

Transport North East (Tyne and Wear) Sub-Committee

Thursday, 9th July 2015 at 2.00 pm

Meeting to be held at the Civic Centre, Burdon Road, Sunderland, SR2 7SN

www.northeastca.gov.uk

AGENDA

Page No

1. **Appointment of Chair for the purpose of the meeting**
2. **Appointment of Vice-Chair for the purpose of the meeting**
3. **Apologies for Absence**
4. **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.

- | | | |
|----|-------------------------------------------------------------------|----------------|
| 5. | Minutes of the Previous Meeting | 1 - 4 |
| 6. | Petition - Use of a Travel Pass on Metro | 5 - 10 |
| 7. | Tyne and Wear Go Smarter Programme 2015/16 | 11 - 20 |
| 8. | Monitoring Nexus' Performance 2014/15 and 2015/16 | |
| | (a) Monitoring Nexus' Performance 2014/15 | 21 - 32 |
| | (b) Monitoring Nexus' Performance 2015/16 | 33 - 48 |
| 9. | DB Regio Tyne & Wear Limited (DBTW) Performance Update | 49 - 54 |

10.	Nexus's Strategic Risks 2015/16	55 - 70
11.	Review of Nexus Policies	71 - 74
12.	Nexus Governance Arrangements	75 - 80
13.	Date and Time of Next Meeting	
	17 September 2015 at 2pm at North Tyneside.	
14.	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.	
15.	Confidential Minutes of the Previous Meeting	81 - 82
16.	The Tyne and Wear Metro Concession	83 - 90

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@newcastle.gov.uk

To All Members

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

20 April 2015

Meeting held: South Tyneside Council, Town Hall and Civic Offices, Westoe Road, South Shields, Tyne and Wear, NE33 2RL

Present:

Councillor: F Lott (Chair)

Councillors: J McCarty, J McElroy, P Watson and A West

48 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

49 DECLARATIONS OF INTEREST

There were no declarations of interest.

50 MINUTES OF THE PREVIOUS MEETING HELD ON 26 FEBRUARY 2015

The minutes of the previous meeting held on 26 February 2015 were approved as a correct record and signed by the Chair.

51 MONITORING NEXUS' PERFORMANCE

Submitted: A report of the Chief Executive Officer for Transport and the Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on Nexus' corporate performance in delivering services and projects.

Amongst the points noted during the ensuing discussion were the following:

- In relation to the bus service contracts renewal, as in paragraph 8 of the report, it was confirmed that South Tyneside was also included.
- A Member commented on the importance of developing a full understanding of Rail North by the Sub-Committee, including the Tyne and Wear picture, and the importance in protecting the Tyne and Wear position in respect of the entitlement to funding. A member also commented on the importance of the Sub-Committee being kept informed about any developments. It was proposed that Rail North could be discussed at a future policy seminar held in

the new municipal year. The seminar should be organised at the start of the municipal year.

- A Member welcomed the report.
- A Member welcomed the successful rolling out of the Pop Card and suggested that consideration should be given to developing more pilots.
- A Member suggested that future reports should include more detail.
- A Member commented on the slow journey times in respect of the proposed rail service from London to Sunderland via Newcastle. It was noted that the proposal had been developed by the franchisee.

RESOLVED – That:

- (i) the report be noted; and
- (ii) a policy seminar be organised for Members early in the new municipal year.

52 NEXUS' CORPORATE BUSINESS PLAN 2015/16

Submitted: A joint report of the Chief Executive Officer for Transport and the Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on Nexus' Corporate Business Plan (CBP) for 2015/16.

Amongst the points noted during the ensuing discussion were the following:

- A Member welcomed the report and the quality and comprehensiveness of the CBP.
- In welcoming the report, a Member suggested that a CBP should set out plans for three years.
- A Member queried the arrangements for the interaction between the North East Business Unit and Nexus and also partners like Tees Valley, Durham, Northumberland and Darlington. A Member commented on the importance of political leadership, from early stages. A Member also commented on the importance of a good understanding of the proposals.
- A Member spoke about the importance of a good understanding of the governance structure around Rail North and also the resources and risks involved. A Member suggested that no rush decisions should be made.
- A Member commented on the importance of working to ensure effective transport links across the North East.

- In relation to the Business Unit and the rail franchises, it was noted that not all matters would be devolved to the North and that stakeholders included North Yorkshire and Cumbria. The role of Nexus was also discussed.
- In relation to growing the number of public transport journeys, it was noted that, despite the increase in disruptions on the Metro system when compared to the last year, patronage had grown.
- The current Metro concession arrangements were in place until April 2017 with an option to extend these arrangements for a period of two years. The extension would be decided in consultation with Members. A Member requested further information on this matter for consideration by the Sub-Committee. A Member expressed concern about the current concessionaire and indicated that Members should be provided with information on options.

RESOLVED – That:

- (i) Nexus' Corporate Business Plan for 2015/16 be noted; and
- (ii) Information be brought to the Sub-Committee on the Metro concession arrangements, including information on options following the expiration of the current concession.

53 NEXUS' STRATEGIC RISKS 2015/16

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

Members considered the report which provided information on the strategic risks identified by Nexus.

RESOLVED – That the strategic business risks identified by Nexus for 2015/16 be noted.

54 METRO PERFORMANCE UPDATE

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

Members considered the report which provided an update on the current performance issues with regard to DBTW.

Amongst the points noted during the ensuing discussion were the following:

- It was confirmed that measures had been put in place in relation to monitoring and working to address the Metro cars power problems.
- A Member emphasised the importance of working to lobby the government for renewal of the rolling stock.

- It was confirmed that DBTW were penalised at a relatively high level for the non-performance under the contractual agreement, and this was one of the issues that needed to be taken into consideration when considering options in relation to the future concession.

RESOLVED – That the report be noted.

55 **DATE AND TIME OF NEXT MEETING**

Thursday, 9 July 2015 at 2pm (subject to confirmation at the Annual Meeting).

56 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda item 10 - Tyne Tunnels Update and agenda item 11 - Tyne and Wear Schools Go Smarter Programme because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

Date: 9 July 2015

Subject: Petition – Use of a Travel Pass on Metro

Report of: Monitoring Officer

Executive Summary

The purpose of this report is to inform the Sub-Committee about the receipt of a petition from the Newcastle Public Transport Users Group in relation to the time of use of a travel pass on Metro and recommend that Members refer the matter to the Managing Director (Transport Operations) for consideration and reporting back to the Sub-Committee.

Recommendations

It is recommended that:

- I. the petition as attached at Appendix A be received; and
- II. the Managing Director (Transport Operations) be requested to consider the matter and report back to the Sub-Committee.

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Transport North East (Tyne and Wear) Sub-Committee

1 Background Information

- 1.1 On 14 April 2015 the Monitoring Officer received by e-mail a petition from the Newcastle Public Transport Users Group. The Group is asking for a greater flexibility in relation to the time of use of a travel pass on Metro. Full detail provided is set out in the petition. The petition is attached as Appendix A.

2 Proposals

- 2.1 Members are invited to receive the petition and refer it to the Managing Director (Transport Operations) for consideration and reporting back to the Sub-Committee.

3 Next Steps

- 3.1 If agreed by Members, the petition would be referred to the Managing Director (Transport Operations) for consideration and reporting back to the Sub-Committee.

4 Potential Impact on Objectives

- 4.1 The report complies with the governance processes set out in the Authority's Constitution thereby impacting positively on the Authority's objectives.

5 Finance and Other Resources

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

6 Legal

- 6.1 The report complies with the process for receiving and reporting petitions set out in the Authority's Constitution.

7 Other Considerations

7.1 Consultation/Community Engagement

The process for receiving petitions has been subject to consideration by the North East Leadership Board.

7.2 Human Rights

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

7.3 Equalities and Diversity

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

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7.4 Risk Management

There are no specific risk management implications arising from this report.

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report. However, the matter relates to the use of public transport, which is considered to be beneficial for the environment and sustainability.

8 Background Documents

- 8.1 Petition from the Newcastle Public Transport Users Group, as received by the Monitoring Officer by e-mail on 12 April 2015.

9 Links to the Local Transport Plans

- 9.1 This report has no direct links to the Local Transport Plans.

10 Appendices

- 10.1 Appendix A – Petition to the Transport North East (Tyne and Wear) Sub-Committee from the Newcastle Public Transport Users Group, as received on 14 April 2015.

11 Contact Officers

- 11.1 Vivienne Geary viv.geary@northtyneside.gov.uk Tel: 0191 643 5466
Victoria Miller vectoria.miller@newcastle.gov.uk Tel: 0191 211 5118

12 Sign off

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

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Appendix A

Petition to the Transport North East (Tyne and Wear) Sub-Committee from Newcastle Public Transport Users Group, as received on 12 April 2015

“Petition to The Transport North East Sub-Committee (of North East Combined Authority NECA).

Dear Councillor Frank Lott and fellow members.

We, the undersigned, respectfully request your assistance with a problem we have with using out travel pass on the Metro around the 9.30. a.m. deadline.

We Purchased these passes on the understanding that they allow us to use the Metro from 9.30 a.m. on weekdays. At present, however, the validators at Metro stations do not accept our passes until 9.30. a.m. Thus, if the train arrives earlier than scheduled or exactly on time, we do not have the time to show our cards to the machine, (as there is often a queue) and so risk, missing the train. If we board without validating our cards we are unable to open the gates at the Newcastle stations and face an unpleasant argument with station staff.

What we are seeking is a more flexible approach with regard to the 9.30. a.m. deadline such as a two minute waiver (as we have with bus travel at present) and where we can show our travel pass with comfort and before the train arrives. We seek this as a temporary measure and look forward to the introduction of a Quality Contract Scheme when the concessionary travel pass timescales will be extended.”

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Tyne and Wear Go Smarter Programme 2015/16

REPORT OF: Chief Executive Officer for Transport

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the Tyne and Wear Go Smarter Programme for 2015/16. This is a continuation for a further year of the previous Department for Transport (DfT) funded Local Sustainable Transport Fund (LSTF) programmes – Schools Go Smarter and Go Smarter to Work. Both programmes aim to reduce congestion through the promotion and encouragement of sustainable transport and active travel across Tyne and Wear.

RECOMMENDATIONS

It is recommended that the Committee receives this report for information.

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Background Information

- 1.1 Tyne and Wear have delivered their Schools Go Smarter (SGS) programme since September 2011, with funding from the DfT's Local Sustainable Transport Fund.
- 1.2 Tyne and Wear have delivered their Go Smarter to Work (GSW) programme since September 2012, again funded from the DfT's Local Sustainable Transport Fund.
- 1.3 Both programmes aim to reduce congestion through the promotion and encouragement of sustainable transport and active travel across Tyne and Wear. These programmes were due to end in March 2015; however, in late 2014, Tyne and Wear were successful in being awarded a further £3.85 million to continue delivery of some elements in 2015/16.
- 1.4 Funding for 2015/16 is revenue monies only.

2 Go Smarter Programme 2015-16

- 2.1 Though still two distinct areas of delivery, the Go Smarter programme is now one combined programme for this year. The programme continues to target children and their parents/carers and commuters with the aim of reducing congestion and increasing the take-up of sustainable and active travel modes.
- 2.2 **Schools Go Smarter** – all revenue projects from the previous programme continue in revised forms. Projects and activity this year include:
 - **Schools Walking** – delivered by Living Streets, this project encourages pupils to walk to school through participation in *Walk Once a Week* (Primary), or *Free Your Feet* (Secondary);
 - **Schools Cycling** – delivered by Sustrans, this project encourages pupils to cycle to school by identifying the barriers to cycling and reducing the barriers by a series of practical sessions. In addition to school-based activity, Active Travel Hubs have been set up in each district to enable activities to be delivered in the community;
 - **Schools Public Transport** – *Bus Induction* targets Year 6 pupils by promoting positive aspects of bus travel, including greater independence, and by demystifying the process for those who may never have used public transport previously. *Promotion of Public Transport* engages with schools, children and parents and introduces these audiences to different elements of the public transport offer. This

includes personalised journey planning, safety, school group discounts and concessionary travel scheme benefits;

- **Child Pedestrian Training** – this provides valuable life skills to children aged between seven and nine years old across Tyne and Wear. It gives practical roadside training, concentrating on safer places, parked cars and junctions. This will help the children to learn how to make judgements and decisions about road safety. Through the practical experience they get during training the children understand their local environment better and have more confidence about walking to school when they have to take the journey without adult supervision.
- **TravelMatters** – TravelMatters is a website containing classroom resources aimed at promoting sustainable travel for the school journey (and in the wider context). These resources were developed in response to the need to assist teachers in a practical way in communicating sustainable travel messages to the pupils, via the classroom activity. Resources have been designed to fit easily into existing curriculum areas to facilitate promotional work.
- **Cycle Transition** - This is a pilot for a transition project aimed at encouraging Year 6 pupils to consider cycling for their journey to secondary school. It aims to promote all positive aspects of cycling, whilst various sessions will also address the practicalities of route planning, cycling skills and basic bike maintenance. The pilot will help to identify successful and replicable activities.
- **Theatre Education** – educates and inform through drama/stage productions. One production is aimed at secondary school students in Year 7 (transition year). The intervention aims to work and engage with the youngest pupils, to focus on safe and sustainable travel, especially cycling, and explore the consequence of risk taking and motivate pupils to make well informed safe travel choices. The other production is aimed at secondary school (years 8 and 9) students and aims to promote safer and sustainable travel near roads and on public transport. Improving safety specifically on public transport is a major theme explored in the production.

2.3 **Go Smarter to Work** – The main change to the GSW element is the expansion of the business engagement programme. The original programme targeted key employment sites served by the A1 Western Bypass Corridor. This year, key sites along the A19 corridor are also included. The programme now engages with businesses in 12 key employment areas across Tyne and Wear:

- Bede Industrial Estate (A19)
- Boldon Business Park (A19)

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- Cobalt / Silverlink (A19)
- Doxford International Park (A19)
- Jarrow Riverside Business Park (A19)
- Metrocentre (A1)
- Monkton Business Park (A19)
- NewcastleGateshead Urban Core (A1)
- Sunderland Enterprise Park (A19)
- Team Valley (A1)
- Tyne Tunnel Industrial Estate (A19)
- Washington (A1)

Notably, all five of the Tyne and Wear districts now have the business engagement programme taking place within key employment sites within their boundaries. The GSW programme for 2015/16 now includes:

2.4 **Business Engagement Programme** – This is delivered through a ‘Toolkit of Measures’ which has been previously developed and implemented on the A1 sites. The toolkit comprises activities and initiatives that are designed to provide an attractive range of sustainable travel choices / alternatives to the car. These are tailored to the unique needs of the organisation being targeted and the travel behaviour of their employees. This allows the most appropriate mode for different types and lengths of journeys to be recommended to the employee. The toolkit includes:

- **Travel Smart** Providing targeted members of staff with a personalised travel plan (PTP) that tells them all about their travel options for getting to work. Each participant will have a Travel Plan tailored specifically to them and will be presented with their own bespoke Travel Plan pack recommending forward participation in the appropriate toolkit measures:
 - **Drive Smart** is about giving people opportunities to drive more efficiently when other forms of transport are not an option for their journey to work, contributing to reduced carbon emissions. This includes Smarter Driving courses provided for those employees where the car is shown to be the only feasible option for the journey to work. This involves one-to-one in-car training that can be delivered direct from the workplace. OR
 - **Ticket Smart** in partnership with local public transport operators, we offer free taster public transport tickets to eligible employees, ie to car drivers identified through Travel Smart PTP who feasibly could make their work journeys by public transport rather than the car.
- **Cycle Smart** A very popular range of free activities and support available to all employees to help them get more active through cycling to work. This

includes Dr Bike, bike maintenance workshops, and cycle training sessions to help those who would like to cycle more but are not confident enough to do so.

- **Walk Smart** A range of fun, healthy and accessible activities designed to get people thinking about the potential for walking to work. It includes organised led walks from the workplace, Nordic walk taster sessions to improve posture and strength, and walking challenges. Available to all employees.
- **Work Smart** Smarter Working seminars facilitated by experts to advise organisations of the different types of Smarter Working and the benefits to businesses and employees, such as reduced business mileage / trips. Topics include the practicalities of implementing smarter working practices and ideas on how to promote them to staff.

2.5 **Access to Employment Projects** - Continuing the work in the previous programme, this has two key elements:

- **Jobseekers Scooters** - The Go Smarter Wheels to Work (Green Light to Work) scheme will continue to provide scooter loans for those job seekers across Tyne & Wear who are geographically isolated and/ or unable to access public transport to enable them to travel to work. The project also provides both information and advice on transport solutions for jobseekers across Tyne and Wear, delivering travel planning services for those who have difficulty and/or do not understand timetabled public services.
- **Jobseekers Ticketing** – vouchers for one week of travel and Day Rover passes are distributed to the project partners to be issued to jobseekers who fall within the set criteria. These vouchers and Day Rovers allow thousands of people to attend training courses, job interviews and cover their transport costs to get to work until they receive their pay packet. Were it not for these vouchers, many people would not be able to apply for or accept certain jobs due to being unable to afford travel costs.

2.6 The programme is also fully supported by a comprehensive Communications Strategy, which ensures the use of the Go Smarter brand throughout all of our projects and campaigns across Tyne and Wear. The Go Smarter website also continues to be developed. The website now includes a multi modal Journey Planner. www.gosmarter.co.uk

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3 Next Steps

- 3.1 Over the next few weeks we are finalising a 'Go Smarter Celebration Brochure'. This will be a summary and celebration of the programme's successes since the beginnings of the programme back in 2011 and 2012.
- 3.2 The timescale for the brochure to be finalised is August 2015. We will ensure Members receive copies as a priority.
- 3.3 New communications campaigns for this year are:
- Go Smarter Autumn 2015 campaign, September to November 2015 (Schools and Work) which will include an element of car share and safe parking at schools;
 - Go Smarter scooter scheme, August/September 2015; and
 - Go Smarter Spring campaign 2016 (GSW and SGS)
- 3.4 At the next meeting of Transport North East Committee (in November), it is intended to present a report outlining progress on Local Sustainable Transport Fund delivery across the whole NECA area, covering the revenue-based activities being delivered in Tyne and Wear, Northumberland and Durham, as well as the overarching programme of capital-based measures that are funded on a NECA-wide footprint.

4 Potential Impact on Objectives

- 4.1 Performance monitoring will measure the additional benefits of the extra year's funding to the programme.

5 Finance and Other Resources

- 5.1 75% of the total funding for the activity during 2015/16 will be claimed from DfT at the end of July via the Local Sustainable Transport Fund. A retrospective claim for the remaining 25% will be made to DfT at the end of Quarter 4 (March 2016). There are no additional finance or other resource implications arising from this report.

6 Legal

- 6.1 There are no legal implications arising directly from this report.

7 Other Considerations

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7.1 Consultation/Community Engagement

Several consultations have taken place during the course of the current programme. These include Stakeholder Analysis for both the SGS programme and the GSW programme. More recently, a 'Brand Checker' exercise is underway which will test out brand saturation and awareness of the Go Smarter programme and its related projects.

7.2 Human Rights

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

7.3 Equalities and Diversity

All eligible residents / communities / commuters of Tyne and Wear have access to the Go Smarter programmes.

7.4 Risk Management

The programme is managed through Project Vision. A detailed Risk and Issues log is updated monthly with risks and issues managed appropriately.

7.5 Crime and Disorder

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

7.6 Environment and Sustainability

The programme aims to address climate change by increasing the use of sustainable and active modes of travel and thus reducing harmful emissions generated by single occupancy private car use.

8 Background Documents

8.1 There are no background documents attached with this report; however, our successful Tyne and Wear Go Smarter, Local Sustainable Transport Fund 2015/16 Bid document is available upon request.

8.2 The Annual Outputs Reports for the previous year's programmes were submitted to DfT on the 19th June. These are available upon request.

9 Links to the Local Transport Plans

- 9.1 This report links to the North East's Strategic Economic Plan (SEP) which emphasises the benefits of promoting sustainable travel to reduce congestion, contribute to our environmental objectives and improve public health. The LSTF 2015/16 revenue fund is inextricably linked to the LSTF capital fund within the SEP.

10 Appendices

- 10.1 No appendices to this report.

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Transport North East (Tyne and Wear) Sub-Committee

11 Contact Officers

11.1 Melanie Carls, Programme Manager, Tyne and Wear Go Smarter
Melanie.carls@newcastle.gov.uk 0191 211 6023

12 Sign off

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

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North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Monitoring Nexus' Performance 2014/15

REPORT OF: Chief Executive Officer for Transport
Managing Director (Transport Operations)

EXECUTIVE SUMMARY

The attached appendix provides additional commentary in regard to Nexus performance during 2014/15, with the main headlines being:-

- At 38.1m boardings, Metro ridership was 6.7% up on the 35.7m journeys reported for 2013/14.
- However the annual average punctuality achieved by Metro was 80.3%, 6.9 percentage points below the target of 87.2. At the end of the year, the most recent Metro punctuality was recorded at 83.3%, again below target but in excess of the average for the year. Service reliability remains a key area of focus for both Nexus and DB Regio Tyne and Wear Limited (DBTW), the operating concessionaire.
- As part of Nexus's contract management arrangements, DBTW has been required to prepare a Performance Action Plan and joint working is taking place in order to improve both operational performance and customer satisfaction.
- The North East Smart Ticketing Initiative's Stored Travel Rights Pay-As-You-Go pilots being undertaken by Arriva, Go North East and Metro continue to produce positive feedback from participants. Functionality for the 'daily price cap' on Metro is in place, so that journeys undertaken using this new facility never pay more than the price of a day ticket.
- Since the NELB meeting in October 2014 when the NECA referred the proposed Quality Contracts Scheme (QCS) to the QCS Board, significant progress has been made in preparation for the public hearings organised for July 2015. At this point in time, it is anticipated that the Board will consider the matter and publish its findings in October 2015.
- Nexus's revenue outturn for the year showed the deficit reducing to £1.303m before transfers from reserves, against an original planned deficit of £4.770m.

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- Capital expenditure relating to the Metro Asset Renewal Plan was £30.9m which was within the target set by the Department for Transport. Effective programme management meant that project delivery was in line with expectations; the covering report identifies key milestones achieved in the delivery of this year's ARP.

RECOMMENDATIONS

It is recommended that TWSC receives and considers the report and the attached appendices giving details of Nexus corporate performance in delivering services and projects to the end of 2014/15.

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1 Background Information

- 1.1 The attached appendix provides commentary on Nexus' performance against its business plan objectives during the year 2014/15.

2 Proposals

- 2.1 There are no proposals being submitted for consideration.

3 Next Steps

- 3.1 The reporting dates are submitted into the forward plan for the Sub-Committee.

4 Potential Impact on Objectives

- 4.1 Performance monitoring can help ensure 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

There are no specific risk management considerations arising from this report.

7.5 Crime and Disorder

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

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7.6 Environment and Sustainability

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

8 Background Documents

- 8.1 The Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Constitution 2014

9 Links to Plans in the Policy Framework

- 9.1 This report has no direct links to plans in the Policy Framework.

10 Appendices

- 10.1 Nexus's summary performance report
10.2 Glossary of performance terms

11 Contact Officers

- 11.1 Tobyn Hughes
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12 Sign off

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

Summary of Nexus' Corporate Performance: 2014/15

Theme 1: Leading Delivery of Better Public Transport Services	
Workstream:	Key Considerations:
Public Transport Journeys (on services under Nexus control)	<ul style="list-style-type: none"> Metro patronage has been strong during the year with 38.1m total boardings in 2014/15 vs. a 36.7m target (also in excess of the 13/14 outturn of 35.7m boardings)
Maintain Customer Satisfaction	<ul style="list-style-type: none"> The latest survey (Nov 14) showed Metro customer satisfaction at 7.6 which is 8.5% below the target score of 8.3
Maintain Service Quality	<ul style="list-style-type: none"> Metro charter punctuality ended the year at 83.3%, 4.5% below the target of 87.2% Average Metro punctuality for the year was 80.3%, 7.9% below the charter target Increased monitoring and assurance over DBTW was put in place by Nexus towards the year-end
Exploit Smart Ticketing Technology	<ul style="list-style-type: none"> Pop Pay As You Go (PAYG) pilots are on-going with both Metro and Bus Pilots will be extended in the early part of 2015/16

Theme 2: Transform Metro through Reinvigoration	
Workstream:	Key Considerations:
Plan Long-Term Metro development	<ul style="list-style-type: none"> Proposals regarding the long-term development of Metro will be considered as part of the NECA's transport vision and strategy
Asset Stewardship Index	<ul style="list-style-type: none"> Metro maintenance and inspection works were ahead of targets by 2% at the year-end
Deliver the Metro Asset Renewal Plan	<ul style="list-style-type: none"> Effective programme management meant that project delivery was in line with expectations. The outturn expenditure was £30.9m, with the

	DfT spending thresholds met
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Theme 3: Deliver the Bus Strategy	
Theme:	Key Considerations:
Plan to Arrest the Decline in Bus Patronage	<ul style="list-style-type: none"> The NELB directed Nexus to progress to the Quality Contracts Scheme Board in October 2014 Proposals for the Quality Contracts Scheme ramped significantly up during the latter part of 2014/15 The QCS Board is expected to receive evidence in July 2015 and we expect it to publish its findings at the end of October 2015
Plan to Maintain, and Preferably Grow, Accessibility	
Deliver Better Value for Money	

Theme 4: Become a Smarter Organisation	
Workstream	Key Considerations:
Employee Satisfaction	<ul style="list-style-type: none"> Employee engagement results showed improvements in 'leadership' and 'my manager' categories By the year-end, 19 managers/supervisors had attained the Chartered Management Institute's Level 5 Qualification
Supporting the Combined Authority	<ul style="list-style-type: none"> Nexus are now actively representing NECA's interests on Transport for the North's Rail Working Group
Process Improvements	<ul style="list-style-type: none"> Actions to deliver improved internal process efficiencies are either completed or on target
Focus on Health Safety and Environment	<ul style="list-style-type: none"> Railway operations incidents and assurance checks undertaken were within the targets set
Effective Budget Management	<ul style="list-style-type: none"> Financial performance was better than budget with the final revenue outturn showing a deficit of £1.303m before transfers from reserves against an original deficit of £4.770m

The following information provides further detail on Nexus' corporate performance for the financial year 2014/15.

Theme 1: Leading Delivery of Better Public Transport Services

1. Following strong performance throughout the year the annual total for ridership on Metro was 38.1m, up 6.7% year-on-year (2013/14: 35.7m). For 2015/16 the boardings target has been set at 37.5m, which is considered to be challenging given the planned levels of engineering activity on the system as a result of the Asset Renewal Plan (ARP), including for example major track replacement work on the QEII Metro bridge in May 2015 and the blockade between Shiremoor and North Shields in March/April 2016.
2. Over 2014/15 the annual average Metro punctuality was 80.3%, 7.9% below the Metro charter punctuality target of 87.2%. At the end of the year Metro punctuality was 83.3%, an improvement on the 76.9% previously reported as at 28th February 2015, but still below the target. Service reliability remains a key area of focus for both Nexus and DB Regio Tyne and Wear Limited (DBTW), the operating concessionaire.
3. Over the year 383,009 Excess Headway Minutes ('EHWM', the method by which delays experienced by passengers are measured in the contract) were recorded. Of these:
 - 298,313 (78%) were allocated to DBTW as the operator,
 - 48,118 (13%) to Nexus Rail as the infrastructure provider,
 - 23,174 (6%) to Network Rail, and
 - 13,404 (3%) to other/disputed causes.
4. This compares with a total of 354,917 EHWM in 2013/14 when:
 - 252,498 (71%) were allocated to DBTW,
 - 47,292 (13%) to Nexus Rail,
 - 18,125 (5%) to Network Rail, and
 - 37,002 (11%) to other/disputed causes.
5. The primary causes of DBTW's EHWM over the year included door faults, power faults and driver availability, all of which Nexus has increased its focus on through requiring DBTW to implement a Performance Action Plan.
6. For 2014/15 Shields Ferry patronage at 470k was 1.5% down when compared to the target for the year (477k) and 0.9% down against the 2013/14 boardings figure (474k). The annual target of 477k boardings on the Shields Ferry has been

retained for 2015/16, reflecting the desire to stabilise and grow ridership on this important local service.

7. Over the year the reliability target of 99% for secured bus service mileage operated has consistently been achieved or exceeded. The secured service ridership for 2014/15 was 8.1m, which is 4.7% down on the previous year's total (8.5m in 2013/14). The target set for 2015/16 of 8.3m passenger boardings reflects the intention to maintain stability in the secured services network and seek to grow ridership as far as practicable in the local context of a long-term trend decline in bus ridership.
8. Tenders will be returned in mid-April for those secured services requiring contract renewals in July 2015. Tenders have also been issued to replace Miscellaneous Workings contracts expiring in September 2015. Discussions with Local Education Authorities and schools are taking place to ensure these services align with known travel patterns and any changes in intakes at individual schools.
9. With regard to the Metro Ticketing and Gating project the station based Ticket Vending Machines (TVMs) and platform validators are all installed and working. All Metro season tickets are now smart and loaded onto Pop cards.
10. Pilot customer groups continue to trial Pop Pay As You Go (PAYG) on Metro, and positive feedback continues to be received. Functionality for the 'daily price cap' on Metro is in place, so that journeys undertaken using PAYG never pay more than the price of a day ticket. Expansion of the pilot to a wider group is planned shortly once the system's robustness has been verified. This will, for the first time, have the capability to allow customers to buy on-line via the Nexus Retail Website, collecting their top-up via Station TVMs, validators and gates. Customers will also be able to purchase their top-ups from Payzone outlets, in addition to the existing Nexus retail points in Travelshops and from station TVMs.
11. The PAYG pilot is also available on the Go North East X40 and Quaylink bus services. Arriva is working on bringing more of its services into their pilot. Stagecoach has yet to commence its planned pilot in Middlesbrough.
12. Installation of Metro Automatic Ticket Gates (ATGs) is now complete with Byker and Chichester being the final two stations from the thirteen that are now gated. A video help point at the Mile End Road entrance to South Shields station has been installed allowing a trial operation to remotely monitor Gates to commence shortly.
13. Achieving mandatory accreditation under the Payment Card Industry Data Security Standard (PCI DSS) requires the replacement of card payment units in all TVMs by the end of calendar year 2015.

Theme 2: Transform Metro through Reinvigoration

14. Programmed expenditure on the Metro Asset Renewal Plan (ARP) has been monitored and controlled within pre-planned limits to meet Department for Transport (DfT) requirements. At the end of 2014/15 the ARP spending for the year was £30.9m which is £0.7m above the minimum spending level required by DfT and therefore within the target for the year. For 2015/16 the target for ARP programmed expenditure is £37.1m, with a DfT requirement for a minimum spend of £33.7m and a maximum spend of £40.6m.

Significant ARP milestones delivered during the year include:

15. Track renewal in the Central Corridor from South Gosforth to Jesmond was completed taking the total investment in track since the start of ARP to over £42 million.
16. Walkergate, Hebburn, Jarrow and Bede station investment works were completed bringing the total number of refurbished stations to 20 at the end of 2014/15.
17. A total of 78 Metro Cars had been returned from refurbishment at the end of March 2015 with the remaining cars scheduled for completion by July 2015.
18. Life expired escalators at Gateshead and Heworth were replaced. This means that 18 of the 26 escalators planned to be replaced across the network have now been renewed with energy efficient units. The 8 remaining escalators are scheduled for replacement in 2015/16.
19. With the replacement of lifts at Jesmond and Manors stations, the programme of lift renewals is now complete.
20. A bespoke rail head treatment vehicle was commissioned in order to help improve Metro performance in the autumn leaf fall season.
21. The Radio replacement contract was awarded and detail design progressed. This is one of the most complex projects to date undertaken in the Asset Renewal Plan.
22. Early confirmation of full DfT Grant funding for 2016/17 was approved, alongside the approval of 50% of 'at risk' funding for 2017/18 and 2018/19. This is critical in delivering the long term track renewal strategy which aims to deliver significant efficiency savings by bundling future works into one major contract.

23. The core communications infrastructure is now installed, replacing the out dated network with an IP (Internet Protocol) system. This will provide performance improvements and ease of maintenance for a system that supports customer serving functions including help points, public address systems and CCTV

Theme 3: Deliver the Bus Strategy

24. In October 2014, the NECA's Leadership Board referred the proposed Quality Contracts Scheme (QCS) to the QCS Board. The QCS Board initially planned to reach a conclusion at the end of May 2015. However it has always been anticipated that the QCS Board process would be time-consuming, as legal representatives from the bus operators and Nexus submit evidence on all aspects of the proposal.
25. Due to weight of evidence, the QCS Board now plans to publish its final report on the proposal by 31st October 2015, somewhat later than originally intended. The revised timetable for the process is as follows:

Stages in QCS Board consideration process:

Date	Stage
30 January 2015	Operators submit written evidence
13 March 2015	Nexus submits written evidence in response
1 st May 2015	Rebuttal evidence from the operators
26 June 2015	Submission of skeleton arguments
13 to 17 July 2015	Hearing at Kingston Park Rugby Club
20 to 24 July 2015	Hearing at the Stadium of Light
End of October 2015	QCS Board report to be published

Theme 4: Become a Smarter Organisation

26. Nexus' draft statement of accounts for 2014/15 has been prepared and is now subject to external audit. The final outturn, a deficit of £1.303m before transfers from reserves, is better than the £1.932m deficit previously reported to TNEC in February 2015, largely due to further improvements in Metro fare revenue (including Nexus's share of NTL revenues being better than anticipated); a saving

on the High Voltage power budget and additional savings in respect of secured bus services. The external auditors are now on site and will be working with Nexus' finance team throughout period 3.

27. During the latter part of the year, Nexus also undertook a review of its fixed asset register in preparation for the introduction of the CIPFA Code of Practice on Accounting for Transport Infrastructure Assets. This change will require a major revaluation of the Metro network in 2015/16 as the basis for carrying transport infrastructure assets in Nexus' balance sheet changes from 'depreciated historical cost' to 'depreciated replacement cost'. The preparatory work undertaken, impacting on the 2014/15 accounts, identified the need to write down a sizeable value of Nexus' fixed assets in advance of the revaluation, either wholly or in part. The net effect of the write down including compensatory adjustments to depreciation balances and the capital grant deferred account was that a loss on disposals of £297k was incurred. This loss is incorporated in the revised deficit for the year of £1.303m that is referred to in the paragraph above.
28. Each year Nexus conducts a staff engagement survey in November. This year's survey achieved a 64% return rate, with headline results showing an improvement in the 'leadership' and 'my manager' categories, reflecting a concerted effort made to improve management capability over recent years. A return rate of 70% is being targeted for the annual staff engagement survey in November 2015.
29. In four other areas, including 'my company', 'my team', 'wellbeing' and 'giving something back', the satisfaction scores have remained the same as the prior year, after consistent growth since 2011. One area, 'fair deal' showed a reduction, possibly influenced by recent pay restraint and the on-going negotiations with the trades unions in respect of the April 2014 pay settlement.
30. As part of Nexus's 'Transforming our Leadership' initiative nineteen employees, all managers or supervisors, attained the Chartered Management Institute's Level 5 Programme – which is the equivalent of a foundation degree.
31. With regard to NECA's interests in the wider rail network, Rail North's formal governance structure is now in place and on 19th March 2015 the Board of Rail North Ltd agreed to enter into a Partnership Agreement with DfT, which sets out how the new Northern and TransPennine Express rail franchises will be managed once let.
32. The Partnership Agreement contains mechanisms for the delegation of management functions to regional business units. Proposals to formalise the relationship between North East authorities, to form a regional business unit within the Rail North Partnership, were presented to representatives of the local

transport authorities involved on 20th March. Nexus will develop these proposals in further detail and draft a collaboration agreement to define how such a unit would function.

33. Following publication of the formal 'Invitations To Tender' (ITTs) in February 2014, bidders for both the Northern and the TransPennine Express rail franchises have been invited to meet with NECA to discuss their aspirations; Nexus has prepared summary notes consolidating key messages for the bidders. Bids will be submitted in May (TransPennine Express) and June (Northern) and evaluated by experts drawn from DfT and Rail North partners. Contract awards are expected during autumn 2015 with the commencement of both franchises on 1st April 2016.

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Monitoring Nexus' Performance 2015/16

REPORT OF: Chief Executive Officer for Transport
Managing Director (Transport Operations)

EXECUTIVE SUMMARY

At 6.015m boardings, Metro patronage is 5.7% ahead of the 5.69m target for the year to 23rd May 2015 and 4.6% up on the 5.752m boardings in the same period last year.

However at the end of the period Metro charter punctuality was 8% below the 87.2% target at 80.22%.

Pop Pay As You Go (PAYG) pilots have been extended on Go Ahead and Arriva bus services whilst preparations for the extension to the Metro pilot in July 2015 remain on target.

The Quality Contracts Scheme Board is expected to publish its findings at the end of October 2015: in the meantime Nexus is preparing for the procurement of quality contracts.

Nexus's draft statement of accounts for 2014/15 has been prepared and is now subject to external audit.

As at 23rd May 2015 the Nexus revenue forecast is showing an improvement against the budget for 2015/16 of £1.279m.

The Metro Asset Renewal Plan (ARP) forecast for 2015/16 is £41.109m as at 23rd May 2015.

RECOMMENDATIONS

It is recommended that TWSC receives and considers the report and the attached appendix giving details of Nexus corporate performance in delivering services and projects in 2015/16 up to 23rd May 2016.

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

1 Background Information

- 1.1 The attached appendix provides commentary on Nexus's performance against its business plan objectives over the period 1st April to 23rd May 2015.

2 Proposals

- 2.1 There are no proposals being submitted for consideration.

3 Next Steps

- 3.1 Not applicable.

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:** there are no specific risk management considerations arising from this report.

- 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

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

8.1 None.

9 Links to Plans in the Policy Framework

9.1 This report has no direct links to plans in the Policy Framework other than in respect of Nexus's delivery of public transport services and facilities covered in the statutory Local Transport Plan for Tyne and Wear.

10 Appendices

10.1 Nexus's summary performance report on the delivery of services and projects.
10.2 A glossary of performance terms will be included in the agenda papers for reference.

11 Contact Officers

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Tel: 0191 203 3246

12 Sign off

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

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Nexus: Summary of Corporate Performance – 1st April to 23rd May, 2015/16

Theme 1: Leading the delivery of better public transport.

Workstream:	Key Considerations:
Grow Public Transport Journeys (on services under Nexus control)	<ul style="list-style-type: none"> At 6.015m boardings Metro patronage is 5.7% ahead of the 5.69m target for the year to date and 4.6% up on the 5.752m boardings in the same period last year.
Improve Customer Satisfaction	<ul style="list-style-type: none"> The latest survey (Nov 14) shows a Metro customer satisfaction score of 7.6 which is 8.5% below the target score of 8.3 The spring survey results will be published in June
Improve Service Quality	<ul style="list-style-type: none"> At the end of the period Metro charter punctuality was 8% below the 87.2% target at 80.22% 44,364 Excess Headway Minutes were experienced with 78% attributed to the DBTW Increased monitoring and assurance over DBTW's performance has been put in place by Nexus
Exploit Smart Ticketing Technology	<ul style="list-style-type: none"> Pop Pay As You Go (PAYG) pilots have been extended on Arriva and Go North East bus services whilst preparations for the extension to the Metro pilot in July 2015 remain on target. The Stagecoach bus PAYG pilot in Middlesbrough has still not commenced

Theme 2: Prepare Metro for the future.

Workstream:	Key Considerations:
Plan for the Long-Term development of Metro	<ul style="list-style-type: none"> The long-term development of Metro will be considered as part of the NECA's transport vision and strategy
Develop fleet procurement options	<ul style="list-style-type: none"> Project Initiation Document in preparation
Formulate arrangements for the next concession	<ul style="list-style-type: none"> Project Initiation Document in preparation
Seek confirmation on funding arrangements for Phase 3	<ul style="list-style-type: none"> Discussions with DfT have commenced
Deliver the Metro Asset Renewal Plan	<ul style="list-style-type: none"> Outputs are in line with expectations Project delivery is effective Performance against budget is on target

Theme 3: Deliver the Bus Strategy

Workstream:	Key Considerations:
Fit for QCS	<ul style="list-style-type: none"> Nexus is developing the specification for the procurement of quality contracts Quality Contracts Scheme Board expected to publish its findings at the end of October 2015
Progress with the QCS	

Theme 4: Continuous organisational improvement.

Workstream:	Key Considerations:
Employee Engagement	<ul style="list-style-type: none"> There has been a return of 67% in Nexus's Health & Safety Culture Survey - headline findings will be available in June The April 2014 pay award will be processed and paid in June 2015, backdated as appropriate
Effective budget management	<ul style="list-style-type: none"> Revenue: Financial performance is better than budget Capital: Forecast Metro ARP expenditure is in line with the DfT target and the programme budget remains in line with expectations
Process Improvements	<ul style="list-style-type: none"> Proposals have been developed for production of Nexus's three year Forward Plan in line with NECA requirements Nexus's governance will be discussed with TWSC in July The process for scheme development and external funding bidding arrangements is under review
Focus on Health, Safety and Environment	<ul style="list-style-type: none"> Railway operations incidents and assurance checks undertaken are within target
Supporting NECA's interests in Rail	<ul style="list-style-type: none"> Nexus is leading on the management of the North East Business unit for Northern Rail Services

The following information provides further detail on Nexus's corporate performance with data for the first two reporting periods from 1st April to 23rd May 2015. A glossary of terms is included with the agenda papers for reference.

Theme 1: Leading the Delivery of Better Public Transport Services

1. For the period under review Metro ridership was 6.015m, 5.7% ahead of the 5.69m target: year on year ridership is up 4.6% on the 5.752m boardings in the same period last year. For 2015/16 the annual boardings target has been set at 38.0m, which is considered to be challenging given the planned engineering activity on the system, including for example recent major track replacement work on the QEII Metro bridge, the replacement of key junctions at Regent Centre (July/August), refurbishment at Central Station (commencing in September) and the major line closure between Shiremoor and North Shields in March/April 2016.
2. The November 2014 Metro Customer Satisfaction survey resulted in an overall score of 7.6 (slightly down from 7.7 in Nov. '13). Although this represents a decline on the score of 8.0 obtained in the May '14 survey (8.1 in May 2013), it follows an established pattern where the autumn score is always lower than in the spring. As the score does not meet the contractual requirement of 8.3, penalties are being applied to the concessionaire, DB Regio Tyne and Wear Limited (DBTW) in order to incentivise improvement. During the period the spring 2015 survey was carried out, the results of which will be available in June.
3. As at 23rd May the Metro punctuality figure was 80.22%, a fall on the 83.3% previously reported as at 31st March 2015, and below the target of 87.2% set out in the Metro Passenger Charter. Service reliability therefore remains a key area of focus for both Nexus and DBTW.
4. The joint performance meeting where Nexus and DBTW managers focus on current service delivery issues has been augmented with the establishment of an additional meeting focusing on fleet maintenance with the intention of providing additional assurance for Nexus in the critical area of Metro car reliability.
5. Over the period under review 44,364 Excess Headway Minutes ('EHWM', the method by which delays experienced by passengers are measured in the contract) were recorded. Of these:
 - 34,644 (78.1%) were allocated to DBTW as the operator - against a target of 35,144,
 - 3,954 (8.9%) to Nexus Rail as the infrastructure provider – against a target of 4,100,
 - 2,592 (5.8%) to Network Rail, and
 - 3,174 (7.2%) to other/disputed causes.

6. For the same period in 2014/15 there were a total of 44,556 EHWM allocated as follows:
- 36,849 (82.7%) were allocated to DBTW- against a target of 23,000,
 - 2,864 (6.4%) to Nexus Rail - against a target of 4,100,
 - 2,806 (6.3%) to Network Rail, and
 - 2,073 (4.6%) to other/disputed causes.
7. The primary causes of DBTW's EHWM in the period under review were a lack of driver availability and fleet reliability (in particular power and door faults) which continue to be areas of focus within the Performance Improvement Plan that Nexus has recently imposed on DBTW.
8. In regard to the EHWM's allocated to Nexus Rail there were two significant incidents of more than 500 EHWM arising in respect of the rail infrastructure. These were as follows: Four connected occurrences of power loss at Chichester-Hebburn sub-station resulting in 1574 EHWM on 2 May: an electrical bonding issue within the Depot resulting in 523 EHWM on 16 May 2015.
9. There were six incidents of a Passenger Facility being out of order for 24 hours or more within the reporting period. These were as follows: Fellgate Lift from 1-2 April 2015 due to vandalism; North Shields Passenger Information Display from 10th May 2015 to the end of the period due to delays in sourcing obsolete parts; Fellgate Lift 2 from 15th to 16th May due to the lift requiring a new seal; Fellgate Lift 1 from 15th to 19th May for a motor-rewind; Monument Escalator 1 from 30th April to 7th May due to a handrail fault and Manors Escalator 2, from 3rd to 4th May 2015 where replacement handrail tension belts were required in order to carry out the repair.
10. Shields Ferry patronage at 73,083 in the period under review is 7.2% down when compared to the target (78,775) and 5.1% down against the 2014/15 boardings figure for the same period (77,051). The relocation of Utilitywise staff from South Tyneside to offices on the Cobalt Business Park in North Tyneside is a possible contributory factor. The annual target of 477k boardings on the Shields Ferry has been retained for 2015/16, reflecting the desire to stabilise and grow ridership on this important local service.
11. Over the period the reliability target of 99% for secured bus service mileage operated has been achieved; during the period under review 99.8% reliability was being recorded.

12. Secured bus service ridership for the period under review was 636,835, 11.8% up against the same period last year and 10% above the period target of 578,928. The annual target set for 2015/16 of 8.3m passenger boardings reflects the intention to maintain stability in the secured services network and retain ridership as far as practicable in the local context of a long-term trend decline in bus ridership.
13. Tenders for the renewal of secured bus services contracts in July and September 2015 have been returned, evaluated and reported to Corporate Management Team for award with estimated savings of £750,000 (FYE) likely to be achieved. With regard to the Sunderland Airshow arrangements have been made to provide the required Park and Ride services and similar provisions for the Mouth of the Tyne Festival are on-going. Final agreement has been reached with Go North East over the operation of the Quaylink service from July. Formal contract documentation is being finalised for issue.
14. The programme of work to embed and exploit smart ticketing technology is progressing as planned. Formal testing of Scheidt & Bachmann's (the contractor to the ticketing and gating project) latest software update was completed successfully. Gatelines have now been formally handed over to DBTW, such that they are now expected to be in operational use in line with the relevant provisions of the Concession Agreement. Preliminary functional testing of the Pop shop web retail functionality and operation of the Card Management System was completed during this period.
15. The User Acceptance Testing (UAT) stage of Pop Pay-As-You-Go, web retail and the Card Management System started on Monday 11th May 2015. However, having been alerted by our contractor to a security vulnerability, this was suspended whilst this issue was addressed. Although now resolved, the delay means that the more extensive Beta test with an enhanced control group of 250 users is being scheduled to start mid-July. System performance continues to maintain a high level of reliability. The pilot of agency sales e.g. National Express Holidays on Ticket Office Machines at Haymarket has concluded. Arrangements will now be made to roll this out to other Travel shops. A prioritisation workshop has established the list of outstanding work and associated priorities. The requirements for QCS are being determined and documented and then all requirements will be put into a programme of work.
16. With regard to the wider programme of work in the North East Smart Ticketing Initiative, Nexus has its Concessionary Travel Card Management System under test, working towards a planned implementation in June. Nexus is also updating the Pop-app in order to show blocked cards and work is progressing on the hotlisting of concessionary travel cards to reduce fraud levels.

17. The Pay-as-You-Go pilot has been extended to the Go North East X40 and Quaylink bus services. Arriva has also brought more services into its pilot and feedback from both of these extended pilots has been positive. Stagecoach has yet to commence its planned pilot in Middlesbrough.

Theme 2: Prepare Metro for the Future

Activities in the period under review include that:

18. The final Metro car to undergo its $\frac{3}{4}$ life refurbishment has been delivered to the works contractor. This significant programme of work will therefore be complete by the end of July 2015.
19. Tenders have been evaluated for the Central Station refurbishment project. The business case for the Single Local Growth Fund (SLGF) bid will be completed and discussed by TNEC in July.
20. The QEII Bridge plain line renewal works were completed successfully in early May following two 54-hour possessions over consecutive weekends.
21. Pre-Qualification Questionnaires (PQQs) for the Permanent Way Framework Contract were returned, and it is expected that the Invitation To Tender (ITT) will be issued in June.
22. Remedial earthworks in the South Gosforth to Jesmond corridor are continuing. This work is being undertaken by Nexus's Capital Delivery team and is planned to be completed without disruption to the Metro service.
23. The ducting refurbishment for the Direct Current Feeder Cable in the central corridor is now complete.
24. Radio installation work within the central area tunnels is now complete.
25. The Railway Traffic Management System (RTMS) contract has been awarded and contract start-up meetings have commenced. Presentations outlining the new system have been delivered to both Nexus and DBTW staff.
26. Tender evaluation is complete for the remedial work to Metro bridges in the Wallsend to Walkergate area. The award of contract is planned for June.
27. Technical evaluation is now complete for the tenders submitted in respect of specialist Overhead Line Renewal vehicles for which contract award is planned for June.

28. The internal Nexus's Capital Delivery Team is continuing to deliver signalling and duct route renewals and this work is scheduled to complete this year.

Looking Ahead across Quarter 2

29. Central Station refurbishment works are scheduled to start on site in September, and are likely to take 12 months to complete.

30. A site visit to a live RTMS system operating in Marylebone is planned for early June to gain a fuller understanding of how the system operates in practice. The knowledge gained will be used in the specification of Nexus's detailed functional requirements.

31. Programmes are being developed for the refurbishment of Four Lane Ends and Regent Centre Metro Stations. Design work will progress this year to enable construction to start next year.

32. Radio infrastructure installation activities will continue and this element is planned to complete in November 2015. Installation of radio equipment into the Metro Cars will then follow.

33. Contract award for the refurbishment of bridges in the Wallsend and Walkergate areas are programmed for June. Start on site is scheduled for July with possession planned in August, in order to help minimise disruption.

34. An order will be placed to commence manufacture of winding-in, winding-out (WIWO) vehicles - one of the final items of specialist plant equipment required for the Over-Head Line replacement project.

35. Nexus's Capital Delivery Team will continue to complete remedial work to duct routes, fibre replacement and signal testing and correlation and replacement.

36. Refurbishment of Felling and Gateshead Stadium Metro Stations will start in July. This work is also being undertaken by Nexus's Capital Delivery Team.

37. The ITT for the new Permanent Way framework will be issued in June.

Theme 3: Deliver the Bus Strategy

38. Due to weight of evidence, the QCS Board plans to publish its final report on the proposal by 31st October 2015, somewhat later than originally intended. The revised timetable for the process is as follows:

Stages in QCS Board consideration process:

Date	Stage
-------------	--------------

30.01.2015	Operators submit written evidence
13.03.2015	Nexus submits written evidence in response
01.05.2015	Rebuttal evidence from the operators
26.06.2015	Submission of skeleton arguments
13/17.07.2015	Hearing at Kingston Park Rugby Club
20/24.07.2015	Hearing at the Stadium of Light
End of Oct 2015	QCS Board report to be published

39. In the meantime Nexus is developing the specification for the procurement of contracts in order to respond quickly should the Leadership Board determine it wishes to formally proceed to implement the QCS after consideration of any opinion expressed by the QCS Board. The procurement process is being designed to generate competition, minimise adverse effects and moderate the impact on employees.

Theme 4: Continuous Organisational Improvement

40. The health and safety culture at Nexus is being examined as part of a major review of our working practices. The first stage of the process is to measure staff attitudes on health and safety issues using a questionnaire independently developed by the Health and Safety Laboratory which is part of the Health and Safety Executive. Following analysis, the results will help Nexus better understand its safety culture and staff behaviour both of which contribute to safety performance. This commences a 'Year of Safety' at Nexus, which will involve campaigns and training & development initiatives.

41. With regard to NECA's interests in the wider rail network, shortlisted bidders for the Northern and TransPennine Express (TPE) rail franchises have been in dialogue with Nexus and NECA. Detailed workshops have been held to discuss aspirations for those specification requirements which specifically affect the North East - such as the North East Business Unit and support for the NESTI scheme. Bid evaluation will begin in June (TPE) and July (Northern) and complete in early December.

42. A Collaboration Agreement has been drafted to formalise the relationship between NECA, the Tees Valley authorities, North Yorkshire and Cumbria County Councils for rail management issues. If agreed, this arrangement would allow the North East authorities to work within the Rail North Partnership to oversee the delivery of local rail services in the region.

43. Nexus has been invited to represent the NECA in the next phase of the Transport for the North rail project. Following publication of the Northern Transport Strategy

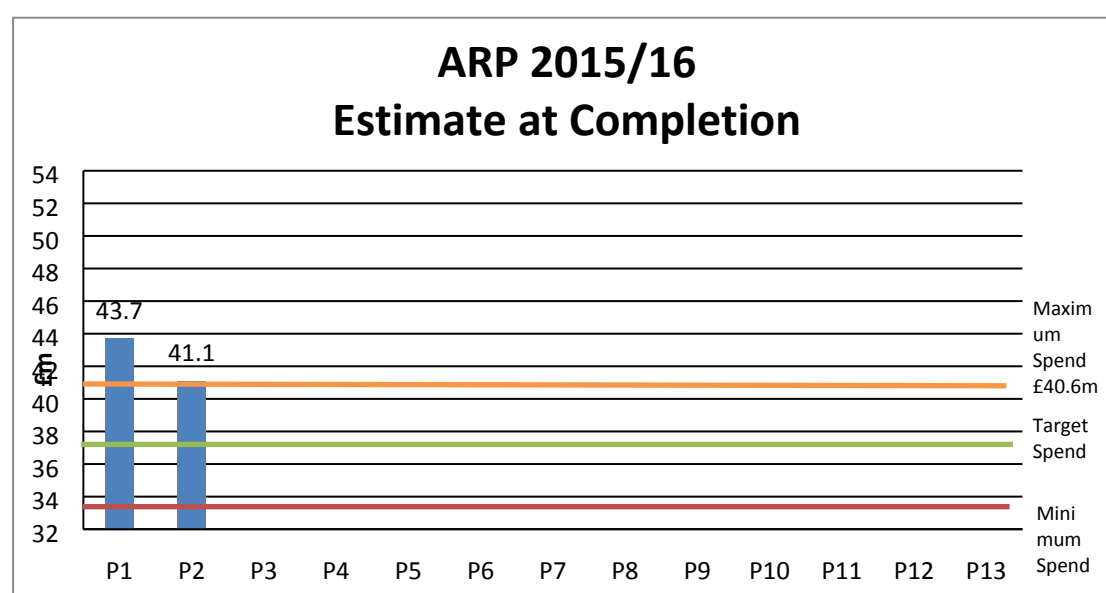
document in March, the next phase of work will develop options through which aspirational journey time and connectivity outputs can be achieved. Nexus will also represent NECA during Network Rail's North East and East Coast route studies. These studies form part of the Long Term Planning Process which will ultimately inform investment decisions for Network Rail's Control Period 6 covering 2019 to 2024.

44. Extensive community engagement was carried out in advance of ARP projects for earthworks in the Central Corridor and track replacement works on the QEII Bridge. A media campaign ensured the QEII Bridge work was promoted as a means of reminding customers, stakeholders and members of the general public how important works such as this are to the future of Metro. In addition, the 40th anniversary of the original Metro cars 4001/4002 was promoted in the media, as did the promotion of the Shields Ferry summer programme.
45. In respect of process improvements, proposals are being developed to meet the requirement in the Financial Regulations section of the NECA Constitution for Nexus to produce a three year Forward Plan to fit with the budget formulation and levy consultation cycle that commences with the estimates being considered by the Leadership Board in September/October and ends with Leadership Board's approval of the transport budget and levies decisions in early 2016.
46. A process is also being developed to allow Nexus to create a pipeline of capital schemes to inform future investment programmes. The proposed process will link to the stagegate process as well as being informed by the five stage business case process (webTAG) and the emerging Regional Transport Team's Capital scheme pipeline process.
47. Revisions to Nexus' internal governance arrangements are being developed and will be discussed with TWSC at its 9th July meeting.
48. Nexus's draft statement of accounts for 2014/15 has been prepared and is now subject to external audit. The final outturn, a deficit of £1.303m before transfers from reserves, is better than the £1.932m deficit previously reported to TNEC in February 2015, largely due to further improvements in Metro fare revenue (including Nexus's share of NTL revenues being better than anticipated); a saving on the High Voltage power budget and additional savings in respect of secured bus services. The external auditors are now on site and will be working with Nexus's finance team throughout period 3.
49. During the latter part of the year, Nexus also undertook a review of its fixed asset register in preparation for the introduction of the CIPFA Code of Practice on Accounting for Transport Infrastructure Assets. This change will require a major revaluation of the Metro network in 2015/16 as the basis for carrying transport

infrastructure assets in Nexus's balance sheet changes from 'depreciated historical cost' to 'depreciated replacement cost'. The preparatory work undertaken, impacting on the 2014/15 accounts, identified the need to write down a sizeable value of Nexus's fixed assets in advance of the revaluation, either wholly or in part. The net effect of the write down including compensatory adjustments to depreciation balances and the capital grant deferred account was that a loss on disposals of £297k was incurred. This loss is incorporated in the revised deficit for the year of £1.303m that is referred to in paragraph 47 above.

50. As at period 2 of 2015/16, the Nexus revenue forecast is also showing an improvement against budget of £1.279m. The forecast deficit for 2015/16 is therefore currently estimated at £1.824m (against an original deficit of £3.103m). This variance is largely as a result of a forecast saving of £0.750m on Secured Bus Services, an efficiency saving of £0.420m following a review of senior management within Nexus and savings in High Voltage power costs of £0.250m. Other small changes to the Concession payment to DB Regio Tyne and Wear Ltd and the level of Metro Rail Grant as a result of the inflation indices on which these rely being published after the budget was set have resulted in a pressure of £0.141m to the revenue budget.

51. The Metro Asset Renewal Plan (ARP) forecast for 2015/16 is £41.109m as at 23rd May 2015. The forecast is £4.187m less than the latest budget of £45.296m, but within DfT spending targets as shown in the graph below. Expenditure in the period was 94% of the forecast and cumulative spend to date is within 1% of the target.



52. Extensive monitoring of the programme is continuing to ensure that the programme is delivered in accordance with the terms of the grant determination letter. This year's programme comprises approaching 100 projects. Particular

emphasis is being directed towards the fourteen largest spending projects this financial year which represent over 70% of this year's programme. Three of these projects, track renewal from Tynemouth to Northumberland Park, the Rail Traffic Management System and Radio replacement represent over 33% of this year's programme in monetary value.

53. The table below shows the budget and corresponding forecast for 2015/16 and the following two years for each asset category within the ARP programme:

Asset Category	Budgets					Forecasts			
	Original Approved Budget (DfT submission) 2015/16	Latest Approved Budget 2015/16	Latest Approved Budget 2016/17	Latest Approved Budget 2017/18	Total Budget 2015/16-2017/18	Quarter 1 Projection 2015/16	Quarter 1 Projection 2016/17	Quarter 1 Projection 2017/18	Total Projection 2015/16-2017/18
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Civils	9,490	8,167	8,908	6,567	23,642	6,957	5,801	9,530	22,288
Communications	4,643	5,830	265	640	6,735	5,096	1,043	128	6,267
Level Crossings	2	45	0	0	45	38	0	0	38
Mechanical & Electrical	1,938	4,046	89	280	4,415	3,732	92	80	3,904
Metro Cars	2,148	2,144	1,363	1,250	4,757	2,209	956	833	3,998
Miscellaneous	435	489	3,007	3,013	6,509	486	2,890	3,013	6,389
Project Management Costs	0	0	2,301	2,301	4,602	0	2,301	2,301	4,602
Inflation allowance	0	0	561	713	1,275	0	561	713	1,275
Overhead Line	1,986	1,991	4,200	3,000	9,191	2,040	4,239	2,977	9,256
Permanent Way	12,304	10,799	11,971	19,911	42,682	10,948	13,210	19,845	44,003
Plant	0	31	0	0	31	81	0	0	81
Power	0	193	0	0	193	183	0	0	183
Signalling	4,652	6,390	5,341	4,476	16,207	5,410	5,163	4,529	15,102
Stations	7,673	5,171	7,279	6,171	18,622	3,928	8,412	5,149	17,489
Total ARP Programme	45,271	45,296	45,287	48,323	138,905	41,109	44,670	49,098	134,877
Major Projects	3,500	6,837	300	0	7,137	6,847	300	0	7,147
TOTAL	48,771	52,133	45,587	48,323	146,042	47,956	44,970	49,098	142,024

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North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: DB Regio Tyne & Wear Limited (DBTW) Performance Update

REPORT OF: Managing Director (Transport Operations)

EXECUTIVE SUMMARY

The purpose of this report is to provide an update to the current performance issues with regards to DBTW.

RECOMMENDATIONS

It is recommended that the Committee note the contents of this report.

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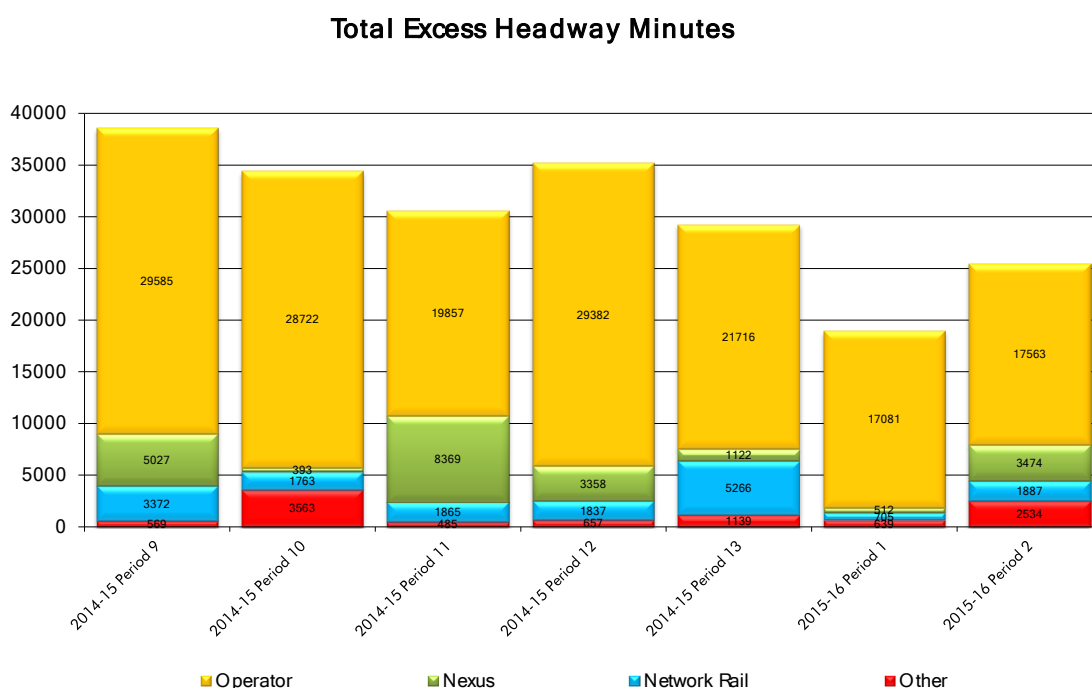
Transport North East (Tyne and Wear) Sub-Committee

EHW mins associated with “Other” are also typically not seen or felt by passengers and are largely where data problems are experienced with the performance system.

- 1.5 EHW minutes are then used as a means of quantifying perturbation on the Metro system and allocated to causal factors. Each causal factor with the exception of “Other” has an owner in terms of an organisation. The analysis using EHW mins allows a determination of which organisation has contributed to what level of perturbation in any given period. Reflecting the extent of their operations, DBTW will bring most of the disruption to the network and are by far the biggest contributor to good or bad performance. In short DBTW's good performance is key to maintaining a high level of performance which results in the Charter Punctuality being achieved.

Performance Trends

- 1.6 Overall the trend in EHWs between the previously reported four periods and most recent three periods shows an improvement for both DBTW and Nexus. Network Rail's performance has declined.



The trend for each organisation based on the average EHW mins per period are as follows:

	Previous Periods	(4)	Current Periods	(3)	Trend

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DBTW	26,887	18,787	30% improved
Nexus	4,287	1,702	60% improved
Network Rail	2,209	2,619	19% worse

- 1.7 Drawing a comparison on the trends within DBTW based on the average EHW minutes each period, and considering periods 9 to 12 (inclusive) Vs periods 13 to 2 (inclusive) reveals the following:

	Average EHW Mins/Period		
	Previous Periods (4)	Most recent (3) Periods	Trend
Driver	2,376	1,873	21% improvement
Door (train)	1,712	1,203	30% improvement
Power (train)	2,184	1,034	53% improvement

Overall, in the last three periods whilst Charter Punctuality has not been achieved there have been improvements on the part of DBTW.

Special Events

- 1.8 Also during the periods that this report covers, Metro has continued to play a vital role in supporting major sports and cultural events in the region. Metro provided significant extra trains and customer service staff to support the major Foo Fighters rock concert at the Stadium of Light, with trains running into the early hours, right across the network. Metro also supported the Rugby league 'Big Weekend' at St James' Park on 31 May, and the Newcastle-Sunderland derby match on 5 April, when extra train services were used to as part of the successful policing plan.

Management of DBTW

- 1.9 As previously reported, closer monitoring and management of DBTW's key activities were previously established and these included:
- An additional weekly Fleet Monitoring Meeting.
 - A 4-weekly Joint Performance Meeting
 - The creation of Joint Performance Management

Going forward, it is intended to continue with this approach until further improvements are delivered on a regular basis.

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Concerns raised by the Member of Parliament for South Shields

- 1.10 It should be noted that, on 27th May 2015, the Member of Parliament for South Shields wrote to the Monitoring Officer for the North East Combined Authority registering concerns raised by a number of constituents relating to the quality of service on the Tyne & Wear Metro. The concerns centred on: frequent delays resulting from power failures or faulty trains; broken ticket machines or barriers; a lack of information and service updates for passengers; and little support to help customers reach their final destination via alternative routes. It should also be noted that a similar letter was sent to the Secretary of State for Transport.

Since sending this correspondence, the Member of Parliament has met separately with two Nexus directors. At these meetings, information was provided relating to current service performance; the approach being taken to secure further DfT funding for the continuation of the “All Change” modernisation programme and for the renewal of the Metro train fleet.

2. Potential Impact on Objectives

- 2.1 The successful operation of the Tyne and Wear Metro assists the Combined Authority in delivering its objective to maximise the area’s opportunities and potential.

3. Finance and Other Resources

- 3.1 The Director of Finance and Resources confirms that penalties levied on DBTW during 2014/15 were £27,000 in excess of the budgeted for amount. Penalties specifically relating to train operations amounted to £271,192 which was broadly in line with expectations.

4. Legal

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

5. Other Considerations

5.1 Consultation/Community Engagement

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

5.2 Human Rights

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

5.3 Equalities and Diversity

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

5.4 Risk Management

There are no specific risk management considerations arising from this report.

5.5 Crime and Disorder

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

5.6 Environment and Sustainability

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

6. Background Documents

6.1 None.

7. Links to the Local Transport Plans

7.1 This report has no direct links to plans in the Policy Framework.

8. Appendices

8.1 Not applicable.

9. Contact

9.1 Raymond Johnstone, Director of Rail & Infrastructure, Nexus
Tel: 0191 203 3500

10. Sign off

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

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Nexus's Strategic Risks 2015/16

REPORT OF: Managing Director (Transport Operations)

EXECUTIVE SUMMARY

The purpose of this report is to update the Sub-Committee on the eight strategic risks identified by Nexus for 2015/16.

There have been no changes to the risk scores.

The control processes being applied have been updated where appropriate to reflect the current situation.

A further update will be presented to the next meeting.

RECOMMENDATIONS

It is recommended that the Sub-Committee receives and notes the current status of the strategic business risks identified by Nexus for 2015/16.

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1 Background Information

- 1.1 At its meeting on 22nd April 2015 the Sub-Committee received and considered the eight strategic business risks identified by Nexus for 2015/16: it was also proposed that TWSC should receive regular updates on Nexus's strategic risks.
- 1.2 In line with best practice Nexus regularly reviews its strategic risks to assess whether any changes have taken place in either the likelihood of the risk occurring or the severity of the consequences for the business in such an event. This review has not identified any changes to the risk scores.
- 1.5 The opportunity has however been taken, where appropriate, to update the control processes to ensure they remain relevant and appropriate. This has involved only two of the eight strategic risks as follows:
 - a) Strategic Risk Ref SR.15.01 'Funding for and affordability of Metro Asset Renewal Plan (ARP) Phase 2': noting the meeting with DfT in May 2015 where the opportunity was taken to seek to ensure that full-funding of years 8 and 9 of the Metro ARP is considered in the forthcoming Spending Review.
 - b) SR.15.05 'Tools to deliver the bus strategy': noting the intention to develop and recruit a team of experts to meet the requirements of the forthcoming stages of the Quality Contracts Scheme – procurement, transition and commencement.

2 Proposals

- 2.1 The Sub-Committee will be regularly updated on Nexus's strategic risks.

3 Next Steps

- 3.1 An update item will be built into TWSC's Forward Plan.

4 Potential Impact on Objectives

- 4.1 Nexus's strategic risk register will not impact directly on the objectives of the Authority's policies and priorities; however Nexus's approach to strategic 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

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- 5.1 There are no direct financial implications for the North East Leadership Board regarding the management of Nexus's Strategic Risk Register.

6 Legal

- 6.1 There are no legal implications.

7 Other Considerations

7.1 Consultation/Community Engagement

Following review of Nexus's strategic risk register for 2015/16, a risk update agenda item will be added to TWSC's forward plan and Nexus's strategic risks will be reviewed at each meeting.

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 arising from this report.

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 There are no background documents.

9 Links to Plans in the Policy Framework

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

10 Appendices

- 10.1 Nexus updated strategic risk register for 2015/16.

11 Contact Officers

- 11.1 Tobyn Hughes, Managing Director (Transport Operations),
Tobyn.hughes@nexus.org.uk
0191 2033246

12 Sign off

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

Nexus' Strategic Risk Log

2015/16: Periodic Update 1

Graham Robinson

Background:

- Strategic Risk relates to those factors that might have a significant effect on the achievement of Nexus's long-term business objectives and therefore the successful delivery of the NECA's policies and priorities.
- The effect can be vulnerability (adverse consequences) or opportunity (positive consequences).
- Risks are scored according to Likelihood (of the occurrence) and Impact (on the business).
- A five by five matrix is used, with a maximum score of 25.
- Nexus's corporate business plan themes for 2015/16 are: Leading the delivery of better public transport; Prepare Metro for the future; Deliver the Bus Strategy; and Continuous organisational improvement. Each risk indicates which theme it is associated with.
- Nexus's strategic risks will be reviewed and updated prior to each TWSC meeting, and an update on the current position will be reported to confirm whether or not any change has been identified.

Log of Nexus Strategic Risks for 2015/16

Theme:	Prepare Metro for the future.		
Risk name:	Funding for & affordability of Metro Asset Renewal Plan (ARP) Phase 2.		
Risk Identifier:	SR.15.01	Risk Owner:	Director of Finance and Resources
Risk Description:	DfT has confirmed 100% of ARP funding for 2016/17, however only 75% of uplift funding has so far been confirmed for 2017/18 and 2018/19. It is essential that full funding for these years is achieved within the next 12 months, otherwise Phase 2 of the ARP would need to be scaled back significantly. The final tranche of ARP funding for years 2019/20 & 2020/21 is presently confirmed at 50% and this will be addressed in due course.		
Control Processes:	<ul style="list-style-type: none"> • Implementation of DfT/AMCL process audit recommendations. • Effective programme management, project delivery and budget control processes. • Effective liaison with DfT including 4-weekly progress reporting and 1/4ly reviews. • Explain to DfT the outcome of not achieving full funding in terms of the implications for asset performance and the long-term affordability of the ARP. • Meeting with DfT in May 2015 in order to ensure confirmation of full funding for years 8 and 9 is considered in the forthcoming Spending Review • Procurement strategy & contractual arrangements that minimise risk and deliver VFM. • Value engineering, technology choice, option analysis, specification and scope. • Engaging members in work prioritisation processes. • Active stakeholder engagement/increasing public awareness. • Engaging with national government, local councillors & MPs and building public support. 		
Uncontrolled:	Likelihood: Very High	Impact: Very High	Score: 25 (5x5)
Controlled:	Likelihood: Low	Impact: Very High	Score: 10 (2x5)

Log of Nexus Strategic Risks for 2015/16

Theme:	Prepare Metro for the future.		
Risk name:	Funding commitment to Metro ARP Phase 3.		
Risk Identifier:	SR.15.02		
Risk Owner:	Managing Director (Transport Operations)		
Risk Description:	That key stakeholders may not give a positive commitment to Phase 3 of Metro reinvigoration.		
Control Processes:	<ul style="list-style-type: none">• Developing the long term Metro strategy.• Linking the strategy's proposals 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.		
Uncontrolled:	Likelihood: Very High	Impact: Very High	Score: 25 (5x5)
Controlled:	Likelihood: Significant	Impact: Significant	Score: 09 (3x3)

Log of Nexus Strategic Risks for 2015/16

Theme:	Leading the delivery of better public transport.		
Risk name:	Realising smart technology outcomes.		
Risk Identifier:	SR.15.03		
Risk Owner:	Corporate Manager Business Change and Technology.		
Risk Description:	That a combination of factors including emerging technological developments, changing business requirements and shifts in stakeholder expectations could give rise to sub-optimal outcomes.		
Control Processes:	<ul style="list-style-type: none"> • Develop a technology roadmap that will provide a blueprint for progress over the next 5 to 15 years. • Seek to 'future proof' developments using appropriate procurement and contractual arrangements. • Regular review of future business requirements. • Recruit and develop staff. • Develop new retail products and sales channels to enhance customer experience. • Develop and document internal business rules, processes and change management controls. • Manage the aspirations and expectations of partners and stakeholders. • Robust partnership working arrangements. • Clarity and shared understanding with stakeholders about what specific projects will and will not deliver. • Raise understanding and awareness of projects through relevant communications and marketing campaigns. 		
Uncontrolled Score:	Likelihood: Very High	Impact: Very High	Score: 25 (5x5)
Controlled Score	Likelihood: Significant	Impact: High	Score: 12 (3x4)

Log of Nexus Strategic Risks for 2015/16

Theme:	Deliver the Bus Strategy.		
Risk name:	Public Funding for Bus Services		
Risk Identifier:	SR.15.04		
Risk Owner:	Director of Finance and Resources		
Risk Description:	That reduced public transport funding, including changes to the allocation of CT, may further limit Nexus's ability to deliver socially necessary bus services.		
Control Processes:	<ul style="list-style-type: none"> • Effective financial strategy, planning and management. • Explain the need to protect budgets for secured service provision to stakeholders. • Use Continuous Monitoring Survey and Smart Ticketing data to help inform discussions with bus operators with regard to the calculation and distribution of CT reimbursement. • Engage government via pteg and directly on CT funding matters. • Increase awareness of the need for public funding to support the local bus service network. • Build local support for the social, environmental and economic benefits of bus services. • Ensure that procurement strategy and contractual arrangements deliver VFM. • Prepare options for service reductions should pressures on funding become material. • Clearly articulate how the BSDP/QCS will protect service provision. 		
Uncontrolled:	Likelihood: Very High	Impact: Very High	Score: 25 (5x5)
Controlled:	Likelihood: Significant	Impact: Very High	Score: 15 (3x5)

Log of Nexus Strategic Risks for 2015/16

Theme:	Deliver the Bus Strategy.		
Risk name:	Tools to deliver the bus strategy.		
Risk Identifier:	SR.15.05		
Risk Owner:	Corporate Manager Bus Services		
Risk Description:	That the process to introduce a QCS is novel and complex, leading to uncertainty over outcomes and timescales for delivery.		
Control Processes:	<ul style="list-style-type: none"> • Mitigate legal risks by seeking detailed advice from Counsel and specialist legal advisers. • Ensure that the financial strategy dovetails with expected QCS timescales. • Prepare a detailed transformation plan. • Mitigate operational and procurement risks by seeking advice from bus industry specialists. • Ensure the QCS is legally and procedurally compliant to meet the required formal conditions. • Ensure local and national stakeholders are aware of the process as it develops. • Maintain constructive dialogue with local bus operators. • Put in place background information and research projects in order to ensure that a strong and open competition for the procurement of Quality Contracts can be achieved. • Develop and recruit a team of experts in readiness for the forthcoming stages in the QCS process: procurement, transition & commencement. 		
Uncontrolled:	Likelihood: Very High	Impact: Very High	Score: 25 (5x5)
Controlled:	Likelihood: Significant	Impact: High	Score: 12 (3x4)

Log of Nexus Strategic Risks for 2015/16

Theme:	Leading the delivery of better public transport.		
Risk name:	Service Quality of Metro Concession.		
Risk Identifier:	SR.15.06		
Risk Owner:	Director of Rail and Infrastructure.		
Risk Description:	That continued delivery of the current Metro operating concession may not meet expectations.		
Control Processes:	<ul style="list-style-type: none"> • Maintain close concession contract management with DBTW. • Reinforce DBTW approaches with professional support and expertise from Nexus employees where appropriate. • Joint meetings to focus on operational delivery and improvements to customer communications. • Regular liaison between Nexus/DBTW senior management teams and with Arriva Rail. • Keep key stakeholders informed of developments. • Enforcement of contractual penalty mechanisms. • Feed lessons into development of approaches to future delivery of Metro services 		
Uncontrolled:	Likelihood: High	Impact: Very High	Score: 20 (4x5)
Controlled:	Likelihood: Significant	Impact: Significant	Score: 9 (3x3)

Log of Nexus Strategic Risks for 2015/16

Theme:	Leading the delivery of better public transport.		
Risk name:	Quality of non-Metro Infrastructure Assets.		
Risk Identifier:	SR.15.07		
Risk Owner:	Director of Rail and Infrastructure		
Risk Description:	That, due to financial pressures, reductions in the level of capital resources for the non-Metro asset base (e.g. ferry, bus stations, bus shelters and associated infrastructure) could result in adverse consequences for the quality of this infrastructure with consequential negative impacts on service delivery and customer satisfaction which need to be addressed through better use of the resources available.		
Control Processes:	<ul style="list-style-type: none"> • Update and expand knowledge of the non-Metro infrastructure asset base including information confirming current location, deployment, use and condition etc. • Development of a long term plan for improving the condition, capability and capacity of the non-Metro assets to meet the required standards for service delivery e.g. through maintenance, repair, replacement or renewal. • Engage as necessary external stakeholders to obtain their commitment to the resource requirement involved. 		
Uncontrolled:	Likelihood: High (4)	Impact: High (4)	Score: 16 (4x4)
Controlled:	Likelihood: Low (2)	Impact: High (4)	Score: 8 (2x4)

Log of Nexus Strategic Risks for 2015/16

Theme:	Continuous organisational improvement.		
Risk name:	Learning from safety related accidents and near-miss incidents		
Risk Identifier:	SR.15.08		
Risk Owner:	Corporate Manager Health, Safety, Training, Quality & the Environment		
Risk Description:	That Nexus' ability to deliver services and functions could eventually be compromised if it does not ensure organisational learning from workforce accidents and near misses. Reducing the incidence of accidents and near misses by analysing causes and implementing improvements will help ensure the capacity and capability of the workforce is retained and developed.		
Control Processes:	<ul style="list-style-type: none"> • Continue to record and monitor data about accidents and near misses. • Reinforce the process of identifying failings through accident investigation and analysis of near misses. • Ensure progress is made in improvement actions identified to address those failings. • Continue to utilise the All Accident Frequency Rate and similar indices for reporting and monitoring purposes. • Seek to establish benchmarking against best practice for similar organisations. • Enhance the safety culture of the organisation through the Safety Plan and a safety culture improvement programme. • Monitor and review organisational progress through the Corporate Management Team. 		
Uncontrolled:	Likelihood: Very High (5)	Impact: Very High (5)	Score: 25 (5x5)
Controlled:	Likelihood: Significant (3)	Impact: Very High (5)	Score: 15 (3x5)

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North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Review of Nexus Policies

REPORT OF: Managing Director (Transport Operations)

EXECUTIVE SUMMARY

The purpose of this report is to seek endorsement of an intention to review a range of Nexus's policies.

RECOMMENDATIONS

It is recommended that the Sub-Committee endorses the intention for Nexus to bring a series of policies to the Sub-Committee for review.

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Transport North East (Tyne and Wear) Sub-Committee

1 Background Information

- 1.1 Members will recall a paper presented to the Sub-Committee in February 2015, in which the Managing Director (Transport Operations) considered the governance arrangements for Nexus and proposed a number of changes to make improvements to reporting and policy alignment. A separate paper elsewhere on this agenda deals with the final changes proposed relating to Nexus' governance arrangements.
- 1.2 The February 2015 paper noted that:

“The relationship between the general duties of the PTE and the Authority (i.e. the NECA) remains as defined by the 1968 Act. The Authority was given the duty ‘so to exercise and perform the functions with respect to the general policy to be followed by the Executive’; and the PTE was given the duty ‘so to exercise and perform their functions (...) with respect to the provision of passenger transport services’.”
- 1.3 Certain aspects of Nexus's functions require specific approvals from the Combined Authority, for example the annual revenue and capital budgets; major reorganisation of transport services; the development or extension of services requiring significant capital expenditure; changes to fares or charges for services; and the acquisition or disposal of land.
- 1.4 However as a major transport organisation and employer with significant operational expenditure and commercial income, numerous commercial and operational decisions are made by Nexus's management on a regular basis in order to perform its duty under the Transport Act.
- 1.5 Nexus has already sought approval for its budget and capital programmes for the year 2015-6 from the Transport North East Committee, and presented its Corporate Business Plan setting out its planned major activities for the year for endorsement by TWSC. However it is recognised that an additional layer of guidance and political endorsement of on-going activities is desirable to achieve the objective of greater transparency and policy alignment.

2 Proposal

- 2.1 It is proposed that a number of operational and commercial policies be presented by Nexus, reviewed by the TWSC, and the subsequent final policy then adopted by Nexus's Corporate Management Team to guide its on-going decision making.
- 2.2 Many of these policies are likely to have been discussed in the past in one form or another by the Integrated Transport Authority, the predecessor body to the NECA as regards oversight of Nexus. However they may not have been

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

reviewed for some time, or may never have been put forward in the form of a specific policy.

- 2.3 Examples of the policies that Nexus intends to present for review by the TWSC are: marketing and information; sponsorship and promotion; corporate memberships; and secured bus services. It is expected that a number of other policies will be identified either by members or by the Managing Director (Transport Operations) over coming months which will be addressed.

3 Next Steps

- 3.1 Nexus will prepare its policies for presentation to, and consideration by, the TWSC over coming months. The first review is expected to take place in September.

4 Potential Impact on Objectives

- 4.1 The process of reviewing Nexus's policies is intended to more closely align Nexus's operational activities with the NECA's policy objectives.

5 Finance and Other Resources

- 5.1 There are no financial implications directly arising from this report.

6 Legal

- 6.1 There are no legal implications directly arising from this report.

7 Other Considerations

7.1 Consultation/Community Engagement

Where policies are required to change, appropriate consultation will be carried out

7.2 Human Rights

No impact directly arising from this report

7.3 Equalities and Diversity

No impact directly arising from this report

7.4 Risk Management

No impact directly arising from this report

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7.5 Crime and Disorder

No impact directly arising from this report

7.6 Environment and Sustainability

No impact directly arising from this report

8 Background Documents

- 8.1 Governance of Nexus, report of the Managing Director (Transport Operations) to TWSC on 26th February 2015

9 Links to Plans in the Policy Framework

- 9.1 The Nexus policy framework will support the delivery of NECA's wider policies and objectives

10 Appendices

- 10.1 None

11 Contact Officers

- 11.1 Tobyn Hughes, Managing Director (Transport Operations), Nexus
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12 Sign off

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

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

DATE: 9 July 2015

SUBJECT: Nexus Governance Arrangements

REPORT OF: Managing Director (Transport Operations)

EXECUTIVE SUMMARY

Following the submission of a paper to Transport North East (Tyne and Wear) Sub-Committee in relation to the Governance of Nexus to its meeting on 26 February 2015 this report details Nexus' proposed changes to its internal governance structures.

RECOMMENDATIONS

It is recommended that the Committee:-

- Endorse the proposal to update the Nexus governance arrangements in relation to its Management Committee/Executive Board by disbanding those committees and replacing them with the Nexus 'Corporate Management Team'; and
- Endorse the proposal to retain the Nexus Audit Committee which will continue to draw its membership from an external, independent source (paragraph 2.4 refers).

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

1 Background Information

1.1 On 26th February 2015 the Managing Director (Transport Operations) submitted a report to the Transport North East (Tyne and Wear) Sub-Committee in relation to the governance of Nexus.

1.2 At its meeting on 26th February 2015 the Transport North East (Tyne and Wear) Sub-Committee resolved that:-

- i. The information on the current legal and constitutional arrangements be noted;
- ii. Members' comments on the options for reform be noted;
- iii. Officers would develop proposals for reform which could, after feedback, including from the Governance Committee and Overview and Scrutiny Committee, be submitted to the Transport North East (Tyne and Wear) Sub-Committee and North East Leadership Board, as well as medium term options which would strengthen the integration of services into Durham and Northumberland; and
- iv. The proposal to develop working arrangements between Nexus, the NECA and Constituent Authorities, as appropriate, in relation to the discharge of transport functions be noted and endorsed.

2 Proposals

2.1 This report seeks to set out arrangements for the reform of Nexus internal governance arrangements as the first step in implementing those proposals outlined in recommendation 1.2 (iii) above.

2.2 As set out in paragraphs 1.3 to 1.17 of the previous report, Nexus governance arrangements consist of:-

- a. An Executive Board, consisting of the NECA Managing Director (Transport Operations) and its two other Executive Directors, together with two Non-Executive Directors, which meets every four weeks;
- b. A Management Committee, consisting of senior managers accountable for the various functions within Nexus, which meets every two weeks;
- c. An Audit Committee comprising the Non-Executive Directors which is routinely attended by Nexus' independent auditors, Mazars LLP, and meets on a quarterly basis.

The roles and responsibilities for each committee are set out in Nexus's internal Standing Orders which include its Financial Regulations and which are reviewed on an annual basis.

2.3 Following an internal review undertaken by the NECA Managing Director (Transport Operations) of the Nexus management structure pre April 2015, the number of Nexus Executive Directors has reduced to three and the role of five 'Corporate Managers' (from senior members of staff within its present employment) has been created, together which will form a 'Corporate Management Team' responsible for directing and managing Nexus. The 'Corporate Management Team' has replaced the Nexus 'Management

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Committee' and meet on a weekly basis as part of a four weekly cycle of meetings covering formal decision-making in accordance with Nexus's Standing Orders and general review of its activities. It is proposed that the Nexus Executive Board be disbanded with the Nexus 'Corporate Management Team' being compliant with Nexus's statutory requirements, and presently acting as its 'decision making' team, being the sole internal committee of officers governing Nexus activities. Nexus's standing Orders would be amended to reflect this position. The 'Corporate Management Team' would report to the Transport North East (Tyne and Wear) Sub-Committee in accordance with the NECA Constitution Part 3.3, Responsibility for Functions. No changes to the NECA Constitution are required to effect these proposed changes.

- 2.4 Given the important contribution that the Nexus Audit Committee has made to the way in which Nexus is governed, particularly since its membership comprises the Non-Executive Directors and is also routinely attended by Nexus' external auditors, Mazars LLP, the NECA Managing Director (Transport Operations), in consultation with the Monitoring Officer and the Chief Finance Officer considered it appropriate to continue with this committee in order to ensure that Nexus retains independent scrutiny of the adequacy of its systems of internal control and financial probity. Furthermore the view of the external auditor was that, although moves to increase Nexus' visibility at the NECA Governance Committee would be useful, separate audit arrangements should remain between Nexus and the NECA to reflect the different legal standing of each body. It is therefore recommended that the Audit Committee's membership continues to be drawn from an external, independent source. In this regard, the Managing Director (Transport Operations) has, subject to the views of the Sub Committee invited one of the existing Non-Executive Directors, Mr Peter Wignall to continue his association with Nexus beyond the dissolution of the Executive Board, to chair the Audit Committee. It is also proposed that one of the external members of the NECA Governance Committee also be appointed to the Nexus Audit Committee in order to provide a link with the Combined Authority. In addition, Nexus' external auditors, Mazars LLP, will still routinely attend all future meetings of the Nexus Audit Committee and copies of its Audit Completion Statement (in regard to Nexus' statutory accounts) and the Annual Audit Letter will be made available to the NECA Governance Committee. Nexus' Standing Orders will be amended to include any changes to these arrangements.
- 2.5 Should these proposals be accepted it is proposed that the NECA Managing Director (Transport Operations) provide a further updated paper in due course to present medium term options to strengthen the integration of services into the Durham and Northumberland and the wider working arrangements between NECA and Constituent Authorities.

3 Next Steps

- 3.1 Proposals to be implemented by Managing Director (Transport Operations).

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

4 Potential Impact on Objectives

4.1 There are no impacts on objectives.

5 Finance and Other Resources

5.1 There are no financial implications directly arising from this report.

6 Legal

6.1 There are no legal implications directly 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 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 NELB arising from this report.

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 TWSC Report 'Governance of Nexus' – 26 February 2015.

9 Links to the Local Transport Plans

9.1 This report has no direct link to plans in the Policy Framework.

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Transport North East (Tyne and Wear) Sub-Committee

10 Appendices

10.1 None.

11 Contact Officers

11.1 Tobyn Hughes, Managing Director (Transport Operations),
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12 Sign off

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

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