream: Metro performance		
Risk Owner: Director of Rail and Infrastructure Risk Area: Catastrophic event	RAG Status (Amber)	Direction of Travel
	8 (2x4)	↔ (static)
<u>Risk</u> 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.• 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 and controlling the precursors of these events resulting in being able to exploit any 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		

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Companies.
Next Steps/Key Milestones: <ul style="list-style-type: none">Periodic CMT 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**

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	6 (2x3)	↔ (static)
<u>Risk</u> 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) 6 (3x2)	Direction of Travel ↔

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		(static)
<u>Risk</u> 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 Setting timescales and milestones and working to a plan Aligning with Transport for the North developments Engaging with 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 Updating and refreshing the technology roadmap and related plans on a regular basis First meeting with Digital Catapult and ITSO in April 2017 		

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)

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Risk

DfT has confirmed £120m for the final years of the ARP, through to 2020/21, against the original offer of up to £153m. However funding for and affordability of the Metro Asset Renewal Plan (ARP) Phase 2 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, adding to the requirement for capital renewals being provided for later years in Phase 3 which could potentially compromise timely delivery of other key elements.

Control(s):

- Some scaling back has taken place and bids are being made for additional funding e.g. through SLGF in relation to the station investment programme, to relieve the financial pressures involved.
- Work with NECA to identify opportunities through the devolution deal to fund Metro schemes.
- 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. DB Regio Tyne and Wear Limited, 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:

- Periodic Affordability Review

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 in the non-Metro capital programme are not delivered to time,

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cost and quality requirements.

Control(s):

- The Programme Assurance provides independent oversight to ensure that projects comply with standard governance and controls - to help ensure all projects delivered by Nexus are clearly defined, delivered to time and budget and with engagement from stakeholders.
- The Business Change (BC) department helps other sections to understand what they are trying to achieve and, through drafting and getting an agreed detailed project specification, then working with Projects to deliver the benefits to the business.
- BC has the role of leading on and developing key business change projects to improve the operational efficiency of Nexus and/or the service for our customers.
- Ensuring that when requirements for a business change are identified the benefits are too, as well as confirming that the change is properly scoped and implemented.
- Working with internal clients to ensure they are prepared and ready to accept the changes that will be needed when the project is integrated back into the business.

Next Steps/Key Milestones:

- Determined by Nexus' Project Control Manual and the Stage Gate cycle.

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)

**N/A
New**

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):

- Prioritisation of key services as part of the review process
- Engagement and consultation to help identify practical mitigations

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- Signposting of alternative service provision

Key Milestones/Next Steps:

- 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 (Green)	Direction of Travel
	4 (1x4)	← → (static)
<u>Risk</u>		
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. Metrofutures is Nexus' overall vision to enhance and improve the Metro system into the future. Non-delivery of the business cases to the required DfT deadlines could compromise achievement of the Metrofutures programme.		
Control(s):		

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- Metro Business Development team established in Corporate Planning section.
- Leading the project to scope and let the next Metro operating concession.
- Developing the business case to secure funding and to let the contract.
- The project also includes developing the business cases for a new fleet of Metrocars and for investment in essential renewals.
- Outline business cases are under development.
- Economic consultants have been appointed to determine the BCR.
- On-going liaison has been established with DfT and preliminary documents have been shared.

Key Milestones/Next Steps:

- Preliminary Outline Business Cases (OBCs) submitted to DfT
- Feedback received was used to prepare a full OBC that was submitted to the July 2016 meeting of Leadership Board
- Leadership Board approved the OBC for formal submission to DfT
- Actively liaising with DfT and HMT
- Nexus received an 'Amber/Green' rating in its DfT sponsored Office of Government Commerce Gateway Review carried out in December 2016
- DfT BICC investment meeting in January 2017 to consider funding application
- Subject to DfT's confirmation of funding procurement activity will commence

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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)
<u>Risk</u> 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): <p>The next stage of Metro reinvigoration, commencing in 2021/22, includes replacement of the Metrocar fleet and the signalling system without either of which the continued safe and reliable operation of the railway will not be sustainable in the longer term.</p> <p>Securing a long-term funding agreement involves the consideration of options concerning the future structure of Metro operations to facilitate procurement of the necessary elements. Commitment to long-term funding has to be established through influencing strategic partners.</p>		
Control(s): <ul style="list-style-type: none"> • Effective liaison with DfT including 4-weekly progress reporting on the current Asset Renewal Plan and 1/4ly reviews. • Procurement strategy & contractual arrangements that minimise risk and deliver VFM. • Value engineering, technology choice, option analysis, specification and scope. • Engaging members in prioritisation processes. • Active stakeholder engagement/increasing public awareness. • Engaging with national government, local councillors & MPs and building public support. • Inclusion of Metro fleet renewal and route extensions in the devolution agreement. • Ensuring that the long term plan Metro forms an integral part of the NECA's Transport Plan for the North East. • Nexus has received an 'Amber/Green' rating in the DfT sponsored Office of Government Commerce Gateway Review carried out in December 2016. • 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"> • Regular quarterly reviews with DfT 		

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- Liaison with DfT to ensure ambitions surrounding future development of Metro can be achieved.
- Input to NECA's Transport Manifesto.
- Input to NECA's Transport Plan for the North East.
- Outline Business Case for replacement Metrocars was endorsed by the Leadership Board in July 2016.
- Outline Business Case for essential renewals beyond 2021 was endorsed by the Leadership Board in July 2016.
- New Metro and local rail strategy was endorsed by the Leadership Board by in July 2016.
- Development of a business case for extensions will begin immediately following approval of the new Metro and local rail strategy.
- OJEU notice for next Metro operating contract commencing April 2019, to include fleet replacement, to be placed by June 2017. PIN Notice issued in June 2016.

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**

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	9 (3x3)	N/A
<u>Risk</u> That work to expand the metro and local rail network does not progress.		
Impact/Consequence(s): 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.		
Control(s): <ul style="list-style-type: none"> • Embedding expansion of the Metro and local rail network within NECA's Transport Plan for the North East • Establishing strong contacts and working relationships with relevant stakeholders • Identifying and utilising suitable frameworks for developing and progressing the project including Nexus Stage Gate project control process and the development of an Outline Business Case • Developing an appropriate communications strategy to ensure key decision makes are kept informed. 		
Key Milestones/Next Steps: <ul style="list-style-type: none"> • Progress reporting as required by Nexus' Stage-Gate process. • Future Rail Conference to take place in the North East during summer 2017. 		

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
	9 (3x3)	← → Static

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Risk

That new legislation does not provide the necessary means to deliver the Bus Strategy.

Impact/Consequence(s):

Parliamentary consideration of the Bus Services Bill (the Bill) has completed its passage through the House of Lords and consideration in the House of Commons has commenced.

The version of the Bill that left the House of Lords provides all Local Transport Authorities (LTAs) with powers to introduce bus franchising. However the Government has proposed an amendment that will require all LTAs except Mayoral Combined Authorities to apply for consent from the Secretary of State for Transport before these powers can be used.

The Bill also provides all LTAs with new powers to introduce bus partnerships, including an enhanced partnership.

Timescales for delivering any of the options provided for under the Bill may be lengthy as a result of the novelty of the proposed legislation.

There are a number of political and practical risks associated with implementing bus franchising in that will need to be managed and mitigated.

Control(s):

- Ensure local stakeholders are aware of the Bill's progress and its implications.
- Engage with DfT
- Engagement with local MP's to brief on legislative requirements
- Put in place background information and research projects in order to ensure that decision makers are fully informed about the benefits the Bill can deliver.

Other actions being taken in preparation for the use of provisions in the Bus Services Bill:

- Undertake a full review of options to deliver the Bus Strategy, including options for bus franchising, through a scoping study. This study will lead to the development of a business case for a preferred option, for consideration by the NECA.
- Maintain constructive dialogue with local bus operators, with a view to developing partnership options for the NECA area.
- Mitigate legal, operational and procurement risks by seeking appropriate advice.

Next Steps/Key Milestones:

- Review the provisions of the Bus Services Act once it receives Royal Assent.
- Joint working between the NECA's three delivery agencies (Nexus, Northumberland and Durham) to investigate options to deliver the Bus Strategy.
- Prepare a business case for implementation of the preferred bus strategy delivery option.

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CBP Theme: Prepare for the future		
CBP Workstream: Secure investment in local public transport assets		
Risk Owner: Director of Finance and Resources Risk Area: Business cases for external funding	RAG Status (Amber)	Direction of Travel
	9 (3x3)	↔ (static)
<u>Risk</u>		
Business cases to secure additional funding for improvements to the asset base are not delivered to time.		
Impact/Consequence(s): Lack of public sector funding means Nexus is becoming more reliant on attracting external funding for which good quality business cases that show Value for Money are required. Nexus' capability and capacity to prepare business cases on time and to the required quality will impact on Nexus' success in attracting such funding.		
Control(s):		

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- Dedicated resources in Corporate Planning section
- Programme that ensures tasks and responsibilities are carried out to time
- Budgets established
- Liaison with the Regional Team to co-ordinate activity
- Close supervision of economic consultancy inputs, providing the required information to ensure timely advice

Next Steps/Key Milestones:

- Develop business cases for Single Local Growth Fund (SLGF) 'pipeline' schemes as prioritised by the Regional Team
- Establish resources to develop SLGF 'pipeline' schemes to Stagegate 3
- Develop possible future schemes to Stagegate 3 and establish a Nexus' pipeline
- Promote the Stagegate A/B process to capture ideas for possible longer-term future schemes

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

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

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

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

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<p>are achieved.</p> <ul style="list-style-type: none">Continuing to develop the internal graduate base from which to draw.Utilising 'fast-track' options to maintain and grow the graduate base.Having succession plans for key business areas.Developing training and succession planning to ensure we are fit to meet changing business requirements.
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none">Feed the outcomes of the recently completed establishment review into training & succession planning processes.Develop guidance standardising the approach to succession planning for issue to managersJoint working party recommendations to refine the business needs for apprenticeships and other appropriate training interventions

CBP Theme: Focus on organisational effectiveness		
CBP Workstream: Service review to balancing the budget		
Risk Owner: Director of Finance and Resources Risk Area: Nexus' spending review	RAG Status (Green)	Direction of Travel
	6 (2x3) Green	↔ (static)
<u>Risk</u>		
Nexus' service review fails to deliver the necessary savings.		
<p>Impact/Consequence(s):</p> <p>There is a risk that Nexus' service review may not produce the savings necessary to meet the proposed reduction in funding available from the levy, together with the requirement to eliminate reliance on use of reserves by 2019/20.</p>		
<p>Control(s):</p> <ul style="list-style-type: none">TWSC approval to budget strategy at its meeting on 3 November 2016Budget managers remitted to prepare service plansConsultation with public and key stakeholders was undertaken over June and July 2016Base budget review carried outBalance sheet review undertakenBudget proposals and savings targets agreed		

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Next Steps/Key Milestones:

- Proposals for consideration by TWSC were formulated on the basis of the consultation results
- TWSC then made informed choices regarding Nexus' prioritisation of services within the reduced resource base as remitted by the Leadership Board
- Nexus prepared its forward plan commencing 2017/18 on the basis of the agreed prioritisation for consideration through the NECA budget formulation process
- NECA Leadership Board approved budget proposal, the transport levy for Tyne and Wear and grant to Nexus at its meeting on 17 January 2017

CBP Theme: **Prepare for the future**

CBP Workstream: **Review of Nexus' services**

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.

Impact/Consequence(s):

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.

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.

There will also be uncertainty in the development of area wide transport policies and any associated action to deliver them.

Control(s):

- 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

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Next Steps/Key Milestones:

- To be determined

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Strategic Risk Analysis Toolkit

Action plans must be developed for Red and Amber risks

Determine the risk priority					
Likelihood	Impact				
		Insignificant	Minor	Significant	Critical
	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								
Likelihood	Council Priority		Service Delivery		Financial		Reputational	
	<ul style="list-style-type: none">• More than 4 priority outcomes affected• Move than one significant service objective adversely affected• Death of one or more persons• Major environmental impact		<ul style="list-style-type: none">• Critical service failure/disruption to frontline services• Statutory duty/deadlines not met• Serious decline/impact on portfolio or performance indicators (PI)• Unplanned major re-prioritisation of resources and/or services• Failure of major programme/project		<ul style="list-style-type: none">• Over £2m financial hit on gross budget• Significant adverse impact on revenue stream (>£1.5m)• Loss of major funding opportunity(>£10m)• Prosecution• Qualification of accounts• Significant risk of fraud or illegal act (pre/post contract)		<ul style="list-style-type: none">• Adverse national media attention• Loss of/negative inspection rating• External criticism (press)• Relationship with supplier severely damaged• Significant loss of community confidence• Significant decline in resident satisfaction	
	<ul style="list-style-type: none">• 2-4 priority outcomes adversely affected• One significant service objective adversely affected• Multiple serious injuries• Significant environmental impact		<ul style="list-style-type: none">• Significant partial loss of frontline services• Recoverable impact on portfolio, PI's , inspection targets• Failure of non major project or significant delay• Some re-prioritisation of services required		<ul style="list-style-type: none">• £1m-£2m financial hit• Notable adverse impact on ongoing revenue stream (£0.5m-£1.5m)• Loss of notable funding opportunity• Fines/Penalties• High fraud risk		<ul style="list-style-type: none">• Adverse regional and/or local media attention• Poor inspection outcome• Continuing unresolved complaints• Notable decline in resident satisfaction• Deteriorating supplier relationships	
	<ul style="list-style-type: none">• Less than 2 priority outcomes adversely affected• Isolated serious injury/ill health• Minor environmental impact		<ul style="list-style-type: none">• Isolated or limited service reduction• Poor improvement in measured PI and remedial action required from inspection reports		<ul style="list-style-type: none">• £100k-£1m financial hit• Minor adverse impact on ongoing revenue stream• Internal virement• Low risk of fraud		<ul style="list-style-type: none">• Adverse local reaction• Isolated decline in resident satisfaction• Failure to reach agreement with individual suppliers• Sporadic complaints	
	<ul style="list-style-type: none">• Minor affect on priorities/service objectives• Isolated minor injury/ill health• No 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

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

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