

## North East Joint Transport Committee

Tuesday, 13th July, 2021 at 2.30 pm

Meeting to be held in the Council Chamber - Civic Centre, Regent Street, Gateshead, NE8 1HH

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## AGENDA

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Page No

1. **Apologies for Absence**
2. **Declarations of Interest**  
  
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be given to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.
3. **Minutes of the last meeting held on 15 June 2021** **3 - 10**
4. **2020/21 Revenue Budget and Capital Outturn Programme** **11 - 28**
5. **2021/2022 Revenue Budget and Capital Programme Update** **29 - 53**
6. **Transport Plan Progress Report** **55 - 73**
7. **North East Rail and Metro Strategy Progress Update** **75 - 80**
8. **Transforming Cities Fund Tranche 2 - Grant Funding Agreements** **81 - 86**
9. **Vision for Buses** **87 - 91**
10. **East Coast Mainline - May 2022 Timetable Consultation Response** **93 - 113**
11. **Appointment to Transport for the North, Rail North Committee** **115-118**

**12. Exclusion of the Press and Public**

The Joint Transport Committee may wish to exclude the press and public during consideration of items 13, 14, 15 and 16 by virtue of paragraphs 1, 2,3,4 and 5 of Parts 1 and 3 of Schedule 12A of the Local Government Act.

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|-----|---|------------------|
| 13. | <b>Minutes of the confidential meeting held on 15 June 2021</b>                                       | <b>119 - 120</b> |
| 14. | <b>Tyne Pedestrian and Cycle Tunnels Update</b>   | <b>121 - 127</b> |
| 15. | <b>Amendment to the Terms of Reference for the calculation of TT2 Pension Cash Collateral Account</b> | <b>129 - 141</b> |
| 16. | <b>North East Rail and Metro Strategy - Staffing Proposal</b>   | <b>143 -147</b>  |
| 17. | <b>Date of next meeting</b>   |                  |

The next meeting will take place on Tuesday 21 September 2021 at 2.30pm.

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## **NORTH EAST JOINT TRANSPORT COMMITTEE**

### **DRAFT MINUTES FOR APPROVAL**

**DATE:** 15 June 2021

Meeting held: Council Chamber, Gateshead Civic Centre

#### **Committee Members Present:**

Councillor: M Gannon (Chair)

Councillors: J Foreman, C Johnson, C Rowntree, G Sanderson and E Scott

#### **In attendance:**

Councillor: J McCarty and Mayor J Driscoll

Statutory Officers: M Barker (Monitoring Officer - Transport)  
P Darby (Chief Finance Officer)  
T Hughes (Managing Director, Transport North East)  
S Ramsey (Lead Chief Executive for Transport)

Officers: G Armstrong, J Bailes, F Bootle, R Forsyth-Ward,  
A Graham, A Harhoff, T Male, P Meikle, J Sparks, E Reynard  
and A White.

### **1. APPOINTMENT OF THE CHAIR AND VICE CHAIR FOR THE MUNICIPAL YEAR 2021/22**

**RESOLVED:** The North East Joint Transport Committee appointed:

- (i) Councillor M Gannon as Chair for the municipal year 2021/22; and
- (ii) Councillor C Johnson as the Vice Chair for the municipal year 2021/22.

### **2. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor T Dixon and Councillor N Forbes.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4. MINUTES OF THE PREVIOUS MEETING HELD ON 16 MARCH 2021**

The minutes were agreed as a correct record.

### **5. APPOINTMENT OF JTC COMMITTEES**

The Committee considered a report which sought approval of the membership of the JTC Audit Committee, JTC Overview and Scrutiny Committee and Tyne and Wear Sub-Committee.

The report also sought approval for the reappointment of the Independent Chairs and Vice Chairs for the JTC Audit Committee and JTC Overview and Scrutiny Committee and the appointment of the Chair and Vice Chair of the Tyne and Wear Sub-Committee.

**RESOLVED:** The North East Joint Transport Committee:

- (i) Agreed the appointment of committee members and sub-committee members for the municipal year 2021/22 as set out in Appendix A of the report;
- (ii) Agreed the re-appointment of Mark Scrimshaw as Chair and Stuart Green as Vice Chair for the JTC Audit Committee for one year;
- (iii) Agreed the reappointment of David Taylor-Gooby as Chair and Andrew Clark as Vice Chair for the JTC Overview and Scrutiny Committee for one year;
- (iv) Agreed the appointment of Councillor C Johnson as Chair and Councillor J McElroy as Vice Chair for the Tyne and Wear Sub-Committee for the municipal year 2021/22; and
- (v) Agreed to delegate any changes to membership necessary to accommodate political balance, or appointments to any outstanding vacancies, on any of the Joint Transport Committees to the Lead Chief Executive (Transport) following consultation with the Chair of the JTC to comply with the relevant legislation and ensure any vacancies can be filled as soon as possible.

## **6. PROGRAMME OF COMMITTEE MEETINGS FOR THE 2021/22 MUNICIPAL YEAR**

The Committee considered a report which sought agreement of the proposed calendar of committee meetings for the municipal year 2021/22.

**RESOLVED:** The North East Joint Transport Committee agreed the proposed calendar of meetings as set out in Appendix A of the report.

## **7. TRANSPORT NORTH EAST – TRANSPORT PLAN PROGRESS REPORT**

The Committee considered a report which provided an update on the progress made across the seven Delivery Plan categories in implementing the objectives of the North East Transport Plan and achieving the vision of ‘moving to a green, healthy, dynamic and thriving North East’.

The Government has recently published the Williams-Shapps Plan for Rail which proposes a new public body, Great British Railways, to provide integrated rail services.

Consultation has begun on a new timetable for the East Coast Main Line (ECML), which if agreed, will be introduced in May 2022. The proposed new timetable will speed up services between London and Newcastle, but it results in a decrease in services to and from Berwick and Darlington. In addition, the direct LNER service from Sunderland to London will cease.

LRRRG funding for Tyne and Wear Metro continues to be provided by the Treasury and is due to end on 21 June, however it is expected that it will be extended due to the Government’s delay in ending lockdown restrictions. Negotiations are continuing regarding a long-term solution to the funding issue.

The Committee were advised that Trade Unions have recently announced strike action on Tyne and Wear Metro from 28 June – 4 July followed by an overtime ban. Negotiations are ongoing with Stadler-Rail with the aim of avoiding strike action.

Councillor Sanderson felt that the proposals for the ECML timetable changes were very frustrating for the region, especially for those passengers who use the trains to commute to and from Morpeth. In addition, a new theatre is being built in Berwick and reduced train services will have an impact on it. He also added that the proposals would encourage more people to use cars rather than public transport which is giving out the wrong message at the wrong time. He felt that the region needed to continue to work together for a more positive outcome.

Councillor Scott added that although there were some benefits for Durham and Chester-le-Street within the new timetable proposals, overall, she agreed that the changes would have a negative impact for the region.

Mayor Driscoll agreed with Councillor Sanderson's comments and added that increased Metro ridership is essential for the region's Bus Strategy and that the public just want a good integrated transport system.

Councillor Gannon commented that this was a major issue for the region and is something he has been campaigning about for a while. He added that investment needed to be made in the ECML including the reopening of the Leamside Line to increase rail capacity in the North East. Northumberland County Council are pushing ahead with the Northumberland Line to increase connectivity with the rest of the region as well as improving the economy and air quality. The Leamside Line provides an opportunity to connect with the Metro system as well as other public transport. He added that if this investment is not provided it will be a disaster for the North East's economy.

Councillor Gannon suggested that he writes again to the Secretary of State for Transport on behalf of the Committee, to outline its concerns over the proposals.

**RESOLVED:** The North East Joint Transport Committee noted the report.

## **8. ACTIVE TRAVEL UPDATE**

The Committee considered a report which provided an update on three recent regional active travel activities and proposals – the Go Smarter, Go Active campaign, notification from the Department for Transport of Active Travel Capability Funding and a proposal to establish an Active Travel Partnership.

### Go Smarter, Go Active Campaign

At its last meeting on 16 March 2021, JTC agreed to allocate £319,500 from Active Travel Fund Tranche 2 to deliver a marketing campaign to encourage the use of the cycling and walking infrastructure to explore the region, improve health and boost the local economy.

The regional campaign consists of three projects:

- Strongly advertised active travel itineraries for days out using active travel across the North East;
- Maps of our cycling and walking network; and
- Regional cycling road show events and interactive workshops in the seven local authority areas.

The campaign will be launched in June 2021.

### Active Travel Capability Fund

On 3 March 2021, notification was received from the Department for Transport (DfT) that the region is to receive £2,157,597 Active Travel Capability revenue funding for 2021/22.

As part of the conditions for the funding, proformas have completed with input from each of the seven local authorities and have been submitted to DfT, outlining how the funding will be spent and providing assurance that the proposals offer value for money. Confirmation of the exact funding amount is expected imminently.

#### Active Travel Partnership

Following feedback from the North East Transport Plan consultation, it is proposed that a regional Active Travel Partnership is established to strengthen the links between the Joint Transport Committee and groups campaigning for active travel.

The Partnership would provide an opportunity to share identify best practice, share knowledge, expertise, data and research as well as improving relationships and strengthening regional funding bids.

Councillor McCarty was very supportive of the Go Smarter, Go Active campaign and added that it would be beneficial if it was available for the school holidays. She was also supportive of the Active Travel Partnership and suggested that this should also be open to lobbying groups who often contact elected members.

Councillor Gannon supported these comments.

**RESOLVED:** The North East Joint Transport Committee:

- (i) Noted the progress being made to deliver the Go Smarter, Go Active Campaign;
- (ii) Noted the proposals for spending the Active Travel Capability Funding indicative allocation have been submitted to the Department for Transport; and
- (iii) Agreed to the principle of establishing an Active Travel Partnership.

## **9. BUS PARTNERSHIPS**

The Committee considered a report which outlined the process of developing an Enhanced Bus Partnership as required as part of the Government's National Bus Strategy.

The Joint Transport Committee has previously agreed to establish a voluntary bus partnership with local bus operators based on shared objectives. However, the National Bus Strategy requires that a more formal framework is put in place for partnership working between local transport authorities and local bus operators and requires that a statutory Enhanced Bus Partnership is implemented under the Bus Services Act 2017.

In addition, the National Bus Strategy requires that local transport authorities must commit to developing an Enhanced Bus Partnership by the end of June 2021 and publish a statutory notice to that effect. In addition, they must develop and publish a Bus Service Improvement Plan by the end of October, setting out the outcomes they wish to see delivered through the Enhanced Bus Partnership by the end of October 2021, and negotiate and implement it by April 2022.

The Government has announced funding of £3bn nationally to support the policies set out in the National Bus Strategy and have been clear that funding will not be available to local transport authorities and local bus operators who do not develop an Enhanced Bus Partnership.

The National Bus Strategy and funding support provides the JTC with the opportunity to start delivering the objectives set out in the North East Transport Plan.

The Committee were advised that a representative from the Tyne and Wear Public Transport Users Group (TWPTUG) had wished to speak at the meeting today but was unable to attend, to speak to the Committee about the Group's views on bus franchising which it felt would provide better outcomes for passengers than an Enhanced Partnership. Correspondence from the Group has been received by the Chair and would be circulated to the Committee.

The Committee were reminded that the JTC does not have the automatic powers to establish a bus franchise and would need permission from the Secretary of State for Transport in order to do this, which would be a lengthy process.

Mayor Driscoll noted that all of the bus operators want to provide the best service possible but there is still low ridership as a result of the pandemic. He added that the Government are not providing a choice regarding implementing an Enhanced Bus Partnership as funding would not be made available for any other model. He believed that a bus franchise is a better option for the region in the longer term and suggested that this option should remain open alongside the development of the Enhanced Partnership.

Councillor Scott requested that the Committee be provided with resource implications on a franchise model and the costs for each local authority.

Councillor Gannon agreed and added that he was clear most of the local authorities would prefer a bus franchise, but this was not possible under the National Bus Strategy or within the gift of the Joint Transport Committee due to the complications around the Governance arrangements. He accepted that the Enhanced Partnership would need to be established within the very tight timescales.

Councillor McCarty endorsed Councillor Gannon's comments and added that there was no choice regarding the Enhanced Partnership. She also agreed with Councillor Scott's suggestion that the costs of a bus franchise be investigated.



Councillor Gannon agreed and requested that a report be presented to a future JTC regarding bus franchises including the financial and legal implications.

Councillor Johnson agreed with the points raised by the TWPTUG and added that the region needed an effective bus service with as much funding as possible. Without the Enhanced Partnership this would not be possible.

Councillor Gannon agreed and asked whether the ambitions of a bus franchise could be achieved via the Enhanced Partnership?

**RESOLVED:** The North East Joint Transport Committee:

- (i) Agreed to confirm to Government their commitment to developing an Enhanced Partnership in line with the National Bus Strategy requirements;
- (ii) Agreed to issue formal notice of intent to prepare an Enhanced Partnership Plan and Schemes to bus operators and to begin consultation with local bus operators in order to pursue it; and
- (iii) Noted the requirement for local authorities as statutory highway authorities for the area to commit to be part of the partnership program.

## **10. BUS PARTNERSHIP PROJECT RESOURCES**

The Committee considered a report which proposed the establishment of a project team to deliver an Enhanced Bus Partnership for the region in line with the National Bus Strategy, and how the budget will be funded.

A variety of roles are required as part of the project team as well as specialist legal advice. There is also likely to be a need to invest in bus industry IT software as well as the costs of running public engagement exercises.

The estimated total cost of the project is £1.684m. A contribution from JTC reserves has been identified, as well as some funding from DfT and Nexus. However, this leaves a funding gap of £844,000 which, unless other funding streams can be identified will need to be met by the seven local authorities.

**RESOLVED:** The North East Joint Transport Committee:

- (i) Agreed to establish a project team to deliver an Enhanced Partnership;
- (ii) Agreed a gross budget of £1.684m (inclusive of 20% contingencies) to deliver the project, with LA7 authorities providing a contribution of up to £844k in the amounts set out in paragraph 2.4 of the report.

## **11. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:** The North East Joint Transport Committee agreed to exclude the press and public during consideration of item 11 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** 2020/21 Revenue Budget and Capital Programme Outturn

**Report of:** Chief Finance Officer

### Executive Summary

This report provides the North East Joint Transport Committee (JTC) with the outturn position in relation to the 2020/21 Transport Revenue Budget and Transport Capital Programme.

The report covers all areas of the revenue budget including the Transport Levies and grants to Durham, Northumberland and Nexus, Transport Strategy Unit and the Tyne Tunnels revenue account.

The outturn position shows that expenditure was within the revised budgets approved by the JTC. Where grants are paid to other organisations for the delivery of transport service (i.e. Durham, Northumberland and Nexus), the grant is fixed for the year but the report provides details of how the grant has been applied by each organisation to the provision of public transport services.

Durham County Council, Northumberland County Council and Nexus all reported surpluses against the grant paid from the JTC, which will be retained within their own reserves.

The Tyne Tunnels account outturn was a small surplus of £0.023m, which has been retained in the Tyne Tunnels reserves.

The Transport Strategy Unit outturn was a small underspend against the budget for the year which meant that there was a lower than budgeted use of reserves required to support expenditure in year. Additional unbudgeted income was received at the year end from Nexus to support work on local rail studies and the Bus Partnership programme. These funds will be held in reserves for use to fund expenditure in 2021/22 and future years.

The Transport capital programme encompasses a wide range of capital schemes, mainly delivered by constituent local authorities and Nexus, but also investment in the Combined Authorities' own assets, including the Tyne Tunnels.

The report identifies that total capital expenditure incurred on Transport schemes was £83.449m during 2020/21 against the revised programme budget of £95.612m, an underspend of £12.163m.

The revised capital programme included £2.725m for Tranche 1 of the Transforming Cities Fund, with outturn spend of £1.932m as a small number of schemes will now complete during 2021/22.

Tranche 2 of the Transforming Cities Fund programme totalling £198.484m was awarded to the JTC by the DfT in March 2020. £0.726m of expenditure was incurred during 2020/21, primarily on payments to support project sponsors' work on developing detailed business cases for full approval. Expenditure of £1.142m for the Nexus Metro Flow project is outlined within the sections on the Metro capital programme. This was £0.560m underspent against the revised programme budget of £1.702m due to savings on the procurement of the main contractor for the works.

Investment on electric vehicle infrastructure was supported during 2020/21 with the Go Ultra Low project now largely complete and expenditure of £0.426m incurred during the year. £0.419m was incurred on the Low Emission taxis project to deliver dedicated chargers for the taxi and private hire industry.

Expenditure in the year on the Metro Asset Renewal Plan programme totalled £20.990m against a revised programme budget of £24.635m and is within the minimum and maximum levels set for the year by the Department for Transport (DfT).

The Metro Fleet Replacement project outturn for the year was £43.689m against revised budget of £48.605m, due to a delay in the commencement of construction works at Gosforth Depot which is not expected to cause a delay in the overall programme timetable.

Expenditure on Nexus Other Capital Projects was £0.770m against the revised programme budget of £2.074m, largely due to delays to the commencement of works to refurbish the North Shields Ferry Landing.

In terms of the Tyne Pedestrian and Cycle Tunnels there is still outstanding work to complete on the commissioning of the inclined lifts to enable the operation of the tunnels to be handed over to TT2. The tunnels have been operating well during 2020/21 with access via the vertical lifts.

Most of the capital works during the year have been funded through government grants awarded (£80.603m) with elements of the Nexus capital programme and the Tyne Pedestrian and Cyclist Tunnels works funded by reserves (£2.846m) held specifically for this purpose.

## **Recommendations**

The North East Joint Transport Committee is recommended to note the report.

## 1. Background Information

- 1.1 At its meeting held on 21 January 2020, the JTC agreed a Transport levy budget for 2020/21 of £82.800m, with regular updates, including a forecast outturn position being reported to JTC over the last twelve months. This report presents the final outturn position for the 2020/21 financial year.
- 1.2 In January 2020, the Joint Transport Committee (JTC) also approved the initial 2020/21 capital programme totalling £81.566m. The capital programme was then updated to take account of adjustments for slippage from 2019/20 and for new grant approvals made after the original capital programme was agreed, particularly in relation to Transforming Cities Fund Tranche 2 – which was reported at the meeting in July. The programme was subsequently updated in reports to the JTC in October, November 2020 and January 2021.

## 2. Proposals

### 2.1 Transport Revenue Budget Summary

The table below summarises the outturn position against the net Transport Levy budget (i.e. the net cost to the JTC after external income) for 2020/21. The levies and grants to Durham, Northumberland and Nexus are fixed for the year, but details of how the grant were applied by each organisation to the provision of public transport services is set out in more detail in the following sections. Expenditure on the Retained Transport Levy budget was below the revised budget with a variance of £0.084m due to lower financing charges on historic debt inherited from the Tyne and Wear Integrated Transport Authority.

*Table 1: Transport Levy Budget 2020/21*

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total Transport Levies</b>				
Grant to Durham	15.456	15.456	15.456	0.000
Grant to Northumberland	6.224	6.224	6.224	0.000
Grant to Nexus	59.000	59.000	59.000	0.000
Retained Transport Levy Budget	2.120	2.120	2.036	(0.084)
<b>NET</b>	<b>82.800</b>	<b>82.800</b>	<b>82.716</b>	<b>(0.084)</b>
<b>Contribution (to)/from JTC reserves</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.084)</b>	<b>(0.084)</b>

## Durham

2.2 The following table provides a detailed breakdown of expenditure for Durham:

*Table 2: Durham County Council*

	<b>2020/21 Original Budget</b>	<b>2020/21 Revised Budget</b>	<b>2020/21 Outturn</b>	<b>Variance (Outturn vs Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Concessionary Fares	11.932	11.932	11.680	(0.252)
Subsidised Services	2.556	2.564	2.479	(0.085)
Bus Stations	0.177	0.159	0.178	0.019
Bus Shelters	0.019	0.082	0.115	0.033
Passenger Transport Information	0.088	0.061	0.102	0.041
Staffing	0.684	0.685	0.668	(0.017)
Share of JTC Transport Costs	0.010	0.010	0.010	0.000
<b>Net Expenditure</b>	<b>15.466</b>	<b>15.493</b>	<b>15.232</b>	<b>(0.261)</b>
<b>JTC Levy</b>	<b>(15.466)</b>	<b>(15.466)</b>	<b>(15.466)</b>	<b>0.000</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.000</b>	<b>0.027</b>	<b>(0.234)</b>	<b>(0.261)</b>

2.3 Expenditure for Durham County Council was £0.261m below the revised budget for the year, which represents an underspend against the transport grant of £0.234m. This was mainly due to savings on Concessionary Fares arising from a change in government guidance from January 2021 which allowed reimbursement to be reduced by an equivalent to the reduction in services operated by bus companies during the third national lockdown.

Subsidised Services were £0.085m under budget relating to minor variances across the bus network. Bus Shelters were £0.033m over budget due to additional repairs to and provision of bus shelters in County Durham. Expenditure on Passenger Transport Information was £0.041m over budget relating to additional expenditure on IT services.

The underspend against the levy grant will be retained by Durham County Council reserves.

## Northumberland

2.4 The following table provides a detailed breakdown of expenditure in Northumberland:

Table 3: Northumberland County Council

	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Outturn	Variance (Outturn vs Revised Budget)
	£m	£m	£m	£m
Concessionary Fares	4.812	4.772	4.618	(0.154)
Subsidised Services	1.230	1.230	1.170	(0.060)
Bus Services	0.024	0.024	0.036	0.012
Passenger Transport Information	0.025	0.025	0.00	(0.025)
Staffing	0.133	0.133	0.133	0.000
Share of JTC Transport Costs	0.010	0.010	0.010	0.000
<b>Net Expenditure</b>	<b>6.234</b>	<b>6.194</b>	<b>5.967</b>	<b>(0.227)</b>
<b>JTC Levy</b>	<b>(6.234)</b>	<b>(6.234)</b>	<b>(6.234)</b>	<b>0.000</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.000</b>	<b>(0.040)</b>	<b>(0.267)</b>	<b>(0.227)</b>

2.5 The outturn position was £0.227m underspent against the revised budget, primarily relating to underspends on both Concessionary Fares and Subsidised Bus Services. Following the Covid-19 outbreak the majority of supported services within Northumberland continued to operate, albeit for the most part at a reduced frequency. The Council continued to pay operators at full contracted prices with the exception of some seasonal services that had been due to commence from 5 April 2020 when these services were suspended until the resolution of the Covid-19 crisis or at such point when it was deemed fit to resume. Some of these services have now commenced operating. These supported services include instances of services running commercially at popular/peak times, but where support is given to maintain journeys at other times for example early mornings or late evenings.

2.6 Northumberland County Council also makes payments to operators under the Government's English National Concessionary Travel Scheme (ENCTS) which entitles pass holders to free off-peak travel after 9:30am on local bus services. Patronage using the scheme was significantly reduced due to the introduction of the Government's lockdown policy in response to the Covid-19 outbreak. The Council has continued to reimburse operators at pre-pandemic levels to ensure the viability of routes and operators is maintained, in line with the Cabinet Office Procurement Policy Note 02/20 – Supplier Relief due to Covid-19, for at least the period of the outbreak to enable the resumption of socially necessary services afterwards.

### **Tyne and Wear - Nexus**

2.7 In the most recent report to the JTC on 16 March 2021 (which covered the

period up to 2 January 2021), the forecast outturn for the year ended 31 March 2021 was reported as a deficit of £0.170m before taxation. Since that date, due to changes in government legislation regarding Concessionary Travel payments to commercial operators, along with savings in support services this position has improved. The final outturn position for the financial year is a surplus of £2.318m.

- 2.8 Usable reserves reduced by £0.520m year on year as £2.838m was used to finance capital expenditure during 2020/21 not funded by government grant, as set out in the capital report at section 2.38.
- 2.9 The variances against budget for the year are shown in the table below split by service area and are shown after the allocation of indirect costs:

*Table 4: Nexus Outturn 2020/21*

	<b>2020/21 Budget</b>	<b>2020/21 Outturn</b>	<b>Variance (Outturn vs Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
ENCTS & Discretionary CT	38.536	37.041	(1.495)
Metro	3.299	3.299	-
Bus Services	12.602	12.348	(0.254)
Other	4.563	4.094	(0.469)
<b>Total Requirement</b>	<b>59.000</b>	<b>56.782</b>	<b>(2.218)</b>
NEMOL adjustments	-	(0.100)	(0.100)
Levy/NECA grant	(59.000)	(59.000)	-
<b>Surplus before capital adjustments</b>	<b>-</b>	<b>(2.318)</b>	<b>(2.318)</b>

- 2.10 As previously reported the Covid-19 pandemic has significantly impacted the financial position of Nexus. The outturn includes £35.150m of emergency government funding, which represents 66% of the original fare and commercial revenue budget for Nexus for 2020/21.
- 2.11 **English National Concessionary Travel Scheme (ENCTS) and Discretionary Concessionary Travel (CT)**

The under spend across both statutory and discretionary elements of the CT budget is a net saving of £1.495m.

In line with Government guidance Nexus reimbursed bus operators in respect of Concessionary fares at pre-Covid budgeted levels to 6 January 2021 and due to a change in government guidance, at an average of 80% of pre-Covid budgeted levels during national lockdown 3 (based on the level of service being operated by the bus companies during the period through to early April). The saving generated by reducing payments from this date in 2020/21 was £1.037m.



Of the £33.708m statutory ENCTS payments made over the year, it is estimated that £21.326m, or 63%, is effectively an overpayment for which Nexus placed reliance on Public Procurement Notices issued by the Cabinet Office and more latterly, a Statutory Instrument that was laid before parliament in March 2021.

The remaining savings of £0.458m are due to higher than budgeted income of £0.115m and £0.343m of savings across support services.

#### **2.12 Metro**

Over the course of the financial year the Covid-19 pandemic had a significant adverse effect on patronage and Metro fare revenue. Metro fares and commercial revenue was £15.652m, which is £33.895m less than budget. Whilst Government (DfT) had previously committed up to £38.000m of LRRRG for 2020/21 Metro's fare and commercial revenue losses have averaged at 68% as opposed to the forecast at the beginning of the pandemic (which was just below 80%).

Metro also attracted £0.316m in Coronavirus Job Retention Support funding from Government for a limited number of furloughed staff.

Additional costs amounting to £1.046m attributable to Covid-19 e.g. PPE, deep cleaning, additional signage etc have been more than offset by savings which mostly relate to a reduction in traction energy.

At the year end, the call on the Tyne and Wear transport levy for Metro services remained at £3.299m.

#### **2.13 Bus Services**

Bus commercial revenue was £0.822m, which was £1.335m less than budget (62% down).

Additional secured services costs in relation to the Covid-19 pandemic are £0.400m and includes £0.136m for additional services to the Nightingale vaccination centre. The costs have been partially offset by cost savings of £0.317m in relation to support services.

The overall net losses for bus services was £1.418m which was 100% funded from LACBSSG.

The Department of Education confirmed that the region will receive £5.5m of grant funding to provide additional bus and special needs services to allow for social distancing. Nexus costs in respect of additional scholars' services provided to the end of the financial year are £1.358m and will be met in full from this grant.

The take up of the taxi card scheme has been significantly lower this year which has resulted in an overall cost saving to Nexus of £0.254m. This has not been factored into the determination of LACBSSG as it does not form part of the secured bus services budget.

#### **2.14 Other**

Other includes Ferry, Local Rail, Bus Information and Passenger Transport Information.

Other revenue losses for the year total £0.469m, comprising £0.270m of lost Ferry income, £0.091m of revenue in relation to replacement Metro passes and £0.136m of lost retail sales commission. These losses have been claimed from MHCLG. The funding is calculated on a percentage basis and it is anticipated to cover £0.308m (62%) of such losses.

The £0.188m net loss in other income has been offset by savings of £0.656m across a wide range of headings, the majority of which relates to indirect overheads/support services.

The combined outturn position for all other service areas is a surplus of £0.468m.

## 2.15 **North East Metro Operations Limited (NEMOL)**

At entity level, NEMOL has made a small surplus of £0.100m which is due to the release of Research and Development tax credits for prior years of £0.070m and the release of an unused provision of £0.030m relating to 2019/20.

NEMOL has effectively been wound up because it no longer employs any staff and its pension deficit has transferred to Stadler Rail Services (in regards active employees) and Nexus (in regards deferred pensioners and pensioners in payment).

## **Tyne Tunnels**

- 2.16 The Tyne Tunnels are operated as a ringfenced account, so all costs associated with the tunnels are fully met from toll income and Tyne Tunnels reserves, with no call on the levy or other public funding. The outturn position for the year is in line with the updated position reported to the March 2021 JTC meeting and shows the payment of support to TT2 for the introduction of the Tyne Pass Scheme which will be repaid with interest by TT2 over the life of the concession to 2037. Details are set out in the table below:

## 2.17 *Table 5: Tyne Tunnels Revenue Account*

	2020/21 Original budget	2020/21 Revised budget	2020/21 Outturn	Variance (Outturn vs Revised Budget)
	£m	£m	£m	£m
Tolls Income	(28.441)	(18.714)	(20.443)	(1.729)
TT2 Contract Payment	21.653	11.900	12.717	0.817
TT2 Advance (Tyne Pass)	0.000	6.670	6.670	0.000
Employees	0.062	0.069	0.069	0.000
Historic Pension Costs	0.053	0.050	0.050	0.000
Premises	0.000	0.015	0.001	(0.014)
Support Services	0.100	0.113	0.189	0.076

Supplies and Services	0.045	0.042	0.047	0.005
Financing Charges	6.816	6.815	7.668	0.853
Interest/Misc. Income	(0.050)	(0.050)	(0.081)	(0.031)
Repayment from former TWITA reserves	(0.240)	(0.240)	(0.240)	0.000
<b>(Surplus)/Deficit on Tyne Tunnels account</b>	<b>(0.002)</b>	<b>6.670</b>	<b>6.647</b>	<b>(0.023)</b>

2.18 Major variances against the revised budget are accounted for as follows:

- (i) Tolls income recovered more strongly during the early months of 2021 than previously anticipated when the revised budget for the year was prepared. There has been a corresponding overspend against the revised budget for contract payments to TT2, which are determined with reference to traffic levels and which are offset by additional tolls income.
- (ii) Overall traffic levels for the 2020/21 were significantly below normal levels, dropping to as low as 30% of normal levels during March and April 2020, the lowest level of traffic seen during the life of the TT2 contract. During the summer months of 2020 traffic increased and by the end of August was almost 85% of normal levels. However local Covid-19 restrictions put in place from mid-September onwards saw usage levels drop off again. Traffic during the November national lockdown was 73% of normal levels. During the early months of 2021 traffic dropped again to 65% under the January national lockdown restrictions and has remained around 70-75% of normal levels during March.
- (iii) Higher than budgeted financing charges are shown in the outturn, due to a Voluntary Additional Revenue Provision for the repayment of debt being made during the year.

2.19 The final outturn position was a small surplus of £0.023m which has been taken to reserves.

### **Transport Strategy Unit (TSU)**

2.20 The Transport Strategy Unit (TSU) supports the JTC, providing relevant information to support policy choices and to deliver policies at a regional level. The TSU's activities include developing and maintaining the Transport Plan, coordinating and preparing bids for external funding, providing input to the LEP's strategies and plans on transport, maintaining a project pipeline and assurance framework, preparing responses to transport consultations and policy-making opportunities by government and other external agencies, providing input into Transport for the North (TfN) pan-Northern policies and plans and managing relationships with other authorities (whether local, combined, national or sub-

national) with whom the JTC may share a common interest.

2.21 The TSU is funded through a top slice of the Local Transport Plan (LTP) Integrated Transport Block grant which is awarded to the JTC plus contributions from the Transport Levies which are retained to support JTC activity centrally and external contributions to fund specific posts and activities. A series of studies looking at the feasibility of various local rail expansion proposals was commenced by Nexus in early 2020. The lead responsibility for these studies has now transferred to Transport North East (TNE), contracts have been novated to facilitate this and the budget established by Nexus has been transferred to TNE to fund completion of this work (£0.754m in 2020/21 and £1.187m in 2021/22), and will be held in reserves to fund expenditure in future years. A further contribution £0.500m has been made by Nexus to support work on the development of the bus partnership which will be held in reserves and will reduce contributions required from Tyne and Wear councils to support this work during 2021/22.

2.22 The outturn for the year shows expenditure of £15.070m against a revised budget of £16.850m. This includes payments of Covid-19 grants to local authorities which were lower than the budget by £1.647m resulting from lower than originally anticipated costs claimed by the local authorities and Nexus on supported bus services (reimbursed by LACBSSG grant from DfT) and Home to School transport (reimbursed by grant from DfE). Any unused grants have been rolled forward to be used in the 2021/22 financial year or returned to the relevant awarding body where not required.

2.23 The outturn position is summarised in the table below:

*Table 6: Transport Strategy Unit*

	<b>2020/21 Original Budget</b>	<b>2020/21 Revised Budget</b>	<b>2020/21 Outturn</b>	<b>Variance (Outturn vs Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross Expenditure</b>				
Employees	0.721	0.684	0.694	0.010
Transport Plan and Strategy Work	0.050	0.108	0.074	(0.034)
TSU Research and Development	0.120	0.091	0.059	(0.032)
TSU Travel and Miscellaneous	0.016	0.003	0.009	0.006
TSU IT / Equipment / Accommodation	0.010	0.019	0.017	(0.002)
TSU Contingency	0.010	0.000	0.000	0.000
Go Ultra Low – Revenue	0.000	0.156	0.079	(0.077)
TCF Tranche 1 and Tranche	0.000	0.194	0.262	0.068

2 Programme Management				
Covid –19 grants	0.000	15.515	13.868	(1.647)
Bus Covid Recovery Project	0.000	0.080	0.008	(0.072)
<b>Total Expenditure</b>	<b>0.927</b>	<b>16.850</b>	<b>15.070</b>	<b>(1.780)</b>
	<b>2020/21 Original Budget</b>	<b>2020/21 Revised Budget</b>	<b>2020/21 Outturn</b>	<b>Variance (Outturn vs Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross Income</b>				
LTP funding - TSU	(0.500)	(0.500)	(0.500)	0.000
LGF funding - TSU	(0.095)	(0.056)	(0.025)	0.031
Retained Transport Levy	(0.129)	(0.129)	(0.129)	0.000
External funding for specific posts	(0.148)	(0.168)	(0.165)	0.003
ERDF grant – Go Ultra Low – Revenue	0.000	(0.156)	(0.079)	0.077
TCF Grant income	0.000	(0.194)	(0.262)	(0.068)
Covid-19 grants	0.000	(15.515)	(13.868)	1.647
Budget transfer from Nexus – Metro and Rail Studies	0.000	0.000	(0.754)	(0.754)
Budget transfer from Nexus – Bus Partnership	0.000	0.000	(0.500)	(0.500)
<b>Total Income</b>	<b>(0.872)</b>	<b>(16.718)</b>	<b>(16.282)</b>	<b>0.436</b>
<b>Net</b>	<b>0.055</b>	<b>0.132</b>	<b>(1.212)</b>	<b>(1.344)</b>
<b>(Use of) / Transfers to Reserves</b>				
JTC Unallocated reserve	0.000	(0.080)	(0.008)	0.072
Regional Transport Team Reserves	(0.005)	(0.002)	0.016	0.018
Go Smarter legacy funds - Other	(0.050)	(0.050)	(0.050)	0.000
Earmarked Reserve – Metro and Rail Studies	0.000	0.000	0.754	0.754
Earmarked Reserve – Bus Partnership	0.000	0.000	0.500	0.500

## Transport Capital Programme 2020/21 Outturn

- 2.24 A summary of the Transport capital programme for 2020/21 is set out in the table below, with further details provided in the following sections.

*Table 7: Transport Capital Programme Outturn 2020/21*

	<b>2020/21 Revised</b>	<b>2020/21 Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Transforming Cities Fund Tranche 1	2.725	1.932	(0.793)
Transforming Cities Fund Tranche 2 (Excluding Metro Flow)	1.517	0.726	(0.791)
Go Ultra Low	0.384	0.426	0.042
Go Ultra Low Taxi Project	0.497	0.419	(0.078)
Metro Asset Renewal Plan	24.635	20.990	(3.645)
Metro Fleet Replacement	48.605	43.689	(4.916)
Nexus Other Capital Projects	2.074	0.770	(1.304)
Metro Flow	1.702	1.142	(0.560)
Tyne Tunnels	1.007	0.952	(0.055)
Local Transport Plan <sup>1</sup>	11.309	11.246	(0.063)
Active Travel Fund (capital elements)	1.157	1.157	0.000
<b>Total Capital Programme</b>	<b>95.612</b>	<b>83.449</b>	<b>(12.163)</b>

## Transforming Cities Fund

- 2.25 The North East has been awarded £208m grant from the Transforming Cities Fund (TCF), of which £10m was for Tranche 1 and £198m was for Tranche 2. Within the Tranche 2 schemes, £104m is for schemes where the decision making on funding is devolved to the region, and the remaining £94m is for the Metro Flow scheme managed by Nexus, where the decision-making on the funding is retained by the Department for Transport (DfT).
- 2.26 Outturn expenditure on the Tranche 1 schemes, some of which saw delays due to the Covid-19 pandemic, is £1.932m against the revised programme budget of £2.725m. The majority of Tranche 1 schemes have now reached final completion. Tranche 1 funding that was initially allocated to two schemes in Newcastle has been refocused to achieve similar outcomes at different locations in the City Centre and its approaches and will complete during 2021/22.
- 2.27 Following agreement from the JTC at its last meeting, funds were released to cover

<sup>1</sup> Excluding amounts for local contribution to Metro ARP, shown within Nexus capital programme lines

spend for development and design work in 2020/21 for a number of TCF Tranche 2 schemes. Outturn expenditure for these claims and programme management costs totalled £0.726m against the revised forecast of £0.249m, with the additional spend being on claims from projects for development and design work.

### **Go Ultra Low**

- 2.28 The Go Ultra Low project is jointly funded through funding from Office for Low Emission Vehicles (OLEV) and European Regional Development Funding (ERDF) resources and includes the construction of one of the UK's first Electric Vehicle (EV) filling stations at West Wear Street in Sunderland city centre, along with the installation of a number of rapid charging clusters across the region.
- 2.29 The GULNE project ended on 30 May 2021. With the exception of one out of the eleven new Electric Vehicle hubs which has yet to be commissioned, all the project deliverables are in place including SME engagement and the Sunderland EV filling station.
- 2.30 Expenditure to the end of the year was £0.426m against a revised programme budget of £0.384m.

### **Go Ultra Low taxi project**

- 2.31 Eight of the ten dedicated chargers for the taxi and private hire industry (funded by the Office of Zero Emission Vehicles) are now connected and operational with one available in every North East local authority. The final two chargers at sites in Newcastle and North Tyneside will be connected as soon as the sites become available.
- 2.32 Outturn expenditure for 2020/21 was £0.419m against a revised programme budget of £0.497m with the remaining works on the project to be completed in 2021/22.

### **Nexus Capital Programme**

- 2.33 The JTC approved the Nexus Capital Programme for 2020/21 in January 2020 totalling £74.0m. The Capital Outturn for 2020/21 was £66.591m, against a revised budget of £77.006m.

*Table 8: Nexus Capital Outturn 2020/21*

	<b>2020/21 Original Budget</b>	<b>2020/21 Revised Budget</b>	<b>2020/21 Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Metro Asset Renewal Programme	23.666	24.635	20.990	(3.645)
Fleet Replacement Programme	46.086	48.605	43.689	(4.916)
Other Capital Projects	1.552	2.074	0.770	(1.304)
Metro Flow	2.658	1.702	1.142	(0.560)
	<b>73.962</b>	<b>77.016</b>	<b>66.591</b>	<b>(10.425)</b>

## **Metro Asset Renewal Plan (ARP)**

- 2.34 The 2020/21 outturn for the Metro ARP Capital Programme is £3.645m lower than the revised budget. The difference largely resulting from delayed Track Works (Heworth to Pelaw) and reduced spend on Development Projects, curtailed as grant funding for the 2021/22 programme is now confirmed at £20.0m as opposed to the £40.0m initially approved by DfT.

## **Metro Fleet Replacement**

- 2.35 The underspend of £4.916m against the revised budget for the Fleet Replacement Programme was due to a delay in the commencement of construction works at Gosforth Depot but importantly, at this point in time, this will not impact on the overall project delivery date.

## **Nexus Other Capital Projects**

- 2.36 Other Capital Projects show an underspend of £1.304m. Approximately half of the underspend relates to the delayed progress on the North Shields Ferry Landing Relocation project and Covid-19 related delays to Ferry Vessel works. There is also reduced spend on both TCF funded car park projects, which will now be delivered in 2021/22.

## **Metro Flow**

- 2.37 There was a £0.560m underspend as the cost associated with the procurement of the Metro Flow main contractor was less than anticipated.
- 2.38 The 2020/21 Nexus Capital Programme is funded by:

*Table 9: Nexus Capital Programme 2020/21 - Funding*

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Metro Rail Grant (DfT)	20.000	20.000	20.000	0.000
Metro Rail Grant (DfT) b/fwd into 2019/20	0.000	(0.396)	(0.396)	0.000
Metro Rail Grant (DfT) b/fwd 21/22	0.000	4.000	4.000	0.000
Fleet Replacement Grant (DfT)	29.800	29.800	35.800	6.000
Transforming Cities Grant (DfT)	3.221	2.190	1.225	(0.965)
LTP Grant	2.299	2.299	2.980	0.681
LEP Grant	0.000	0.504	0.141	(0.363)
Fleet Reserves	16.286	16.583	2.372	(14.211)
NESTI	0.000	0.030	0.030	0.000
Nexus Reserves	2.356	0.975	0.439	(0.536)
Over Programming	0.000	1.031	0.000	(1.031)
	<b>73.962</b>	<b>77.016</b>	<b>66.591</b>	<b>(10.425)</b>



2.39 Highlights of the Capital Programme in 2020/21 include:

- Felling to Heworth track renewal works
- Continuation of the Overhead Line Replacement project, which included the renewal of central corridor infrastructure in 2020/21
- Renewal of track circuits
- Continuation of Platform Compliance Works
- Opening of the Nexus Learning Centre in South Shields
- Opening of the Benton Square maintenance facility
- Completion of the procurement for the main contractor works to the Metro Flow project and contract award to Buckingham Group
- Completion and opening of the Howdon Satellite Depot facility
- Commencement of the replacement Gosforth Depot project. Clearing the site for the new facility and partial demolition of the existing depot
- Continuation of the Fleet Replacement Programme with initial design phase achieved and work towards the final design milestone almost complete
- Driver cab mockup delivered and consultation largely complete. Saloon consultation also largely completed.

### **Tyne Tunnels**

2.40 It was anticipated at the time of setting the 2020/21 budget that the works would be fully completed, and the Tyne Pedestrian and Cycle Tunnels would be handed over to the operation of TT2 in year. However, due to further contractor delays related to Covid-19 travel restrictions, the new inclined lifts have not yet been completed and put into operation during 2020 as planned.

2.41 Until the lifts are operational the Tunnels cannot be handed back to TT2 and will continue to incur costs if they are to remain open to the public. Costs including onsite security, maintenance contracts, cleaning and utilities are being incurred. There is also further expenditure required on lift parts, engineers and testers to complete the inclined lifts. An update report on the refurbishment and the inclined lift works was provided to JTC Audit Committee in December 2020 and regular updates on the works are being taken to the Tyne and Wear Sub Committee.

2.42 Outturn capital expenditure for the year was £0.952m against a revised programme budget of £1.007m. In line with approval given at the last JTC meeting, capital works were funded from temporary grant funding provided by the North East LEP, to enable them to maximise usage of their Local Growth Fund grant in year. Payment will be made of the equivalent amount from the Tyne Tunnels reserves in 2021/22, in line with the original funding approval for the scheme.

### **Local Transport Plan**

2.43 Local Transport Plan (LTP) Integrated Transport Block funding is made available by the DfT to the whole JTC area. This block is allocated between the JTC constituent authorities on a locally agreed basis with an allocation to Nexus (mainly used to provide the match funding needed for the Metro ARP capital programme). The LTP

block allocation is also used to contribute to the costs of the Transport Strategy Unit and, in Tyne and Wear, to the Urban Traffic Management and Control (UTMC) centre. Expenditure to the year end (excluding amounts paid to Nexus which are reported within the Metro ARP capital programme) was £11.246m against the programme of £11.309m.

### **Active Travel Fund (ATF) (Capital Elements)**

- 2.44 The region successfully secured £2.262m of the ATF in July 2020, which was made up of £1.157m capital grant and £1.105m revenue grant, for temporary measures to reallocate road space to pedestrians and cyclists in order to make these travel modes safer and more convenient. The capital grants were paid to JTC constituent local authorities in full during 2020/21.

### **Capital Programme Financing**

- 2.45 Capital expenditure for the year has been financed as follows:

*Table 10: Financing of Capital Expenditure 2020/21*

	<b>2020/21 Revised Programme</b>	<b>2020/21 Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Government Grants	77.047	80.603	3.556
Borrowing	0.000	0.000	0.000
Earmarked Reserves	18.565	2.846	(15.719)
<b>Total Funding</b>	<b>95.612</b>	<b>83.449</b>	<b>(12.163)</b>

## **3. Reasons for the Proposals**

- 3.1 This report is for information, to enable the JTC to fulfil its role of monitoring transport budgets and the Transport Capital Programme on behalf of the two combined authorities.

## **4. Alternative Options Available**

- 4.1 This report is for information.

## **5. Next Steps and Timetable for Implementation**

- 5.1 The impact of the outturn position has been reflected in the revised forecasts for 2021/22 which are the subject of a separate report elsewhere on this agenda.

## **6. Potential Impact on Objectives**

- 6.1 There are no impacts on objectives arising from this report which is for information.

## **7. Financial and Other Resources Implications**

- 7.1 The financial implications are set out in detail within the body of the report. The report is for information and provides the Joint Transport Committee with a summary of outturn expenditure budget and capital programme approved in January 2020 and revised in January 2021. There are no financial decisions arising from this report.

## **8. Legal Implications**

- 8.1 There are no specific legal implications arising from this report which is for information.

## **9. Key Risks**

- 9.1 Financial risks associated with the authority's activities, and actions taken to mitigate these, will be factored into strategic risk management processes for the Joint Transport Committee.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

- 12.1 The Revenue Budget for 2020/21 was subject to a period of consultation and engagement as part of the approval process. Detailed budget proposals are subject to consultation as appropriate, which is organised by the relevant delivery body.

## **13. Other Impact of the Proposals**

- 13.1 There are no other impacts arising from these proposals.

## **14. Appendices**

- 14.1 None

## **15. Background Papers**

- 15.1 JTC Revenue Budget report January 2020 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 21/01/2020 14:00 \(northeastca.gov.uk\)](#)  
JTC Revenue Budget report January 2021 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 \(northeastca.gov.uk\)](#)  
JTC Capital Programme report January 2020 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 21/01/2020 14:00 \(northeastca.gov.uk\)](#)  
JTC Capital Programme report January 2021 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 \(northeastca.gov.uk\)](#)

## **16. Contact Officers**

16.1 Eleanor Goodman, NECA Finance Manager,  
[Eleanor.goodman@northeastca.gov.uk](mailto:Eleanor.goodman@northeastca.gov.uk), 0191 433 3860

**17. Sign off**

- The Proper Officer for Transport:
- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

**18. Glossary**

DfE – Department for Education

DfT – Department for Transport

ENCTS – English National Concessionary Travel Scheme

JTC – Joint Transport Committee

LRRRG – Light Rail Revenue Restart Grant

MHCLG – Ministry of Housing, Communities and Local Government

TWITA – Tyne and Wear Integrated Transport Authority

## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** 2021/22 Revenue Budget and Capital Programme Update

**Report of:** Chief Finance Officer

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### Executive Summary

This report provides the North East Joint Transport Committee with the forecast of outturn for the 2021/22 Transport Revenue and Capital Budget, based on the position as at the period ending 31 May 2021 and factoring in the outturn position for 2020/21.

The report covers all areas of the revenue and capital budget including the Transport Levies and grants to Durham, Northumberland and Nexus, and the Tyne Tunnels revenue account.

Any under or overspends against the budgets for the three main organisations delivering transport services on behalf of the Joint Transport Committee are retained within the reserves of these organisations and will be considered in the setting of the transport budgets for future years.

The COVID-19 pandemic has had a significant and continuing impact on transport activity, with decreases in income on Metro and the Tyne Tunnels in particular, being experienced.

As reported to the JTC at its last meeting, Durham County Council, Northumberland County Council and Nexus all continue to make payments in relation to the English National Concessionary Travel Scheme (ENCTS) and tendered bus services to bus operators at pre-COVID levels, in line with the request from central government.

Durham County Council and Northumberland County Council are currently showing a breakeven position until they have more information on how the COVID-19 pandemic will affect transport services.

For Nexus, the 2021/22 budget was set using pre-Covid service levels on the basis that government support would continue in the form of Local Rail Revenue Restart Grant (LRRRG) and Local Authority Coronavirus Bus Services Support Grant (LACBSSG). As a result of social distancing restrictions continuing, it is estimated that further government support of £3.800m will be required in addition to the £21.944m budgeted for 2021/22. Continued support beyond 19 July is still subject to discussion with government officials and HM Treasury approval.

The forecast for the Transport Strategy Unit is an increase in expenditure compared with the original budget as a result of the Enhanced Bus Partnerships and Active Travel initiatives and a continuance of grants to authorities due to Covid-19 restrictions.

Traffic at the Tyne Tunnels reduced significantly in the period from mid-March 2020 onwards before recovering as the year progressed but continues to be below normal levels. However, the structure of the project agreement means that the net position on the JTC Tyne Tunnels budget is forecast to be in line with the budget due to reduced toll income being offset by reduced contract payments to TT2 Ltd.

This report also provides the Joint Transport Committee with details of the 2021/22 capital programme plans, together with expenditure and forecasts of the outturn position based on the position at the end of May 2021. Included in the revised budgets is the impact of the 2020/21 outturn position where a number of schemes underspent last year and for which the budget has been reprofiled into the current year.

The report identifies that total capital expenditure on Transport schemes of £168.241m is forecast against the revised programme budget of £162.337m, an outturn forecast overspend of £5.904m. The revised programme also takes into account new grant approvals. Expenditure to the end of May 2021 totalled £22.479m – 13% of the forecast total capital expenditure for the year.

The Transport capital programme encompasses a wide range of capital schemes, mainly delivered by constituent local authorities and Nexus, but also investment in the Combined Authorities' own assets, including the Tyne Tunnels.

Most of the capital works during the year will be funded through government grants awarded (£147.055m forecast) with elements of the Nexus capital programme and the Tyne Pedestrian and Cyclist Tunnels works funded by reserves (£21.186m forecast) held specifically for this purpose.

## **Recommendations**

The North East Joint Transport Committee is recommended to:

- i. Note the report.
- ii. Agree the extension of the Metro and Local Rail Extensions studies budget period for a further two years to 31 March 2024, to be funded by the budget transferred from Nexus as set out in section 2.30-2.33.
- iii. Agree the £0.300m increase in the budget for the Tyne Pedestrian and Cycle Tunnels refurbishment project as set out in section 3.36.

## 1. Background Information

- 1.1 The JTC meeting held on 19 January 2021 agreed a Transport net revenue budget for 2021/22 of £82.895m and a Transport net capital budget of £152.674m. This report presents an update against the original budget with the forecast prepared based on the position at 31 May 2021.

## 2. Forecast of Revenue Outturn 2021/22 – Period to 31 May 2021

### Transport Revenue Budget

- 2.1 The table below summarises the forecast outturn position against the net Transport Revenue budget for 2021/22. The levies and grants to Durham, Northumberland and Nexus are fixed for the year, but details of how the grant will be applied by each organisation to the provision of public transport services is set out in more detail in the following sections.

*Table 1: Transport Revenue Forecast of Outturn 2021/22 to 31 May 2021*

	<b>2021/22 Original Budget</b>	<b>Spend to date 31 May 21</b>	<b>2021/22 Forecast Outturn</b>	<b>2021/22 Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total Transport Levies</b>				
Grant to Durham	15.467	2.579	15.467	0.000
Grant to Northumberland	6.328	1.053	6.328	0.000
Grant to Nexus	57.813	9.636	57.813	0.000
Nexus contribution to Metro Futures Planning Studies budget (2021/22 only)	1.187	0.198	1.187	0.000
Retained Transport levy budget (to meet central costs)	2.120	0.530	2.120	0.000
<b>Net</b>	<b>82.895</b>	<b>13.996</b>	<b>82.895</b>	<b>0.000</b>
<b>Contribution (to)/from NECA Reserves</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

- 2.2 Durham County Council, Nexus and Northumberland County Council continue to make payments to operators under the Government's English National Concessionary Travel Scheme (ENCTS) which entitles pass holders to free off-peak travel after 9.30 am on local bus services. Patronage using the scheme was significantly reduced due to the introduction of the Government's lockdown policy in response to the Covid-19 outbreak. Transport Authorities continue to reimburse operators at pre pandemic levels to ensure the viability of routes and operators is maintained, in line with the Cabinet Office Procurement Policy Note 02/20 – Supplier Relief due to Covid-19, for at least the period of the outbreak to enable the resumption of socially necessary services afterwards.

## Durham

- 2.2 The budget for public transport activity in Durham for 2021/22 is £15.467m compared to £15.466m for 2020/21. The 2021/22 forecast based on the position to the end of May is in line with the current budget.

Any projected underspend at the year-end will be retained by Durham County Council.

- 2.3 The following table provides a detailed breakdown of expenditure in Durham:

*Table 2: Durham Transport Forecast of Outturn 2021/22 to 31 May 2021*

	<b>2021/22 Original Budget</b>	<b>Spend to Date (to 31 May 2021)</b>	<b>2021/22 Forecast Outturn</b>	<b>2021/22 Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Concessionary Fares	11.932	1.329	11.932	0.000
Subsidised Services	2.556	0.908	2.556	0.000
Bus Stations	0.177	0.717	0.177	0.000
Bus Shelters	0.019	0.115	0.019	0.000
Passenger Transport Information	0.088	0.028	0.088	0.000
Staffing	0.685	0.114	0.685	0.000
Share of JTC Transport Costs	0.010	0.000	0.010	0.000
<b>Net Expenditure</b>	<b>15.467</b>	<b>3.211</b>	<b>15.467</b>	<b>0.000</b>

- 2.4 Following the COVID-19 outbreak most of the supported services within County Durham continue to operate, albeit for the most part at a reduced frequency. The Council has continued to pay operators at full contracted prices at this time. Further guidance is awaited from the Department for Transport on ongoing payments to operators at pre-pandemic levels and if any post Covid-19 recovery funding will be made available to both operators and local transport authorities.

## Northumberland

- 2.5 The budget for public transport activity in Northumberland for 2021/22 is £6.328m compared to £6.224m for 2020/21. The main reason for the increase is due to increasing ticket prices and therefore increased reimbursement levels to operators for concessionary travel. The initial forecast based on the position to 31 May is summarised in the table below:



*Table 3: Northumberland Transport Forecast of Outturn 2021/22 to 31 May 2021*

	<b>2021/22 Original Budget</b>	<b>Spend to Date (to 31 May 2021)</b>	<b>2021/22 Forecast Outturn</b>	<b>2021/22 Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Concessionary Fares	4.902	0.323	4.902	0.000
Subsidised Services	1.231	0.255	1.231	0.000
Bus Stations	0.026	(0.001)	0.026	0.000
Passenger Transport Information	0.025	0.000	0.025	0.000
Staffing	0.134	0.022	0.134	0.000
Share of NECA Transport Costs	0.010	0.000	0.010	0.000
<b>Total Grant</b>	<b>6.328</b>	<b>0.599</b>	<b>6.328</b>	<b>0.000</b>

- 2.6 The forecast outturn position for 2021/22 is uncertain at this stage as further guidance is awaited from the Department for Transport on ongoing payments to operators at pre-pandemic levels and if any post Covid-19 recovery funding will be made available to both operators and local transport authorities.

## **Nexus**

### **Budget 2021/22**

- 2.7 The 2021/22 budget was set using pre-Covid service levels on the basis that government support would continue in the form of LRRRG and LACBSSG. The budget includes £21.944m of Covid support with the remaining shortfall between income and expenditure of £2.680m being funded from Nexus reserves.
- 2.8 At the time of budget setting, it was assumed that social distancing would end by 1 April 2021. However due to continued Covid restrictions and the end of social distancing delayed until 19 July 2021, all things being equal, it is estimated that further government support of £3.800m will be required in addition to the £21.944m budgeted for 2021/22, taking the total Covid support to £25.744m.
- 2.9 Continued support beyond 19 July is still subject to discussion with government officials and HM Treasury approval and a further update will be provided within the next revenue monitoring report.

### **Period 2 Revenue Monitoring 2021/22**

- 2.10 Metro revenue to the end of P2 is £3.817m which is a reduction of £0.388m (9%) against budget. In percentage terms, this denotes a loss against pre-Covid expected revenues on Metro of 52% cumulatively to the end of May.
- 2.11 In addition, there was a shortfall in investment income of £0.020m and other Covid related costs of £0.068m to the end of P2.

- 2.12 This brings the total LRRRG required to support Metro to £4.493m which is £0.476m higher than the budget of £4.017m.

### **Concessionary Travel**

- 2.13 In line with government supplementary guidance, Nexus reimbursed bus companies for concessionary fares during 'National Lockdown 3' based on the number of services operating rather than at budgeted levels. This has provided a saving of £0.192m to date. Nexus is also considering whether, in the context of operators not restoring services to 100% of pre-Covid levels, further savings in this budget are possible.

### **Bus Services**

- 2.14 Bus commercial revenue to the end of P2 is £0.355m which is £0.134m higher against budget. This is a significantly stronger than expected recovery for fare revenue and is 90% of pre-Covid revenue levels.
- 2.15 The bus shuttle service continues to run to the Nightingale vaccination centre in the Sunderland area. The costs to the end of period 2 are £0.078m and as this service is a direct result of Covid-19 the costs will be claimed from LACBSSG.
- 2.16 In addition, costs of £0.258m have been added to the claim on behalf of small operators who do not have access to LACBSSG funding.
- 2.17 This brings the total LACBSSG required to support Bus Services to £0.395m which is £0.202m higher than the budget of £0.193m
- 2.18 Additional scholar's services for the summer term (April to July) are estimated as costing £0.851m. This is currently based on duplicate services continuing for the full summer term to take account of social distancing. The costs of the additional scholar's services require 100% funding from the Department for Education, without which they cannot continue to be provided unless savings from elsewhere can be found.

### **Other**

- 2.19 Ferry revenue to the end of period 2 is £0.041m which is £0.006m higher than budget but remains £0.017m (29%) lower than pre-Covid levels. We expect £0.011m of these losses to be funded by MHCLG, subject to the scheme continuing this current financial year.

### **Summary**

- 2.20 To the end of Period 2, all of Metro's Covid related losses have been met by DfT grant. The same position applies to Secured bus services and a small saving of £0.192m has accrued in connection with concessionary fares reimbursement.

Table 4: Nexus Forecast of Outturn 2021/22

	2021/22 Original Budget	Spend to date (to P2)	2021/22 Forecast Outturn at P2	2021/22 Forecast Variance
	£m	£m	£m	£m
Concessionary Travel	38.604	6.048	38.412	(0.192)
Subsidised Bus Services	14.833	5.000	14.833	0
Metro	24.103	2.825	27.903	3.800
Other	4.897	0.824	4.897	0
Projected Covid-19 support	(21.944)	(9.345)	(25.744)	(3.800)
Transport Levy Grant	(57.813)	(5.125)	(57.813)	0
	<b>2.680</b>	<b>0.227</b>	<b>2.488</b>	<b>(0.192)</b>
<b>Reserves</b>	<b>(2.860)</b>	<b>(0.227)</b>	<b>(2.488)</b>	<b>0.192</b>

### Retained Levy

- 2.21 This budget relates primarily to activity inherited from the former Tyne and Wear Integrated Transport Authority (TWITA) as well as some costs such as external audit and the cost of servicing the JTC which relate to the whole JTC area. Most of the budget relates to capital financing debt changes on historic supported borrowing. Additionally, there is budget provision to pay for support services, other supplies and services, and a repayment to the Tyne Tunnels account for the use of reserves in 2013/14 to pay off the Tyne and Wear Pension Fund deficit
- 2.22 Expenditure for the year is currently forecast to be in line with the budget of £2.120m with no significant variances.

Table 5: Retained Levy Revenue Forecast of Outturn 2021/22 to 31 May 2021

	2021/22 Original Budget	Spend to date (to 31 May 2021)	2021/22 Forecast Outturn	2021/22 Forecast Variance
	£m	£m	£m	£m
Support Services/Staffing	0.151	0.005	0.151	0.000
Administration and Governance	0.232	0.036	0.232	0.000
Financing Charges	1.737	0.240	1.737	0.000
<b>Total Expenditure</b>	<b>2.120</b>	<b>0.281</b>	<b>2.120</b>	<b>0.000</b>
Contribution from Levies	(2.120)	(0.281)	(2.120)	0.000
<b>Contribution (to)/from Reserves</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## Tyne Tunnels Revenue Account

- 2.23 The Tyne Tunnels are jointly owned by the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). They comprise two vehicle tunnels and the pedestrian and cyclist tunnels. The Tyne Tunnels receive no government or local funding and costs are met from the tolls charged to users of the vehicle tunnels.
- 2.24 TT2 and Transport North East constantly review the traffic flows through the Tyne Tunnels. Normal levels of traffic are approx. 55,000 vehicles per day. As a result of COVID-19 lockdown measures, traffic levels dropped drastically during March and April 2020 to approx. 17,000 vehicles per day which is 30% of normal levels. This is the lowest level of traffic seen during the life of the TT2 contract.
- 2.25 Covid-19 effects continued throughout 2020 and into 2021 as traffic numbers were affected by lockdown measures. Traffic during the second lockdown was approximately 65-75% of normal expected traffic. Currently traffic in May 2021 was up to 90% of normal activity but this still shows a shortfall in toll income. Whilst there have been significant effects on traffic and toll income, all the financial risk has been borne by TT2 Ltd, the concessionaire and operator of the tunnels.
- 2.26 The structure of the project agreement with TT2 means that the JTC retains the first proportion of traffic income per month, with the traffic risk overwhelmingly borne by TT2. This 'Band 0' income represents approximately 30% of journeys, so the JTC is expected to retain the full budgeted income for the year which will enable all costs to be met.
- 2.27 The forecast outturn position for the JTC is in line with the budget as reduced toll income is offset by reduced payments to TT2 under the contract. An increase is forecast in the support services budget as there is likely to be a need for additional engineering advice in relation to the vehicle tunnels and professional advice in relation to the Tyne Pass project during the year.

*Table 6: Tyne Tunnels Revenue Forecast of Outturn 2021/22 to 31 May 2021*

	<b>2021/22 Original Budget</b>	<b>Spend to date (to 31 May 2021)</b>	<b>2021/22 Forecast Outturn</b>	<b>2021/22 Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Tolls Income	(30.004)	(4.861)	(29.795)	0.209
TT2 Contract	21.707	2.997	21.498	(0.209)
Employees	0.093	0.011	0.093	0.000
Pensions	0.054	0.008	0.054	0.000
Premises	0.021	0.000	0.021	0.000
Support Services	0.129	0.000	0.129	0.000
Supplies & Services	0.095	0.021	0.095	0.000

	<b>2021/22 Original Budget</b>	<b>Spend to date (to 31 May 2021)</b>	<b>2021/22 Forecast Outturn</b>	<b>2021/22 Forecast Variance</b>
Financing Charges	8.195	0.000	8.195	0.000
Interest /Other Income	(0.050)	(0.008)	(0.050)	0.000
Repayment from TWITA for temporary use of reserves	(0.240)	(0.240)	(0.240)	0.000
<b>(Surplus) /Deficit on Tyne Tunnels revenue account</b>	<b>0.000</b>	<b>(2.072)</b>	<b>0.000</b>	<b>0.000</b>

### **The North East Transport Strategy Unit**

- 2.28 The Transport Strategy Unit (TSU) supports the JTC, providing relevant information to support policy choices and to deliver policies at a regional level. The TSU's activities include developing and maintaining:
- The Transport vision and plan
  - The funding plan and bids for external funding'
  - Input into the LEP's strategies and plans on transport, and local business organisations
  - A project pipeline and assurance framework
  - Responses to transport consultations and policy-making opportunities by government and other external agencies
  - Input into Transport for the North (TfN)'s pan-Northern policies and plans; and
  - Relationships with other authorities (whether local, combined, national or sub-national) with whom the JTC may share a common interest.
- 2.29 In addition to the significant current activity of developing the Transport Plan and related delivery programmes, other major policy developments include the development of a new bus enhanced partnership strategy, the expansion of the Metro and local rail network, developing a model for rail devolution, and growing the programme to increase the uptake of walking and cycling. There are also significant funding opportunities for well-developed bids along with a need for strong delivery programme management.
- 2.30 Forecast expenditure for the Transport Strategy Unit in 2021/22 is estimated to be £9.394m compared with the original budget of £2.660m, primarily as a result of the additional costs of the Enhanced Bus Partnerships scheme (£1.517m), Covid-19 costs due to the extension of restrictions (£2.738m) and additional Active Travel funding from the government (£2.477m).
- 2.31 Expenditure has been delayed due to the COVID-19 pandemic and will now take place during the financial year. Funding from 2020/21 which was not used has been carried forward to the current year.

## Metro and Local Rail Studies

- 2.32 A series of studies looking at the feasibility of various local rail expansion proposals was commenced by Nexus in early 2020, with a total budget agreed by the JTC of £2.4m. The work was planned to run until 31 March 2022. The lead responsibility for these studies has now transferred to Transport North East (TNE), contracts have been novated to facilitate this and the remaining budget established by Nexus has been transferred to TNE to fund completion of this work (£0.754m transferred in 2020/21, £1.187m transferred in 2021/22).
- 2.33 The Covid-19 pandemic impacted on the delivery programme as resources were channelled to dealing with the consequences on both Metro and Heavy Rail services. Preparation of the 'Restoring Your Railways' (RJR) bids and the pursuit of an umbrella business case for Leamside have drawn resources away from the management of the Extension programme. Similarly, the starting of drafting work on the North East Rail and Metro Strategy has also used the same resource initially identified for the extensions work. Staff turnover including TUPE transfers from Nexus to NECA has also held up progress at certain points.
- 2.34 If successful with one, two or three of the RJR bids, work will need to be procured to develop the business case(s) to a level acceptable for submission during the current year. Should the bids not be successful the region may wish to pursue the strategic outline business case development independently.
- 2.35 It is therefore recommended that the period for the use of the funding transferred be extended from 31 March 2022 to 31 March 2024 to deliver the remaining studies and any further work that may arise from the North East Rail and Metro Strategy.

*Table 7: TSU Revenue Forecast of Outturn 2021/22 to 31 May 2021*

	2021/22 Original Budget	Spend to date (to 31 May 2021)	2021/22 Forecast Outturn	2021/22 Forecast Variance
	£m	£m	£m	£m
<b>Gross Expenditure</b>				
Employee costs - Managing Director Transport North East and TSU	0.758	0.133	0.758	0.000
Transport Plan and Strategy Work	0.070	0.000	0.070	0.000
TSU Research and Development	0.100	0.002	0.100	0.000
TSU Travel and Miscellaneous	0.013	0.000	0.013	0.000
TSU IT / Equipment / Accommodation	0.001	0.000	0.001	0.000
TSU Contingency	0.010	0.000	0.010	0.000
Go Ultra Low – Revenue	0.000	0.002	0.002	0.002
TCF Tranche programme management	0.361	0.012	0.361	0.000
Covid-19 grants	0.000	1.400	2.738	2.738
Active Travel Planning	0.000	0.000	2.477	2.477

	2021/22 Original Budget	Spend to date (31 May 2021)	2021/22 Forecast Outturn	2021/22 Forecast Variance
	£m	£m	£m	£m
Metro Futures Planning Studies	1.187	0.010	1.316	0.129
Enhanced Bus Service Partnership	0.160	0.015	1.677	1.517
<b>Total Expenditure</b>	<b>2.660</b>	<b>1.574</b>	<b>9.523</b>	<b>6.863</b>
<b>Gross Income</b>				
LTP funding - TSU	(0.500)	(0.083)	(0.500)	0.000
Retained Transport Levy	(0.187)	(0.038)	(0.187)	0.000
External funding for specific posts	(0.216)	(0.031)	(0.216)	0.000
ERDF grant - Go Ultra Low - Revenue	(0.000)	(0.002)	(0.002)	(0.002)
TCF Tranche income	(0.361)	(0.012)	(0.361)	0.000
Covid-19 grants	(0.000)	(1.400)	(2.738)	(2.738)
Government grants – other	(0.000)	(0.000)	(2.477)	(2.477)
Enhanced Bus Partnerships funding – LA's	(0.000)	(0.000)	(0.844)	(0.844)
Enhanced Bus Partnerships funding – DfT	(0.000)	(0.000)	(0.100)	(0.100)
Metro Futures Planning Studies – funded by Nexus contribution from Levy	(1.187)	(1.187)	(1.187)	(0.000)
<b>Total Income</b>	<b>(2.451)</b>	<b>(2.753)</b>	<b>(8.612)</b>	<b>(6.161)</b>
<b>Net Expenditure to be funded from Reserves</b>	<b>0.209</b>	<b>(1.179)</b>	<b>0.911</b>	<b>0.702</b>
<b>Use of Reserves</b>				
JTC unallocated reserves	(0.160)	0.000	(0.233)	(0.073)
Metro and Local Rail Studies reserve	0.000	0.000	(0.129)	(0.129)
Regional Transport Team reserves	(0.005)	0.000	(0.005)	(0.000)
Enhanced Bus Partnerships Funding – Nexus	0.000	0.000	(0.500)	(0.500)
Go Smarter legacy funds – Transport Plan	(0.044)	0.000	(0.044)	(0.000)

### 3. Capital Outturn 2021/22 – Based on Period to 31 May 2021

- 3.1 In January 2021, the JTC approved the initial 2021/22 capital programme of £152.674m. The capital programme was updated to take account of adjustments for slippage in the 2020/21 outturn and the revised budget is £162.127m.
- 3.2 A summary of the Transport capital programme for 2021/22, together with an initial forecast outturn position and details of actual expenditure to 31 May is set out in the table below, with further details provided in the sections that follow.

*Table 8: Capital Forecast of Outturn 2021/22 to 31 May 2021*

	<b>2021/22 Original Budget</b>	<b>2021/22 Revised budget</b>	<b>2021/22 Initial Forecast</b>	<b>2021/22 Forecast Variance</b>	<b>Actual Expenditure to 31 May 2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Transforming Cities Fund Tranche 1	0.248	1.046	0.931	(0.115)	0.000
Transforming Cities Fund Tranche 2 (Excluding Metro Flow)	34.735	30.180	30.180	0.000	0.001
Active Travel Fund – Tranche 2	7.239	6.977	6.977	0.000	0.000
Go Ultra-Low	0.000	0.127	0.127	0.000	0.000
Ultra-Low Emission Vehicles – Taxi Project	0.000	0.033	0.033	0.000	0.000
Metro Asset Renewal Plan	19.222	23.609	23.609	0.000	1.673
Metro Fleet Replacement	63.069	64.215	70.197	5.982	18.565
Nexus non-Metro Programme	8.252	3.379	3.379	0.000	0.145
Metro Flow	8.100	20.632	20.669	0.037	0.186
Tyne Tunnels	0.500	0.800	0.800	0.000	0.017
Local Transport Plan(1)	11.309	11.339	11.339	0.000	1.892
<b>Total Capital Programme</b>	<b>152.674</b>	<b>162.337</b>	<b>168.241</b>	<b>5.904</b>	<b>22.479</b>

(1) Excludes amounts for local contribution to Metro ARP, shown within Nexus capital programme lines

### **Transforming Cities Fund (TCF) – Tranche 1 and Tranche 2**

- 3.3 The North East has been awarded £208m grant from the Transforming Cities Fund (TCF), of which £10m was for Tranche 1 and £198m was for Tranche 2. Within the Tranche 2 schemes, £104m is for schemes where the decision making on funding is devolved to the region, and the remaining £94m is for the Metro Flow scheme managed by Nexus, where the decision making on the funding is retained by the Department for Transport (DfT).
- 3.4 The Tranche 1 schemes, which saw delays due to the Covid-19 pandemic are progressing well. Claims for quarter 1 of 2021/22 are currently being processed. 14 of the 19 schemes have reached financial completion and it is anticipated that the remaining 5 schemes will complete by the end of 2021/22 with details set out in the table below:



*Table 9: Capital Forecast of Outturn 2021/22 – TCF Tranche 1 to 31 May 2021*

<b>Theme Name</b>	<b>2021/22 Original Budget</b>	<b>2021/22 Revised Budget</b>	<b>2021/22 Initial Forecast</b>	<b>2021/22 Forecast Variance</b>	<b>Actual Expenditure to 31 May 2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Theme 1: Cycling Links to Key Employment Sites	0.000	0.125	0.052	(0.073)	0.000
Theme 2: Cycling Links to Newcastle City Centre	0.248	0.248	0.248	0.000	0.000
Theme 3: Cycling links to Sunderland City Centre	0.000	0.000	0.000	0.000	Complete
Theme 4: Public Transport Reliability Upgrades	0.000	0.274	0.237	(0.037)	0.000
Theme 5: Transport Improvements at Barras Bridge	0.000	0.359	0.359	0.000	0.000
Additional Theme 1: Bowes Railway Path Improvements	0.000	0.037	0.032	(0.005)	0.032
Additional Theme 2: Horden Rail Station Links (North)	0.000	0.000	0.000	0.000	Complete
<b>Total</b>	<b>0.248</b>	<b>1.043</b>	<b>0.928</b>	<b>0.115</b>	<b>0.032</b>

- 3.5 For the Tranche 2 schemes, regular four-weekly meetings with the scheme promoters started in November 2020 and are being used to monitor progress. These meetings have allowed the TCF team to be made aware of any risks involved with the schemes, to work with the scheme promoters to mitigate these risks and to gather up to date information to inform the Programme Board. The Transport Programme Board meet monthly to review progress on the Programme and to decide on recommendations to present to the JTC.
- 3.6 Independent reviews of Appraisal Specification Reports (ASRs) and outline Business Cases (OBCs) are well under way for the majority of schemes, however, it should be noted that some delays are being experienced due to capacity issues in the Local Authorities, particularly on highway design. These delays are not anticipated to impact negatively on the deliverability of the schemes. It is anticipated that 5 schemes will come forward for approval at the November JTC meeting. This represents £22.8m of TCF funds, which as a proportion of the overall programme represents 11.5%. This is additional to the funding associated with

Sunderland Station, which represents a further 8.2% of the overall programme.

3.7 The schemes to be delivered using the TCF Devolved Pot retain a considerable degree of over-programming (£18.150m - 8.3%) and the TCF team is working with scheme promoters to understand opportunities for how this can be managed.

3.8 One scheme (Durham Bus Station) is now in the delivery phase, with a rapid acceleration of the programme anticipated based on programmes of expenditure in OBCs or milestones for approvals in the assurance phase. Two schemes have also progressed to the next state of assurance, Newcastle Streets for People and Sunderland Station.

3.9 *Table 10: Capital Forecast of Outturn 2021/22 – TCF Tranche 2 to 31 May 2021*

<b>TCF Tranche 2</b>	<b>2021/22 Revised Budget</b>	<b>2022/23 Revised Budget</b>	<b>Total Forecast Expenditure Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Devolved Programme Level	30.180	72.892	103.072
Nexus Metro Flow (reported with Nexus Capital Programme)	20.632	74.068	94.700
<b>All Programmes</b>	<b>50.812</b>	<b>146.960</b>	<b>197.772</b>

#### **Active Travel Fund – Tranche 2**

3.10 In November 2020, the North East region was allocated £9.049m of grant funding from Tranche 2 of the Active Travel Fund (ATF) (£7.239m capital and £1.810m revenue). £0.262m of the capital funding was used in 2020/21.

3.11 Funding is intended to support the delivery of ambitious new cycling and walking infrastructure schemes, forming part of the Governments £2 billion commitment set out in ‘Gear Change’ to deliver a step change in the provision of high-quality schemes that deliver better streets for everyone.

3.12 Ten Active Travel schemes across the seven Local Authorities have been allocated £6.808m from the slippage from 2020-21. The remaining £0.170m is currently unallocated, however a strategy for this is being developed which may include the introduction of new schemes if these emerge. The table below shows details of the schemes:

3.13 *Table 11: Capital Forecast of Outturn 2021/22 – ATF Tranche 2 to 31 May 2021*

<b>Scheme Name</b>	<b>2021/22 Original Budget</b>	<b>2021/22 Revised Budget</b>	<b>2021/22 Initial Forecast</b>	<b>2021/22 Forecast Variance</b>	<b>Actual Expenditure to 31 May 2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Great North Cycleway	0.000	0.520	0.520	0.000	0.000
Gateshead Town Centre	0.000	0.361	0.361	0.000	0.000
Grey Street	0.000	1.961	1.961	0.000	0.000
RVI Active Travel Access Improvements	0.000	0.825	0.825	0.000	0.000
Strategic Corridors	0.000	1.260	1.260	0.000	0.000
A183 Whitburn Road Cycleway	0.000	0.900	0.900	0.000	0.000
Waterloo Road / Renwick Road Cycle Improvements	0.000	0.269	0.269	0.000	0.000
Four Active Travel Corridors	0.000	0.432	0.432	0.000	0.000
Regional Opinion Survey	0.000	0.032	0.032	0.000	0.000
Active Travel Campaign	0.000	0.249	0.249	0.000	0.000
Unallocated	6.978	0.170	0.170	0.000	0.000
<b>Total</b>	<b>6.978</b>	<b>6.978</b>	<b>6.978</b>	<b>0.000</b>	<b>0.000</b>

### **Go Ultra-Low**

3.14 The Go Ultra -project is jointly funded through funding from the Office for Low Emission Vehicles (OLEV) and the European Regional Development Fund (ERDF) resources and includes the construction of one of the UK's first Electric Vehicle (EV) filling stations at West Wear Street in Sunderland City Centre, along with the installation of a number of rapid charging clusters across the region.

3.15 The Go Ultra-Low North East Programme has been extended until May 2021 by the Ministry of Housing, Communities and Local Government. This extension is primarily so that the remaining EV rapid hubs can be installed as this had to be paused due to the furlough of staff as a result of the Covid-19 lockdown. Work in 2021/22 is on bring the remainder of the rapid charging clusters into operation.

### **Ultra-Low Emission Vehicles – Taxi Project**

3.16 The North East was awarded a grant of £500,750 from the Office of Low Emission Vehicles, Ultra Low Taxi Infrastructure scheme to deliver 10 chargers dedicated to the Taxi and Private Hire trade across 9 sites. All chargers were expected to be

completed in 2020/21, however one site was delayed owing to it being inaccessible (used as a Covid testing centre). 9 charges are now live. The final charger will be completed in this financial year.

3.17 Forecast Capital expenditure to 31 March 2022 is £0.033m.

### **Nexus Capital Programme**

3.18 The JTC approved Nexus' Capital Programme for 2021/22 to 2023/24 in January 2021. The programme was approved at £98.643m and is sub-divided into the following sections:

- i. Metro Asset Renewal Programme (MARP)
- ii. Fleet Replacement Programme (FRP)
- iii. Other Capital Project (OCP); and
- iv. Metro Flow (MFL)

### **Total Nexus Capital Programme Summary**

3.19 Nexus' revised capital programme for 2021/22 provides for gross expenditure of £111.835m. The main reasons for the increase are as follows:

- £9.9m net slippage from the 2020/21 programme
  - £3.6m relates to the MARP where a number of development projects were deferred as a result of the reduction in grant funding in 2021/22;
  - £4.9m relates to the FRP although it should be recognised that the programme was keeping to time and to budget at the end of 2020/21;
  - The remainder relates to MFL and other TCF projects.
- £1.2m net increase in existing project budgets and/or additional projects:
  - The increase (£0.9m) in is mainly in respect of platform compliance works at various Metro stations, necessary to accommodate the new fleet;
  - Additional projects include urgent repairs to the rail tamping machine and new software for back office systems;
- £2.0m net acceleration of projects originally planned for 2022/23:
  - £12.0m has been added to the programme in connection with MFL, necessary to accommodate the payment milestones now that the principal contractor has been appointed;
  - £5.7m in connection with the north ferry landing relocation has slipped into 2022/23 because of delays with the development of this project;
  - £3.9m in connection with the FRP has slipped into 2021/22

At the end of period 2 the total programme spend was £20.569m, against the budgeted spend of £21.916m.

- 3.20 The 2021/22 forecast outturn is £117.854m against a budget of £111.835m. The £6.019m net overspend is detailed below.

*Table 12: Nexus Capital Programme Forecast 2021/22*

	<b>Original Budget £m</b>	<b>Current Budget £m</b>	<b>Actual / Forecast £m</b>	<b>Variance £m</b>
<b>Cumulative to Period 2</b>				
Metro Asset Renewal Programme		1.688	1.673	(0.015)
Fleet Replacement Programme		19.492	18.565	(0.927)
Other Capital Projects		0.518	0.145	(0.373)
Metro Flow		0.217	0.186	(0.031)
		<b>21.916</b>	<b>20.569</b>	<b>(1.346)</b>
<b>Forecast Outturn</b>				
Metro Asset Renewal Programme	19.222	23.607	23.607	0.000
Fleet Replacement Programme	63.069	64.215	70.197	5.982
Other Capital Projects	8.252	3.379	3.379	0.000
Metro Flow	8.100	20.632	20.669	0.037
	<b>98.643</b>	<b>111.833</b>	<b>117.852</b>	<b>6.019</b>

- 3.21 At the end of period 2, £20.656m of capital grant has been claimed from the Department for Transport (DfT). This includes both the MARP and the FRP. The actual amount claimed in total was 98.2% of forecast and therefore within DfT tolerance levels of +/- 5%.

#### **Metro Asset Renewal Programme (MARP)**

- 3.22 Cumulative actual spend at the end of Period 2 was £1.673m against the baseline budget of £1.688m, resulting in a small £0.015m difference.
- 3.23 Forecast outturn for 2021/22 is £23.607m against a baseline budget of £23.607m. In the context funding from DfT not approved beyond 2021/22, the forecast outturn continues to be under review with, in particular, the estimated cost of project delivery and risk contingencies included within the current forecast being examined further.
- 3.24 The May grant claim was £0.665m, compared to the forecast £0.700m and therefore within the +/- 5% DfT target.
- 3.25 Total grant claimed to date is £2.091m and Metro Rail Grant (MRG) capital grant of £16.000m is forecast to be received, against a minimum grant level of £16.000m.
- 3.26 The remaining £7.609m of forecast spend will be funded from £4.836m of local funding (LTP and Fleet Reserves), plus £1.000m Highways Challenge Fund grant for Tanners Bank. There is also over programming with a value of £1.773m within

the forecast programme.

### **Fleet Replacement Programme (FRP)**

- 3.27 Cumulative actual spend at the end of Period 2 was £18.565m against the baseline budget of £19.492m. The majority of the £0.927m underspend relates to delays in the receipt of designs for the Gosforth Depot and construction activities have been reprogrammed as a consequence. However, sub-contractors have been appointed and mobilisation of the civils contractor has been brought forward. None of these changes to programme are expected to delay the depot completion date.
- 3.28 Forecast outturn for 2021/22 is £70.197m against a baseline budget of £64.215m. The £5.982m increase in the forecast relates to the manufacture and supply of the new trains where an assessment of work in progress currently indicates that the programme is slightly ahead of schedule. All things being equal, this will require an in-year increase in the grant required from DfT, something that is being discussed with officials. It should be noted that this does not represent an increase in the total grant required for the programme which remains at £337m.

### **Other Capital Projects (OCP)**

- 3.29 In 2021/22 Other Capital Projects have a budget of £3.379m comprising of:

*Table 13: Nexus Other Capital Projects 2021/22*

	<b>Current Budget £m</b>
Callerton Car Park	0.330
Digital Car Parking	0.992
HCE PAYG Development	0.030
Bus Contracts	0.235
PCI DSS	0.045
Drivers Sign On	0.006
Ferry North Landing Relocation	1.226
Ferry Vessels and Infrastructure	0.515
	<b>3.379</b>

- 3.30 Cumulative actual spend at end of period 2 was £0.145m against an expected target of £0.518m. The £0.373m underspend relates to a delay in receiving external consultancy advice in respect of the Ferry Vessels project.
- 3.31 Forecast outturn for 2021/22 remains £3.379m against an approved budget of £3.379m.

### **Metro Flow (MFL)**

- 3.32 Cumulative actual spend at the end of Period 2 was £0.186m against an expected cumulative spend of £0.217m.
- 3.33 Forecast outturn for 2021/22 is £20.669m against a baseline budget of £20.632m, The project is expected to be 100% TCF capital grant funded in 2021/22 with funding approval expected in Summer 2021.

### **Tyne Tunnels Capital Programme**

- 3.34 It was anticipated at the time of setting the 2021/22 budget that works would be completed by September 2021, and that the Tyne Pedestrian and Cycle Tunnels would be handed over to the operation of TT2 in year. However, due to further contractor delays related to Covid-19 travel restrictions it is anticipated that this will now be delayed until December 2021.
- 3.35 Until the works are completed, additional costs will be incurred if the Tunnels are to remain open to the public. Costs including onsite security, maintenance contracts, cleaning and utilities are being incurred. There is also further expenditure required on lift parts, engineers and testers to complete the inclined lifts. Regular updates on the works will continue to be provided to the Tyne & Wear Sub Committee from July onwards.
- 3.36 An increase in the budget of up to £0.300m is requested to enable completion of the inclined lifts and all works to enable handover to TT2. This will be funded from the Tyne Tunnels reserve which totalled £9.222m at 31 March 2021. Should the additional amount required reduce following negotiations with contractors, the requirement from the Tunnels reserve will be reduced. Capital expenditure to 31 May is £0.017m. Forecast capital expenditure to the year-end is expected to be up to £0.800m compared with the original budget of £0.500m.

### **Local Transport Plan**

- 3.37 Local Transport Plan (LTP) Integrated Transport Block funding is made available by the DfT to the whole JTC area. This block is allocated between the JTC constituent authorities on a locally agreed basis with an allocation to Nexus (mainly used to provide the match funding needed for the Metro ARP capital programme. The LTP block allocation is also used to contribute to the costs of the Transport Strategy Unit (TSU) and, in Tyne and Wear, to the Urban Traffic Management and Control (UTMC) centre. Quarter one payments have been made to the authorities following receipt of the grant from DfT and expenditure to 31 May 2021 is £1.892m.
- 3.38 The table below sets out the proposed allocation of the grant awarded to the JTC. The contributions to the Transport Strategy Unit and the UTMC have not been changed since the amounts previously agreed by the JTC.

Table 14: Capital Forecast of Outturn 2021/22 – LTP to 31 May 2021

	<b>2021/22 Gross Allocation</b>	<b>2021/22 Topslice for TSU &amp; UTMC</b>	<b>2021/22 Net Allocation</b>	<b>Actual Expenditure to 31 May 2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Durham	2.811	(0.063)	2.748	0.640
Gateshead	1.339	(0.142)	1.197	0.193
Newcastle	1.662	(0.178)	1.485	0.238
North Tyneside	1.097	(0.142)	0.955	0.132
Northumberland	1.708	(0.063)	1.646	0.365
South Tyneside	0.849	(0.121)	0.728	0.091
Sunderland	1.618	(0.172)	1.447	0.233
Nexus / Public Transport Allocation	2.973	(0.063)	2.910	0.000
<b>Total</b>	<b>14.057</b>	<b>(0.944)</b>	<b>13.116</b>	<b>1.892</b>
Nexus ARP	2.718			
<b>Total excluding Nexus ARP</b>	<b>11.339</b>			

#### Overall Capital Programme Financing

3.39 Forecast Capital Expenditure for the year will be financed as follows:

Table 15: Capital Programme Financing 2021/22

	<b>2021/22 Original Budget</b>	<b>2021/22 Revised Budget</b>	<b>2021/22 Revised Forecast</b>	<b>2021/22 Variance Revised Forecast vs Revised Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Government grants	147.174	147.133	147.055	(0.078)
Earmarked Reserves	5.500	15.204	21.186	5.982
<b>Total Funding</b>	<b>152.674</b>	<b>162.337</b>	<b>162.241</b>	<b>5.904</b>

#### 4. Reasons for the Proposals

4.1 This report is for information, to enable the JTC to fulfil its role of monitoring transport budgets on behalf of the two combined authorities.

#### 5. Alternative Options Available



5.1 This report is for information with no decision required.

## **6. Next Steps and Timetable for Implementation**

6.1 Performance against the revenue budget for 2021/22 will be closely monitored and update reports presented to the JTC at regular intervals during the coming year.

## **7. Potential Impact on Objectives**

7.1 There are no potential impacts arising from this report which is for information.

## **8. Financial and Other Resources Implications**

8.1 The financial summary is set out in the main body of the report. There are no financial or other resource implications from this report which is for information.

## **9. Legal Implications**

9.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an Authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified. There are no legal implications arising from this report, which is for information.

## **10. Key Risks**

10.1 Risks associated with the delivery of transport services by the key delivery bodies are factored into the risk management processes of those organisations. The impact of the COVID-19 pandemic is having a significant and continuing impact on transport budgets and the financial consequences will continue to be carefully assessed and monitored. The JTC holds reserves to mitigate against financial risks associated with its transport functions, and the level of these are considered to be adequate at the year end.

## **11. Equality and Diversity**

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

## **12. Crime and Disorder**

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

## **13. Consultation/Engagement**

13.1 The revenue budget for 2021/22 was subject to consultation with key stakeholders including constituent authorities as part of the budget setting process. Budget holders were consulted on the forecasts included in the report.

## **14. Other Impact of the Proposals**

14.1 There are no other impacts arising from this report which is for information.

## **15. Appendices**

15.1 Appendix 1: Nexus Capital Programme 2021/22

**16. Background Papers**

16.1 Joint Transport Committee Budget 2021/22 – report to 19 January 2021 meeting.

**17. Contact Officers**

17.1 Eleanor Goodman, Finance Manager, [eleanor.goodman@northeastca.gov.uk](mailto:eleanor.goodman@northeastca.gov.uk),  
0191 433 3860

**18. Sign off**

- 18.1
- The Proper Officer for Transport:
  - Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

**19. Glossary**

19.1 DfT – Department for Transport  
ENCTS – English National Concessionary Travel Scheme  
JTC – Joint Transport Committee  
NECA – North East Combined Authority  
NEMOL – North East Metro Operations Limited  
TCF – Transforming Cities Fund  
TT2 – Tyne Tunnels 2 Limited

## Appendix 1: Nexus Capital Programme 2021/22

### Metro Asset Renewal Programme

	Original Budget £m	Current Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 2		1.688	1.673	(0.015)
Outturn				
Civils	1.150	1.369	1.369	0.000
Permanent Way	3.550	4.126	4.126	0.000
Overhead Line	3.321	3.046	3.046	0.000
Stations	0.031	1.336	1.336	0.000
Signalling	1.850	2.605	2.605	0.000
Metro Cars (Old)	3.223	3.223	3.223	0.000
Programme Management & Risk Contingency	2.910	2.826	2.826	0.000
Comms, Plant, Power, Mechanical & Electrical				
etc.	1.605	2.800	2.800	0.000
Business Applications	0.233	0.774	0.774	0.000
IT Infrastructure/Hardware	1.349	1.502	1.502	0.000
	<b>19.222</b>	<b>23.607</b>	<b>23.607</b>	<b>0.000</b>
Funded by:				
Metro Rail Grant (DfT)	20.000	20.000	20.000	0.000
Metro Rail Grant (DfT) b/fwd into 2020/21	(4.000)	(4.000)	(4.000)	0.000
Metro Rail Grant (DfT) b/fwd from 2022/23				0.000
LTP Grant	2.222	2.222	2.222	0.000
Highways Challenge Fund	1.000	1.000	1.000	0.000
Fleet Reserves		2.614	2.614	0.000
Over Programming		1.771	1.771	0.000
	<b>19.222</b>	<b>23.607</b>	<b>23.607</b>	<b>0.000</b>

## Fleet Replacement Programme

	Original Budget £m	Current Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 2		19.492	18.565	(0.927)
Outturn				
MSA	25.300	25.300	31.394	6.094
DCC	30.696	31.203	31.243	0.040
Howdon Depot		0.122	0.113	(0.009)
Project Delivery	1.997	2.066	2.075	0.009
Project Contingency	5.076	5.524	5.372	(0.152)
	<b>63.069</b>	<b>64.215</b>	<b>70.197</b>	<b>5.982</b>
Funded by:				
Fleet Replacement Grant (DfT)	59.666	54.100	54.100	0.000
Fleet Reserves	3.403	10.115	16.097	5.982
				0.000
				0.000
	<b>63.069</b>	<b>64.215</b>	<b>70.197</b>	<b>5.982</b>

## Other Capital Projects

	Original Budget £m	Current Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 2		0.518	0.145	(0.373)
Outturn				
Callerton Car Park	0.876	0.330	0.330	0.000
Digital Car Park	0.506	0.992	0.992	0.000
HCE PAYG Development	0.023	0.030	0.030	0.000
Bus Contracts		0.235	0.235	0.000
PCI DSS		0.045	0.045	0.000
Drivers Sign On		0.006	0.006	0.000
Ferry North Landing Relocation	6.569	1.226	1.226	0.000
Ferry	0.278	0.515	0.515	0.000
	<b>8.252</b>	<b>3.379</b>	<b>3.379</b>	<b>0.000</b>
Funded by:				
Transforming Cities Grant (DfT)	1.382	1.322	1.322	0.000
LTP Grant	0.382	0.382	0.382	0.000
LEP Grant	5.181	0.000	0.000	0.000
Nexus Reserves	1.307	1.675	1.675	0.000
	<b>8.252</b>	<b>3.379</b>	<b>3.379</b>	<b>0.000</b>

## Metro Flow

	Original Budget £m	Current Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 2		0.217	0.186	(0.031)
Outturn				
Metro Flow	8.100	20.632	20.669	0.037
	<b>8.100</b>	<b>20.632</b>	<b>20.669</b>	<b>0.037</b>
Funded by:				
Transforming Cities Grant (DfT)	8.100	20.632	20.632	0.000
Metro Rail Grant (DfT)			0.037	0.037
	<b>8.100</b>	<b>20.632</b>	<b>20.669</b>	<b>0.037</b>

## Total Nexus Capital Programme

	Original Budget £m	Current Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 2				
Metro Asset Renewal Programme		1.688	1.673	(0.015)
Fleet Replacement Programme		19.492	18.565	(0.927)
Other Capital Projects		0.518	0.145	(0.373)
Metro Flow		0.217	0.186	(0.031)
		<b>21.915</b>	<b>20.569</b>	<b>(1.346)</b>
Outturn				
Metro Asset Renewal Programme	19.222	23.609	23.609	0.000
Fleet Replacement Programme	63.069	64.215	70.197	5.982
Other Capital Projects	8.252	3.379	3.379	0.000
Metro Flow	8.100	20.632	20.669	0.037
	<b>98.643</b>	<b>111.835</b>	<b>117.854</b>	<b>6.019</b>
Funded by:				
Metro Rail Grant (DfT)	20.000	20.000	20.037	0.037
Metro Rail Grant (DfT) b/fwd into 2019/20	(4.000)	(4.000)	(4.000)	0.000
Metro Rail Grant (DfT) b/fwd from 2021/22	0.000	0.000	0.000	0.000
Fleet Replacement Grant (DfT)	59.666	54.100	54.100	0.000
Transforming Cities Grant (DfT)	9.482	21.954	21.954	0.000
LTP Grant	2.604	2.604	2.604	0.000
LEP Grant	5.181	0.000	0.000	0.000
Fleet Reserves	3.403	12.729	18.711	5.982
Highways Challenge Fund	1.000	1.000	1.000	0.000
Nexus Reserves	1.307	1.675	1.675	0.000
Over Programming	0.000	1.773	1.773	0.000
	<b>98.643</b>	<b>111.835</b>	<b>117.854</b>	<b>6.019</b>

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## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** Transport Plan Progress Report

**Report of:** Managing Director, Transport North East

### Executive Summary

This report provides an update on progress made across the seven Delivery Plan categories in implementing the objectives of the North East Transport Plan and achieving the vision of 'moving to a green, healthy, dynamic and thriving north-east.'

Bus partnership development work is continuing as is progress in developing a bid to the Zero Emission Bus Regional Areas (ZEBRA) 2021-2022 scheme.

School transport funding has been confirmed up to the end of the summer term but the Department for Education has stated that they do not currently see a need to continue additional dedicated transport funding into the autumn term.

Our regional Active Travel Campaign, 'Go Smarter, Go Active', launched at the end of June with the first summer roadshow planned for 19th July.

A Zero Emission Vehicle policy is being developed while work continues on delivery of the Go Ultra Low taxi scheme.

Good progress is being made with implementation of schemes under the Transforming Cities and Active Travel Funds, the reopening to passengers of the Northumberland Line and the various rail expansion studies, including the proposed reopening of the Leamside line.

The Tyne Pedestrian and Cycle Tunnels (TPCT), are now open 24/7 for night workers as well as daytime hours, and the full refurbishment of this listed structure is almost complete.

The proposed May 2022 East Coast Main Line timetable change is a cause of severe concern as it is likely to result in a significant cut in the number of services calling at some North East stations.

### Recommendations

The Joint Transport Committee is recommended to note the contents of this report.

## 1. **Background**

1.1 The North East Transport Plan sets out a vision of ‘moving to a green, healthy, dynamic and thriving north-east’ through the delivery of transport improvements under seven categories:

- Helping people make the right travel choice
- Upgrading north-east active travel infrastructure
- Bus, ferry and first and last mile
- Local rail and Metro
- Road infrastructure
- Maintaining and renewing our transport network
- National and international connectivity

Progress under each category is outlined below.

There are also five objectives, which are:



Carbon-neutral north east



Overcome inequality and grow our economy



Healthier north east



Appealing sustainable transport choices



Safe secure network

The symbols have been used below to denote how the listed schemes / actions contribute to the achievement of the various objectives.

## 2. **Helping people make the right travel choices**

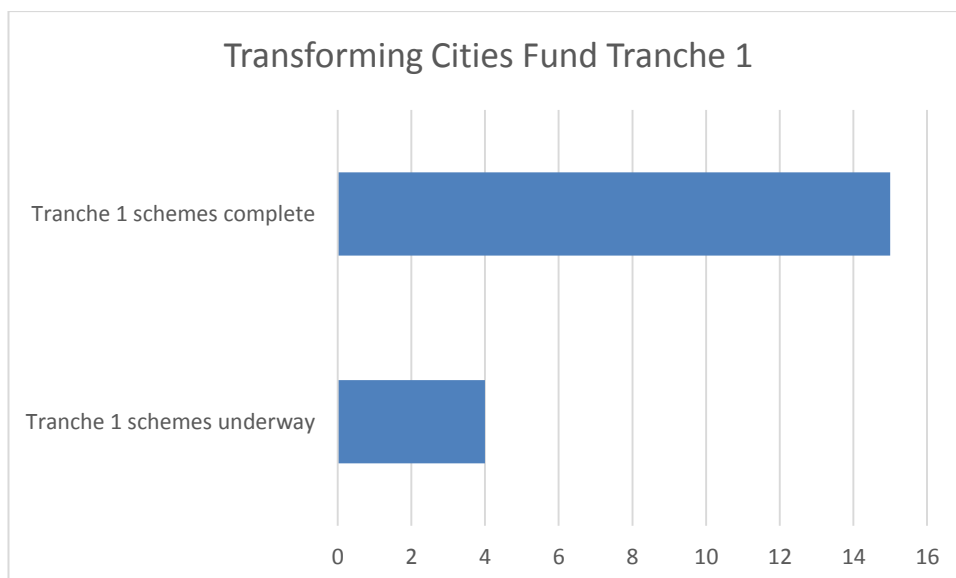
2.1

### **Transforming Cities Fund**



Of the 19 Tranche 1 schemes, 15 are now complete and the other four are well underway. There has been progress with the Sunderland Central Station Tranche 2 scheme which is now being considered at this JTC meeting. There have been delays with some business case development, but the programme is expected to be delivered by March 2023.





#### Next milestones

The Tranche 1 programme is set to be complete by the end of 2021. The Sunderland Central Station scheme is to be presented at this meeting.

#### Key risks

Any issues with delivery could cause further delays in programme completion, however this is not expected.

Further delays in business case development could result in schemes not being delivered by March 2023. Progress continues to be monitored closely.

RAG rating



## 2.2

### **Intra-city Transport Fund**



The Intra-city Transport Fund is a fund of circa £4.2bn over a five-year period to be shared between eight city regions from 2022 for investment in intra-city transport; our region is a candidate to access the fund, subject to appropriate Governance being in place. The region is currently undertaking an exercise to demonstrate the benefits of this potential long term devolved settlement for transport. This includes what could be reasonably achieved and delivered. Engagement is planned with members in the coming weeks.

#### Next milestones

Production of a high-level prospectus demonstrating the scale of ambition; a draft will be made available to members at the July meeting and will be refined thereafter.

#### Key risks

Funding conditions not yet confirmed, scale of funding unknown.



RAG rating:

Subject to further discussions with government to confirm the scale of funding, conditions and timings.

### 2.3

#### Zero Emission Vehicle policy



A Zero Emission Vehicle (ZEV) Policy is being developed to set out how, working with partners, we intend to deliver the region's ZEV aspirations.

##### Next milestones

Policy to be submitted to the September meeting of JTC.

##### Key risks

Differing strategies amongst LA7 authorities inhibit a regional approach.

RAG rating:



### 2.4

#### Go Ultra Low taxi project



Eight of the ten dedicated chargers for the taxi and private hire industry (funded by the Office of Zero Emission Vehicles) are connected and operational with one available in every North East local authority. We launched the network at an engagement event with the taxi and private hire trade on the 17<sup>th</sup> June 2021 with further events planned in 2021 and 2022. These events are designed to understand barriers to entry to the market, provide information and support around the propensity to switch to EV use and make links with the trade. An information hub is now available at, <https://www.cenex.co.uk/north-east-rapid->


[charger-network-information-hub/](#). The final two chargers at sites in Newcastle and North Tyneside will be connected as soon as the sites become available.

### **Next milestones**

Make final connections at the Newcastle City Centre, Blandford Square site and bring forward the one in North Tyneside as soon as the site is released. Host a further workshop with the trade in late Summer 2021.

### **Key risks**

There are issues impacting on fully implementing the schemes. Legal constraints on one site (Blandford Square, Newcastle) while another site (Coronation Street, North Tyneside) is currently in use as a Covid testing centre.

RAG rating:  This reflects the issues with the Newcastle site

## **3. Upgrading north-east active travel infrastructure**

### **3.1**

#### **Active Travel campaign**



The regional 'Go Smarter, Go Active' Active Travel Campaign launched at the end of June with press coverage and the opportunity for the public to book roadshow events. Promotional activities have also commenced for the campaign, including use of social media.

### **Next milestones**

The first summer roadshow is scheduled for the week commencing 19<sup>th</sup> July with them taking place on a weekly basis until the end of the school summer holidays. The regional walking and cycling maps and the suite of itineraries for fun-filled days out across the North East region using sustainable modes are also expected to be published in July.

### **Key risks**

Poor / inclement weather impacting on the campaign.

RAG rating:



### **3.2**

#### **Active Travel Fund**



Consultation is still underway for a number of schemes within the Tranche 2 programme. Construction of schemes is anticipated to start by the end of July 2021. All schemes to be completed by the end of March 2022, with the exception of Grey Street which was granted an extension to July 2022 by the Department for Transport.

Tranche 3 of the Active Travel Fund has been announced. Funding will be allocated by the Department for Transport following a round of bidding. A

process by which to prioritise schemes for a regional bid is being devised.

#### Next milestones

The first permanent scheme construction for Tranche 2 will begin in July 2021 on the A167 Great North Cycleway Improvements (Newton Aycliffe) scheme. The bid for Tranche 3 of Active Travel Fund will be submitted by the closing date of 9<sup>th</sup> August 2021.

#### Key risks

Timescales for project delivery or scope could be impacted if scheme designs require amendment or enhancement following consultation feedback.

Due to the competitive nature of the bidding process, there is the potential of receiving a proportionately lower settlement for Tranche 3 as opposed to the regional allocation which was received for Tranche 2.

RAG rating:



## **4. Bus, Ferry and First and Last Mile**

### **4.1**

#### **Bus partnership development**



The national bus strategy was launched in March, setting out an ambitious vision to dramatically improve bus services (outside London) through greater local leadership. The Strategy sets out a more formal framework for partnership working between local transport authorities and local bus operators and requires that each local transport authority implement a statutory Enhanced Partnership under the Bus Services Act 2017.

Following JTC's decision to enter into an Enhanced Partnership at their June meeting, correct processes have been followed to publish the notice of the Enhanced Partnership.

Since JTC last met, resources have; and continue to be secured to form the team to deliver the project. Procurement processes are commencing to secure professional service to support the project such as legal support. To top up funding secured for the project from LA7 authorities, a bid has also been submitted to the North East LEP to secure development funding for the production of a Business Case for bus corridors in our region which will aim to lower bus journey times and improve reliability.

#### Next milestones

A separate report is included on the agenda covering the production of "Your Vision for Buses", which presents a document to JTC for approval to stimulate dialogue about bus services across stakeholders in our region in. The engagement process, if agreed by JTC will run until September 10<sup>th</sup> 2021.

#### Key risks

Challenging time scales pose a key risk to this project which involves the production of detailed plans and documents as well as lengthy discussion

between Transport North East, bus operators and Highways Authorities.

#### 4.2

##### **Zero Emission Bus Regional Area (ZEBRA) bid**



Working with bus operators, the region has submitted a bid to the Zero Emission Bus Regional Areas (ZEBRA) 2021-2022 scheme. A package of investment has been developed with a wide range of stakeholders which focuses on a number of bus corridors which fall within air quality exceedance areas. This will see 79 buses delivered on a mix of inner town and city operations, longer distance routes and rural operations.

##### Next milestones

The region will find out if we have been successful at Expression of Interest stage in August and if successful, we will be invited to develop a business case which will be submitted in January 2022. A further update will be given to JTC members in September.

##### Key risks

Need for match funding from operators; securing funding from Government; Energy supply and delivery; manufacturing capacity for delivery.

RAG rating:



Our EoI has been submitted and we await the outcome of the DfT's review.

#### 4.3

##### **School travel update**



Additional grant funding of £111,922.00 was received from the Department for Education (DfE) for the start of the second summer half term up until 25<sup>th</sup> June. The DfE have committed to funding additional home to school/college transport services until the end of the summer term, under the same terms and conditions but are not providing upfront allocations.

They are carrying out a survey and reconciliation process in mid-July and will use this to capture spend for the second half of the summer term and provide further allocations as needed, taking into account any underspends. DfE have asked for consideration to be given to reducing services where appropriate to account for students not attending for this period, such as post-16 and also for local authorities to promote active travel for journeys to school or college.

They do not currently see a need to continue additional dedicated transport funding into the autumn term.

##### Next milestones

The current measures will continue until the end of the school year.

##### Key risks

The potential for social distancing on public transport being continued into the

autumn term when there is currently no additional home to school/college funding expected for this period.

RAG rating:



## 5. **Local rail and Metro**

### 5.1 **North east Rail and Metro strategy**



First working draft of the strategy document completed ready for a Super Feedback Week during w/c 5 July, to gather feedback from key stakeholders on draft version of the strategy.

A successful Steering Group workshop held in June captured a wide range of views on what a rail strategy should aim to deliver. Findings will be incorporated into the final document.

#### Key milestones

Super feedback week – w/c 5<sup>th</sup> July.

#### Key risks

Working to tight deadlines, timeframes to be aligned with ongoing strategy work in other areas. Encompassing both Metro & heavy rail into a single strategy.

RAG rating:



### 5.2 **Rail expansion studies**



South of Tyne & Wearside (SoT&W) – Phase 1 final report covering Pelaw to Washington/IAMP was submitted to TNE at the end of June.

#### Next milestones

SoT&W Phase 3 (Washington – South Hylton) study underway, due to conclude and report to TNE by the end of July. Phase 2 (Sunderland-Doxford) will commence after this.

The region's Restoring Your Railways 3 ('RYR3') bids are still awaiting a Government decision on outcomes.

#### Key risks

Delays to original timescales.

RAG rating:



### 5.3 **Metro funding**



Nexus are in ongoing correspondence with DfT and the Treasury to provide



evidence for the importance of continuing support for Metro to assist in the economic and social recovery of the region. Funding currently only confirmed to 19<sup>th</sup> July 2021.

#### Next milestones

19<sup>th</sup> July 2021.

#### Key risks

No funding confirmed before the 19th July 2021; funding confirmed does not fully cover deficit between fare box and operating costs.

#### **HM to update**

## 5.4

### **Local rail**



The issues with yaw damper cracking affecting express trains using the East Coast Mainline have been resolved.

The December 2021 timetable is in development and the May 2022 ECML impact details (see later item) have been shared.

There has been a resumption of events planning to ensure capacity meets demand. The message remains: “Travel safe / with confidence” and staff training is continuing.

#### Next milestones

Summer marketing campaigns are to be introduced to help attract passengers back to the network.

#### Key risks

The financial impact if passenger numbers remain depressed.

RAG status:



## 5.5

### **Northumberland line**



Work continues with DfT/ Northern to develop an integrated ticketing solution to feed into the Full Business Case on 1<sup>st</sup> October. Network Rail Early Enabling works have started on site. Planning applications for five new stations have been submitted.

Approval has been given for a new pedestrian footbridge at Chase Meadows, Blyth to replace the existing level crossing.

#### Next milestones

Planning applications need to be submitted for the remaining stations and the Transport and Works Act order inquiry is programmed for November 2021. The

line is anticipated to reopen to passengers by 2024.

### Key risks

The Northumberland Line project has a full governance structure in place which monitors and mitigates any risks to delivery through workstream level risk registers.

**RAG status:**



## 5.6

### **Leamside line**



Work is ongoing and the project team will consider the Williams-Shapps Review and Integrated Rail Plan outcomes. Arup commenced work on the Umbrella Strategic Outline Business Case (USOBC), organised stakeholder engagement sessions throughout June, including the NEJTC expansion schemes. The Land Value Capture report is being reviewed whilst the RYR3 bid outcome still awaited.

### Next milestones

Next Programme Board on 30<sup>th</sup> July.

Arup's USOBC report is to be submitted to TNE by mid-July.



### Key risks

National, regional and local stakeholders all have an interest in the shape that the Leamside Line project might take; the project will need to manage any conflicting stakeholder or potential funder aspirations.

RAG rating:



## **6. Road infrastructure**

### **6.1**

#### **Tyne Bridge**



Funding is being sought through the Levelling Up Fund and Major Road Network processes to restore and improve the iconic Tyne Bridge, in time for its 100<sup>th</sup> anniversary in 2028, with support from political leaders across the region and an accompanying “Evening Chronicle” campaign (called Restore the Tyne Bridge now). The government has said it wants to see the bridge “restored to its former glory” but a funding decision will not be made until the autumn.

### Next milestones

A decision on funding will be made in the autumn.

### Key risks

Inability to secure funding for necessary restoration work will increase the costs of maintaining this key transport asset in the longer term.

RAG rating:



### **6.2**

#### **Highways England’s next round of route strategies**



Highways England has published its vision for route strategies for the third road period (2025-2030) which can be viewed at <https://highwaysengland.co.uk/media/w0vhd3un/vision-for-route-strategies.pdf>

Route strategies will inform the Government’s future investment in motorways and A-roads in England as part of the next Road Investment Strategy (RIS3).

### Next milestones

Extensive consultation on the proposals will take place with road users, business, environmental groups and local authorities this summer.

### Key risks

None.

RAG rating:



## 7. **Maintaining and renewing our transport network**

### 7.1

#### **Tyne Tunnel**



In respect of the Tyne traffic tunnels, traffic levels are increasing towards expected levels as Covid-19 restrictions are lifted and schools and businesses return to normal working arrangements.

Work is continuing on the Tyne Pass Scheme to introduce barrierless travel for Tunnel users. This will modernise the outdated payment system and will bring significant environmental benefits in terms of reduced vehicle emissions and improved air quality. The go-live date for the full Tyne Pass scheme for open-road tolling with no barriers, is planned before the end of 2021. Interim stages are now in place as an option for drivers, including Pay Later and barrierless lanes for pre-paid account holders to give them priority faster lanes. TT2 (the operator of the tunnels) is implementing the Tyne Pass Scheme, planning the civil engineering works required, recruiting additional staff for the contact centre and refining the processes for Unpaid Toll Charge Notices enforcement to ensure that a high standard of customer service is in place by the go-live stage for Tyne Pass.

The Tyne Pedestrian and Cycle Tunnels (TPCT), are welcoming more cyclists than ever and are now open 24/7 for night workers as well as daytime hours. The full refurbishment of this listed structure is almost complete. The outstanding work required is on the installation of the new inclined lifts.

#### **Next milestones**

The Tyne Pass scheme is planned to go live in November/December 2021. More details on the scheme are provided in regular reports to the JTC Tyne and Wear Sub-Committee ('TWSC').

In terms of the inclined lifts installation at the TCPT, this work is planned for autumn 2021 to enable the lifts to be fully operational by the end of the year.

#### **Key risks**

There is a delivery and financial risk on the Tyne Pass Scheme, but that rests with TT2 who operate the Tunnels and who are responsible for implementation of the scheme and for enforcement of unpaid tolls. There will be a reputational risk to JTC if the scheme is not delivered on time or produces adverse outcomes for users. Safeguards have been put in place via the Project Agreement with TT2 and via the processes for management of the Concession.

There are delivery and financial risks to the JTC in relation to the Tyne Pedestrian and Cyclist Tunnels (TPCT) works, as the tunnels refurbishment has been overseen by Newcastle City Council on behalf of the JTC and has been funded by tunnels income. At this stage of the refurbishment, the financial risk is lower as the work has almost been completed and the tunnels are open to the public, with only the inclined lift work to be completed

RAG rating:



## 8. **National and international connectivity**

### 8.1

#### **Transport for the North**



TfN Board have launched public consultation on their new Decarbonisation Strategy, which proposes a close to zero date of 2045 for carbon emissions from surface transport in the North. TNE will be submitting a response and taking part in one of three regionally-focused consultation events.

#### Next milestones

North east consultation event on 6th July. Public consultation ends on 31st August.

#### Key risks

Differing rates of progress in reducing carbon across northern authorities; challenging nature of actions required to meet target.

RAG rating:



### 8.2 **East Coast Main Line May 2022 Major timetable change consultation**

A new timetable for the East Coast Main Line (ECML) is being proposed to start in May 2022. LNER propose to add a 3<sup>rd</sup> train per hour between Newcastle and London. However capacity issues on the line between Northallerton and Newcastle means that there is a limitation of 6 passenger trains per hour. If the train service is to be grown to one destination, it must inevitably be reduced to another to keep within the limitation. The once-daily direct LNER service between Sunderland and London will be cancelled.

This Committee has agreed to stand by the retention of the current rail connectivity pattern (2 to London, 2 to Manchester and 2 to Birmingham), rather than introducing a third train service to London in each hour at the expense of trains to either Birmingham or Manchester.

We propose that the timetable changes should be put on hold, and a “taskforce” be established by the government to examine the capacity constraints and put forward options to resolve them both short- and long- term.

The following table shows the net effect on the number of trains each day at NE stations:

Berwick upon Tweed	56	50	-6
Alnmouth	43	44	1
Morpeth	75	54	-21
Newcastle	172	171	-1
Chester-le-Street	28	38	10
Durham	163	155	-8
Darlington	183	154	-29
Northallerton (to/from Ncle)	43	52	9

### Next milestones

Following publication of timetable proposals on 11th June, an 8-week public consultation is due to end on 5th August.

### Key risks

Unlocking economic growth and connectivity across the North, lessening the North-South divide and strengthening East-West links remains a key priority for our region. Reducing calls at North East rail stations would damage their accessibility, connectivity and economic growth potential.

RAG rating:



## **9. Proposals**

- 9.1 This report is for information. Members are asked to note the contents of the report.

## **10. Reasons for the Proposals**

- 10.1 This report is for information purposes.

## **11. Alternative Options Available**

- 11.1 Not applicable to this report.

## **12. Next Steps and Timetable for Implementation**

- 12.1 Next steps are set out under each respective item.

## **13. Potential Impact on Objectives**

- 13.1 Successful delivery of the various transport schemes and investment proposals outlined in this document will assist the JTC in delivering its objective to maximise the region's opportunities and economic potential.

## **14. Financial and Other Resources Implications**

- 14.1 The report provides an update and overview of progress against the seven Delivery Plan categories in implementing the objectives of the North East

Transport Plan and achieving the vision of 'moving to a green, healthy, dynamic and thriving north-east.'

- 14.2 The North East Transport Plan includes proposed / required investment totalling £7billion to achieve the aims and ambitions of the JTC, the majority of which is dependent on future funding decisions by central government. The financial and other resource implications aligned to the plan were agreed as part of the Transport Budget and Levies 2021/22 report to the JTC on 19 January 2021 and in subsequent reports to augment and amend the budget as appropriate.

## **15. Legal Implications**

- 15.1 There are no legal implications arising directly from this report, which is for information only

## **16. Key Risks**

- 16.1 Appropriate risk management arrangements are in place for each programme of work overseen by the delivery agencies responsible. Key risks are set out under each respective item.

## **17. Equality and Diversity**

- 17.1 Successful delivery of schemes to improve public transport, walking and cycling will help to address transport-related social exclusion and create a fairer society.

## **18. Crime and Disorder**

- 18.1 There are no specific crime and disorder implications associated with this report.

## **19. Consultation/Engagement**

- 20.1 Many of the schemes and proposals outlined in this report have been, or will be, the subject of engagement with appropriate stakeholders or the wider public.

## **21. Other Impact of the Proposals**

- 21.1 No specific impacts.

## **22. Appendices**

- 22.1 1 - Progress on Key Performance Indicators.

## **23. Background Papers**

- 23.1 None.

## **24. Contact Officers**

24.1 Tobyn Hughes, Managing Director, Transport North East  
[Tobyn.hughes@nexus.org.uk](mailto:Tobyn.hughes@nexus.org.uk)

**25. Sign off**

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

**26. Glossary**

26.1 RYR3 – The Restoring Your Railway fund is a government programme that provides funding to restore lost rail connections to communities. Assessment of Round 3 bids is currently underway.

All other abbreviations or acronyms are spelled out in the report.

**Appendix 1**

**Progress on Key Performance Indicators**

<b><u>KPI</u></b>	<b><u>Direction of travel</u></b>	<b><u>Key insight</u></b>
<u>Sustainable Travel</u> 33% of journeys made	No Change	An updated National Travel Survey for 2020 has not yet been

<p>by public transport, walking and cycling.</p> <p>Data Source: DfT National Travel Survey 2019, published August 2020.</p>		<p>released for comparison. Other data sources have Metro and bus use remaining below pre-covid levels, however cycling numbers are up</p>
<p><u>Public transport accessibility</u></p> <p>45% People within 25 minutes of key employment, education and retail sites by public transport.</p> <p>Data source: Commissioned analysis August 2020</p>	No Change	<p>Data is not yet available to update, however, there have been no major changes to infrastructure.</p>
<p><u>Climate action</u></p> <p>CO2 emissions per capita: 1.7 tonnes CO2 emitted per person annually using transport.</p> <p>Data source: UK local authority and regional CO2 emissions statistics: 2018, Department for Business, Energy &amp; Industrial Strategy, published June 2020</p>	No Change	<p>National data has not yet been released for 2019 or 2020</p>
<p><u>Take up of ultra-low emission vehicles (ULEVs)</u></p> <p>0.34% Proportion of licenced vehicles in our region that are classed as ultra-low emission (end of 2019)</p> <p>Data source: Department for Transport vehicle</p>	Increase	<p>0.48% of licenced vehicles in the region are classed as ultra-low emission (end of 2020). Data published May 2021.</p>

licensing statistics		
<u>Air quality</u> For 2019, the highest, median, hourly nitrogen dioxide reading was 26.9ug/m3 occurring in the morning traffic peak.  Data source: Department for Environment Food & Rural Affairs Automatic Urban and Rural Network (AURN)	Decrease	For 2020, the highest, median, hourly nitrogen dioxide reading was 20.1ug/m3 occurring in the morning traffic, however this is expected to be unusually low due to lock down restrictions
<u>Network performance</u> In terms of efficiency, in 2019 our regional network scored 71.8%  Data source: Department for Transport congestion data.	No Change	Data is not yet available to update – should be available by the next update.
<u>Motor vehicle traffic</u> Estimated vehicle miles per head in our region in 2019 5,077  Data source: Department for Transport National Travel survey, published August 2020	No Change	National data has not yet been released for 2020
<u>Road safety: numbers killed and seriously injured</u> Numbers killed and seriously injured (KSI) three year rolling average (2016-17 to 2018-19) 778 Data source: Traffic Accident Data Unit	Decrease	In the three-year rolling average from 2017 to 2020 there were 704 KSI.



<u>Road safety: number of slight injuries</u> Number of slight injuries three year rolling average (2016-17 to 2018-19) 3,275  Data source: Traffic Accident Data Unit	Decrease	In the three-year rolling average from 2017 to 2020 there were 2,934 slight injuries
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## **North East Joint Transport Committee**

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**Date:** 13 July 2021

**Subject:** North East Rail and Metro Strategy Update Report

**Report of:** Managing Director, Transport North East

### **Executive Summary**

This report provides an update on progress made in the development of the North East Rail and Metro Strategy (NERMS), including a timeline for the production and approval of the strategy document.

### **Recommendations**

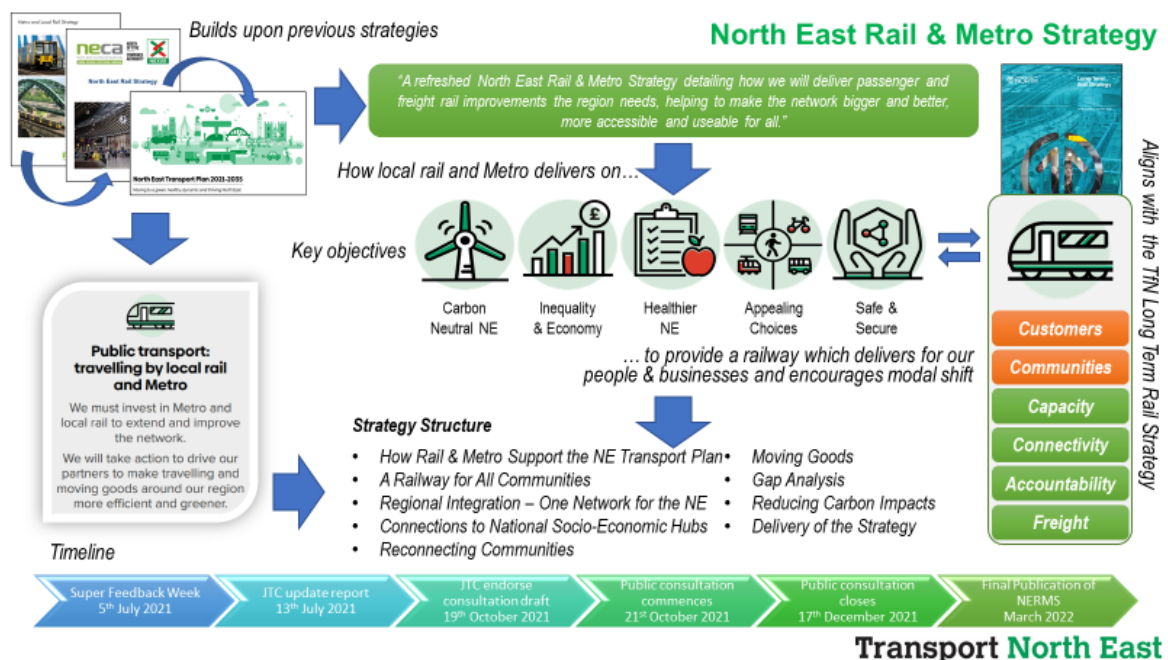
The Joint Transport Committee is recommended to note the strategy update.

## 1. Background:

- 1.1 Formally approved in March 2021, the North East Transport Plan identifies a suite of sub-strategies to be directly aligned to the overall vision and objectives, including a North East Rail and Metro Strategy (NERMS) to be delivered in the 2021/22 financial year.
- 1.2 The NERMS has the following overarching requirement as set out in the Transport Plan - *“A refreshed North East Rail and Metro strategy detailing how we will deliver passenger and freight rail improvements the region needs, helping to make the network bigger and better, more accessible and useable for all.”*
- 1.3 Work has thus commenced on the drafting of the NERMS with a view to completing the document by the March 2022. This report is the first formal update to members and forms part of the plan to engage with the JTC at regular intervals through the drafting process.

## 2. Proposals

- 2.1 The format, tone, and style of the NERMS will match that of the Transport Plan. A plan on a page is shown below:



- 2.2 Work has commenced on drafting the chapters outlined in the graphic above and an initial stakeholder engagement session has been held to seek views on potential content. This included a representation from Transport Focus, the independent watchdog for transport users. They share our aim of putting the interests of transport users first and aim to get the best deal for existing and future passengers. In addition to TNE and Nexus, the full list of steering group

members is listed below:

#### **Community Representation**

- North East England Chamber of Commerce (*Businesses*)
- Transport Focus (*Passengers*)
- Tyne Valley CRP (*Local Communities*)
- Railfuture North East (*Local Campaigns*)
- Newcastle University (*HE/FE Sector*)

#### **LA & Industry Input**

- Network Rail (*National scope*)
- Transport for the North (*Regional scope*)
- LA7 Heads of Transport (*Local input*)
- North East Rail Management Unit (*Local input*)
- Northern Railway and LNER (*TOCs*)
- North East Freight Partnership (*FOCs*)

2.3 An initial outline draft has been circulated to a variety of organisations as part of Super Feedback week (using a similar process to the Transport Plan development) to gauge early views on the emerging content and presentation.

2.4 The following table provides a summary of the chapters and topics covered within the current working version:

Chapter	Working Title	Key topics
1	Introduction	Showcases the North East local rail and metro network. Demonstrates how rail supports our economy, environment, and communities Sets out the vision and objectives for the overall NERMS and how it supports the Transport Plan.
2	A Railways for All Communities	Picks up comments from the 'Big Transport Conversation' (held for the Transport Plan) to identify what users and communities want from local rail and Metro services. Sets out the North East's current position and future aspirations for various aspects rail services e.g. the customer experience, future payment products, safety, and security measures. Outlines future needs of local rail and Metro including new and improved stations.
3	Regional Integration	Describes the role and remit of the North East Rail Management Unit and the desire for greater local rail devolution as an enabler to better integration of public transport across the region. Considers the Williams-Shapps Review and outlines opportunities for greater local devolution to bring local rail under closer accountability through specification, management, and integration of services akin to the Tyne and Wear Metro. Members may wish to discuss how they would wish to see greater integration of the local rail and Metro passenger service offer.
4	Connections to National Socio-	Describes the current rail links from the North East to the wider UK.

	Economic Hubs	Highlights our region's capacity constraints on the ECML for further growth in the passenger and freight sectors. Showcases Northern Powerhouse Rail and HS2 as enablers to achieve better connectivity. <i>It is also recognised at this stage that the Integrated Rail Plan for the North and Midlands is yet to be published. The outcomes may influence the content of this chapter. As too will the outcome of the May 2022 ECML timetable consultation.</i>
5	Reconnecting Communities	Showcases how the current and proposed local rail and Metro expansion schemes, plus new stations, will extend the reach of our rail and Metro networks to provide greater connectivity for more communities across the region
6	Moving Goods	Sets out the current situation for rail freight across our region and identifies where further investment is required
7	Gap Analysis	Analyses services on our current local rail routes against TfN's Long Term Rail Strategy criteria Presents the current and future direct connections between different areas across the LA7 and identifies where strategic gaps could still exist.
8	Decarbonisation	Provides a commentary on the wider situation around the decarbonisation agenda and how rail needs to play a greater role, primarily through modal shift but also through the removal of diesel trains. Summarises new technologies for rail traction
9	Conclusions & Delivery Plan	Set out recommendations for developing Metro and local rail services plus timeframes for project delivery  <i>(To be completed upon approval of the main NERMS body)</i>

### 3. Reasons for the Proposals

3.1 This report provides an update on progress of the development of the NERMS.

### 4. Alternative Options Available

4.1 Not applicable.

### 5. Next Steps and Timetable for Implementation

5.1 The project plan for the development of the NERMS includes the following key milestones:

- June to August 2021- Initial drafting (including stakeholder input and super feedback week)
- October 2021 – JTC to approve consultation draft
- October to December 2021 – public and stakeholder consultation
- February 2022– consultation responses and proposed changes to JTC

- March 2022 – JTC approve final strategy document

## **6. Potential Impact on Objectives**

- 6.1 The NERMS will be fully aligned with the Transport Plan objectives.

## **7. Financial and Other Resources Implications**

- 7.1 There are no financial implications to produce the NERMS. Any subsequent schemes or initiatives will need to secure funding through capital or revenue bids.

## **8. Legal Implications**

- 8.1 There are no legal implications at this stage of production of the NERMS

## **9. Key Risks**

- 9.1 There is a potential risk to the programme for producing the NERMS document following the departure of one of the Heavy Rail team, who was leading the work. However, a replacement is being sought which will hopefully keep the overall programme on track.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

- 12.1 A steering group has been established to help with the early development of the strategy and to keep the project focussed. In the autumn, a public consultation is planned to cover an 8-week period.

## **13. Other Impact of the Proposals**

- 13.1 The delivery of a North East Rail and Metro Strategy will significantly help with the planning and implementation of local interventions aimed at improving the stated Transport Plan objectives as well as strengthening the lobbying position on regional and national schemes that are vital for the North East's economic and social future.

## **14. Appendices**

- 14.1 None

## **15. Background Papers**

15.1 None.

**16. Contact Officers**

16.1 Tobyn Hughes, Managing Director,  
Transport North East  
Email: tobyn.hughes@nexus.org.uk

**17. Sign off**

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

**18. Glossary**

18.1 All acronyms or technical terms used are explained in the body of the report.

NERMS – North East Rail and Metro Strategy

JTC – Joint Transport Committee

TfN – Transport for the North

TNE – Transport North East

CRP – Community Rail Partnership

HE/FE – Higher Education and Further Education

LNER – London North Eastern Railways

TOC's – Train operating companies

FOC's – Freight operating companies

ECML – East Coast Main Line

**Appendix**

None



## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** Transforming Cities Fund Tranche 2 – Grant Funding Agreements

**Report of:** Managing Director, Transport North East.

### Executive Summary.

The purpose of this report is to seek delegated authority to approve and allocate funding from the Transforming Cities Fund (TCF) Devolved Pot to the Sunderland Station scheme. A business case for the scheme is currently being considered in accordance with the region's Transport Assurance Framework with the scheme appraisal being conducted by Transport North East's retained independent consultants.

It is necessary to expedite approval of the scheme, given the need to start on site in August 2021, in order to meet the construction programme within TCF timelines. Delegated authority is sought from the Joint Transport Committee for the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer subject to successful appraisal of the scheme business case and due diligence in line with the Transport Assurance Framework to approve the Sunderland Station scheme and enter into a Grant Funding Agreement (GFA) with Sunderland City Council.

### Recommendations

The North East Joint Transport Committee is recommended to:

- i. Delegate authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £16,326,814 from the TCF Devolved Pot to the Sunderland Station scheme, subject to successful appraisal in line with Transport Assurance Framework.
- ii. Instruct officers to prepare and execute a Grant Funding Agreement with Sunderland City Council for the Sunderland Station scheme.

## **1. Background Information**

1.1 In March 2020 the North East region was awarded £198m from the Government's Transforming Cities Fund to aid the delivery of sustainable transport capital measures. In total, £94m of this funding is allocated to the Nexus led Metro Flow scheme, with the remaining £104m allocated to the region to spend on smaller sustainable transport schemes.

1.2 A programme of schemes was considered by this Committee in May 2020, and the local authority promoters of those schemes have since been advancing the design of their schemes and preparing business cases for investment.

1.3 As they come forward, the business case for each scheme in the programme is considered using the regionally agreed Transport Assurance Framework and reviewed by an independent consultant retained by Transport North East (TNE) to ensure:

- the level of analysis undertaken by the scheme promoter is appropriate to the size of the scheme;
- the scheme gives good value for public money;
- the risks associated with delivery of the scheme have been identified and where possible mitigated; and
- the appropriate governance and procurement processes are in place to complete the scheme by March 2023, a key requirement of DfT's grant funding conditions.

1.4 The business case for the Sunderland Station scheme has now come forward and is currently being considered in accordance with the region's Transport Assurance Framework with the scheme appraisal being conducted by TNEs retained consultants.

## **2. Proposals**

2.1 This report details only the second TCF scheme to come forward with a business case for appraisal in accordance with the Transport Assurance Framework.

2.2 The Sunderland Station scheme entails the improvement of the existing concourse area at Sunderland Station. These improvements will provide the station with enhanced modern facilities, which will support the overall passenger experience and serve as a gateway into the retail core of Sunderland and the wider city centre. These improvements will benefit businesses, commuters and visitors to the area. The scheme will also better serve Sunderland's growing student population, helping to drive the growth of the city's knowledge industry, and promote sustainable, low carbon travel.

- 2.3 In addition to the station enhancements, the scheme will also involve the construction of a new 400 space Multi-Storey Car Park (MSCP), on land to the south of the rail station adjacent to Holmeside. This new car park will be managed by the Council in order to provide long and short stay rail parking to directly cater for the station.
- 2.4 In total, the Sunderland Station scheme will cost £19.2m of which £16.3m is provided by the TCF Devolved Pot with Sunderland City Council contributing the remaining £2.9m as a local match funding contribution.
- 2.5 The programme for the delivery of the scheme is on a critical path, Sunderland City Council are scheduled to enter into a contract for station works on the 23rd July 2021, with the first phase of works on the station elements of the scheme due to start in August 2021, whilst works on the MSCP will commence in April 2022. It is envisaged that all station works will be complete by January 2023, and remaining elements in relation to the MSCP will complete in March 2023.
- 2.6 Given the aforementioned time constraints associated with the programme of delivery for the scheme and the lack of an available Committee date in August, delegated authority is sought to approve the scheme business case subject to a positive appraisal outcome. It is vital that the decision-making process required to enable Sunderland City Council and NECA to enter into a Grant Funding Agreement (GFA) can be expedited so as not to forestall critical stages of delivery.
- 2.7 It is recommended that the Committee confer delegated authority to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer, to prepare and execute a GFA with Sunderland City Council subject to a successful appraisal in line with the agreed regional Transport Assurance Framework. That Agreement will provide Sunderland City Council, as scheme promoter, with permission to draw down funding from the TCF Devolved Pot which is held by NECA on behalf of the JTC and meet the deadline for TCF scheme completion, March 2023

### **3. Reasons for the Proposals**

- 3.1 The scheme proposals will contribute to the delivery of the Transforming Cities Fund programme, which in turn will contribute to the delivery of the overarching regional objectives outlined in the North East Transport Plan. The proposed approval route for the scheme is recommended to ensure the first phase of works can commence in August 2021. This start date is essential for the scheme to meet the programme of construction and ensure the overall scheme can be delivered by the March 2023 deadline for TCF expenditure.

### **4. Alternative Options Available**

- 4.1 As part of the business case development for Sunderland Station a range of delivery options were assessed against value for money, risk and deliverability considerations. A preferred option was selected and progressed on the understanding that the approach offered the best mix of benefits offset against a comparably lower level delivery risk. The business case demonstrates why the chosen solution provides the best option in terms of meeting passenger needs

whilst also providing value for public money.

- 4.2 Two options are presented to the North East Joint Transport Committee.
- 4.3 Option 1 – The North East Joint Transport Committee accept the recommendations set out in this report, and confer delegated authority to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer, to prepare and execute a GFA with Sunderland City Council subject to a successful appraisal in line with the agreed regional Transport Assurance Framework, enabling the Sunderland Station scheme to deliver with TCF programme timescales.
- 4.4 Option 2 - The North East Joint Transport Committee do not accept the recommendations set out in this report, in which case the Sunderland Station will not be able to deliver in line with the TCF programme timescales and the passenger benefits outlined within the business case of the scheme will not be realised.
- 4.5 Option 1, is the recommended option.

## **5. Next Steps and Timetable for Implementation**

- 5.1 A Grant Funding Agreement will be prepared by officers subject to successful appraisal and will be subsequently agreed with Sunderland City Council, after which construction can commence. TNE will require that the Council provides quarterly monitoring update reports that will detail progress, expenditure and risks

## **6. Potential Impact on Objectives**

- 6.1 The proposal will contribute positively to the high-level strategic objectives in both the regional Strategic Economic Plan and the North East Transport Plan.

## **7. Financial and Other Resources Implications**

- 7.1 The TCF allocation proposed in this report amounts £16,326,814. The financial summary for the TCF Devolved Pot can be updated as follows:

- Total TCF Funds: £198,483,104
- Funds Committed (inc. Sunderland Station): £19,939,314
- Remaining Devolved Pot: £178,543,790
- Total TCF ask: £216,679,625
- Over-programming: £18,196,521

- 7.2 There are no Human Resources or ICT implications arising from the recommendations of this report.

## **8. Legal Implications**

- 8.1 A Grant Funding Agreement is required in order to enable the scheme promoter to commence drawing down the funding allocation associated with

Sunderland Station. A standard Grant Funding Agreement template has been prepared for all TCF schemes that is utilised to minimise any legal risks and ensure NECA's obligations (on behalf of the JTC) to the Department for Transport in regards to the TCF devolved funding, these obligations are appropriately transferred to the scheme promoters through the Grant Funding Agreement.

## **9. Key Risks**

- 9.1 The key risk for this Committee relates to the potential for the construction of this scheme to be delayed or overspent. The funding mechanism included within the Grant Funding Agreement ensures that risks to the Committee are appropriately mitigated, transferred, and borne by the scheme promoter.

## **10. Equality and Diversity**

- 10.1 The scheme will be designed to modern standards and compliant with appropriate legislation, ensuring that any equality and diversity implications are minimised. In particular, the scheme will take account of the access needs of people with disabilities, and the safety and security needs of vulnerable people.

## **11. Crime and Disorder**

- 11.1 The scheme will be designed to modern standards, appropriate consultation with statutory consultees has taken place through the design of the scheme, ensuring that any crime and disorder implications will be minimised.

## **12. Consultation/Engagement**

- 12.1 This report has been shared with the Capital Programme Board and Transport Strategy Board, comments have been taken on board from both groups. The scheme promoter has managed all consultation requirements pertaining to the scheme itself.

## **13. Other Impact of the Proposals**

- 13.1 The improved station facilities in Sunderland are likely to have a positive economic impact on the city centre benefitting businesses, commuters and visitors to the area. The scheme will also better serve Sunderland's growing student population, helping to drive the growth of the City's knowledge industry whilst promoting sustainable, low carbon travel.

## **14. Appendices**

- 14.1 None

## **15. Background Papers**

15.1 None

**16. Contact Officers**

16.1 Jonathan Bailes, Transport Programme Lead

E-mail: [jonathan.bailes@transportnortheast.gov.uk](mailto:jonathan.bailes@transportnortheast.gov.uk)

Tel:

**17. Sign off**

- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

**18. Glossary**

- DfT – Department for Transport
- TCF Devolved Pot – the Transforming Cities Fund allocation from DfT that is available to spend on the prioritised schemes identified in our November 2019 TCF Strategic Outline Business Case submission
- Transport Assurance Framework – a framework for business case development and review that ensures good decision making, procurement and governance is in place for all projects, for schemes that can demonstrate good value for public money

## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** Vision for Buses

**Report of:** Managing Director, Transport North East

### Executive Summary

The National Bus Strategy, published by government earlier this year, set out government's ambitions for bus networks and stated that a £3bn national pot of funding will become available that Local Transport Authorities (LTAs) may bid into for enhancements to their bus network. The strategy also set out the conditions which LTAs should adhere to, not only to access the national funding for enhancements; but also to secure ongoing financial support for bus operations in their area. The key milestones are:

- 30th June 2021: commit to establishing Enhanced Partnerships under the Bus Services Act
- 31st October 2021: publish a local Bus Service Improvement Plan (BSIP) in line with the strategy requirements
- April 2022: Have an Enhanced Partnership (EP) in place or be following the Franchising process

At their meeting on 15th June 2021, the JTC approved that a Statutory Notice should be issued stating the JTC's intention to enter into Enhanced Partnerships with bus operators, so attention therefore turns to the need to publish a BSIP.

The formulation of an Enhanced Partnership, as well as the authorship of a high quality BSIP, require a period of meaningful engagement with stakeholders to gather insight as to what is required from a bus network. This report presents a document "North East Vision for Buses" which is designed to articulate JTC's aspirations for the region's bus network; and to stimulate debate in the region through an informal engagement process which will capture feedback which can serve as evidence making the case for investment through the BSIP document.

### Recommendations

The North East Joint Transport Committee is recommended to approve the "North East Vision for Buses" document in Annex A to this report; and agree that this document should be used as a basis for a period of public and stakeholder engagement over future aspirations for our region's bus network.

## **1. Background Information**

- 1.1 The National Bus Strategy (NBS) was launched during March, setting out governments vision for the future of bus services outside London. It follows the announcement in February 2020 of a £3 billion transformational fund to help level up buses across England towards London standards.
- 1.2 The strategy is wide ranging and ambitious in its aims to avoid a car led recovery by making buses cheaper and more attractive; to not only get overall patronage back to its pre-COVID-19 level, but then to exceed it.
- 1.3 The NBS indicates that the former commercially-led model for buses is broken and sets out a requirement for all Local Transport Authorities (LTA) to commit to working with bus operators to develop an Enhanced Partnership (EP), except where they have already started the Franchising process (i.e. Greater Manchester).
- 1.4 The aims of the strategy are complementary to the JTC's own vision and objectives set out in our region's transport plan; and the concept of Enhanced Partnerships builds on the work already undertaken within our region to deliver benefits to bus users through collaborative working between the JTC and bus operators.
- 1.5 At their meeting on 15th June 2021, the JTC approved that a Statutory Notice should be issued stating the JTC's intention to enter into Enhanced Partnerships with bus operators. This Statutory Notice has been duly issued which now compels JTC follow the process towards Enhanced Partnership.
- 1.6 The publication of a BSIP is a key milestone in this process due on the 31<sup>st</sup> October this year. A BSIP should be data led; and should include evidence that engagement has been undertaken with the public and other key stakeholders as part of its formulation.
- 1.7 As an enabler to engagement over buses, a 'Vision for Buses' document has been compiled. The document, compiled collaboratively with North East bus operators, sets out what JTC wishes to see from the region's bus network and why.
- 1.8 Ten key solutions are included within the document summarising JTC's vision:
  - An enhanced network that is simple and easy to understand
  - Faster and more reliable journey times
  - A simple and flexible fares structure
  - Better integration between modes
  - More early morning and evening services
  - Clear and consistent information that is easy to access
  - Improved safety and security
  - Cleaner and greener vehicles
  - Improved connectivity beyond our boundaries



- A first-class customer experience

## **2. Proposals**

- 2.1 It is proposed that JTC approve the Vision for Buses document in Annex A of this report; and that this document is used as a centre piece of public engagement over the region's aspirations for buses.
- 2.2 The period of public engagement will extend from July through to September this year; and will encompass discussions with a diverse range of stakeholders including businesses, community groups, bus users, passenger groups.
- 2.3 A variety of approaches will be used in the engagement process, which will run from July until September, ranging from digital focus groups through to face to face meetings. Care will be taken to ensure the full diversity of the region is represented, including consideration of specific rural and urban needs.

## **3. Reasons for the Proposals**

- 3.1 The reasons for the proposals are twofold. Firstly, to document JTC's ambitions for our region's bus network; and secondly to stimulate discussion in the region, evidence from which will be used to inform the production of our BSIP.

## **4. Alternative Options Available**

- 4.1 Two options are available to JTC:

Option 1 – The North East Joint Transport Committee may accept the recommendation set out in paragraph 3.1 above.

Option 2 – The North East Joint Transport Committee may not accept the recommendations set out in paragraph 3.1 above. The consequence of this would be an inferior BSIP which is not aligned with DfT guidance; this may in turn attract a reduced level of funding.

Option 1 is the recommended option.

## **5. Next Steps and Timetable for Implementation**

- 5.1 The JTC's Vision for buses will be published with immediate effect on the Transport North East Website. Public engagement will extend throughout July and August.

## **6. Potential Impact on Objectives**

- 6.1 A successful Enhanced Partnership will help deliver the objectives of the Transport Plan, and in particular a green recovery through the provision of attractive forms of sustainable transport.

## **7. Financial and Other Resources Implications**

- 7.1 The approach to financing and resourcing the project to deliver an Enhanced Partnership was agreed in a paper at JTC on 15 June 2021. The budgets have

been adjusted to reflect the costs of undertaking this project.

## **8. Legal Implications**

- 8.1 The Enhanced Partnership follows a statutory framework requiring legal notices and formal agreements. The EP will become legally binding on the LTA, LHAs and Bus Operators. Specialist legal advice has been sought in support of the project, particularly in relation to subsidy control and competition law matters.

## **9. Key Risks**

- 9.1 Failure to comply with the requirements of the National Bus Strategy requirements would lead to the removal of existing bus funding support and risk causing severe damage to the existing bus network in the region.

There are also risks in relation to future government funding and the return in bus passenger numbers following the pandemic, such that JTC aspirations for the bus network may be difficult to achieve.

The proposals outlined in this report mitigate these risks.

## **10. Equality and Diversity**

- 10.1 The Bus Service Improvement Plan and Enhanced Partnership will be developed in line with the Public Sector Equality Duty.

## **11. Crime and Disorder**

- 11.1 The Bus Service Improvement Plan and Enhanced Partnership will address issues of safety and security to ensure that bus services are safe and perceived to be safe by all.

## **12. Consultation/Engagement**

- 12.1 The proposals outlined in this report are an enabler to engagement. Furthermore, the process for developing and implementing an Enhanced Partnership includes statutory consultation with the public, bus operators and other key stakeholders.

## **13. Other Impact of the Proposals**

- 13.1 An Enhanced Partnership offering an attractive bus network would benefit the environment and economy through a green recovery and provision of realistic sustainable transport choices

## **14. Appendices**

- 14.1 Vision for Buses Document – to follow

## **15. Background Papers**

- 15.1 [Bus Back Better - The National Bus Strategy](#) [Bus Back Better](#)

[publishing.service.gov.uk](http://publishing.service.gov.uk))

The Bus Services Act 2017 – Enhanced Partnership Guidance [governmebus-services-act-2017-enhanced-partnerships-guidance.pdf](#)

JTC report – Bus Partnerships (JTC1f and JTC1g – items 9 and 10 on agenda) (Public Pack) [Agenda Document for North East Joint Transport Committee, 15/06/2021](#)

## **16. Contact Officers**

- 16.1 Philip Meikle, Transport Strategy Director, Transport North East  
[Philip.meikle@transportnortheast.gov.uk](mailto:Philip.meikle@transportnortheast.gov.uk)

## **17. Sign off**

- The Proper Officer for Transport:
- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

## **18. Glossary**

BSIP - Bus Service Improvement Plan

EP - Enhanced Partnership

JTC - Joint Transport Committee

LTA - Local Transport Authority

NBS - National Bus Strategy

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## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** East Coast Main Line – May 2022 Timetable Consultation Response

**Report of:** Managing Director, Transport North East

### Executive Summary

Train operators led by LNER are consulting on the introduction of a new East Coast Main Line (ECML) timetable for introduction in May 2022.

Regrettably no action has been taken to increase the capacity of the East Coast Main Line in the North East, despite many years of campaigning by business groups and local authorities. Consequently, all parties are now being put in the unwelcome position of having to make trade-offs between services and train operators.

The proposed changes have significant connectivity impacts for the North East, including a reduction in services to Manchester in order to accommodate growth in services to London, as well as a number of other negative impacts.

The proposed timetable is the result of a lengthy industry process and although members of the Joint Transport Committee have known about the outline proposals for some time and aired their concerns, this is now the opportunity to formally respond to the public consultation.

The recommended response to the consultation is for the timetable changes to be put on hold, and for a taskforce to be established to urgently progress options to improve the capacity of the rail infrastructure to allow growth in services.

### Recommendations

The Joint Transport Committee is recommended to make the following requests to the government and the rail industry:

- i) That the timetable changes are put on hold;
- ii) That a “taskforce” be established by the government, led by an independent third party, to examine the capacity constraints and put forward options to resolve them both short- and long- term; and
- iii) That the taskforce should then put together a plan to introduce the timetable change slowly, aligned to the growth in capacity, and with no detriment to existing connectivity.

## **1. Background Information**

1.1 The new ECML timetable proposed for May 2022 is part of long-standing government plans to improve the frequency and performance of East Coast services to London. As well as the introduction of the new Azuma train fleet, a complimentary £1.2bn programme of investment is currently underway mainly in the south of the route, including remodelling the approaches to Kings Cross Station and building a grade separated junction for freight at Werrington (near Peterborough).

1.2 The package of ECML investment was funded by a government business case, developed in 2014, that assumed a growth in passenger revenue driven by reduced journey times and an increase in frequencies. The extra revenue generated for LNER will help recoup the investment.

1.3 Businesses groups and local authorities in the North East have been campaigning for an increase in ECML capacity for many years (including the reopening of the Leamside Line to add in capacity). The key issue is that the route is a two-track railway from Northallerton to Newcastle, and from Newcastle to Berwick. This means that trains of differing speeds bunch together, and there is no resilience if the line becomes blocked. The route to the south of Newcastle can only accommodate 6 passenger trains and one freight train each hour in either direction.

There are currently 2 passenger trains each hour to London (LNER), 2 to Birmingham (CrossCountry) and 2 to Manchester (TPE).

The original government investment package planned for freight “by-pass” lines to be installed in the North East, but these were subsequently removed from the programme to save cost.

Therefore, the limitation of 6 passenger trains per hour remains. If the train service is to be grown to one destination, it must inevitably be reduced to another to keep within the constraint.

1.4 Under the current system of allocating capacity (known as “paths”) on the rail network, operators make bids to Network Rail for access. When the plan to increase East Coast services to 3 trains per hour was first proposed in 2014 (in the Virgin Trains East Coast franchise bid) it was assumed that infrastructure investment would be made, and so Network Rail provided “firm rights” to Virgin Trains East Coast (which subsequently became LNER).

Conversely when TransPennine Express applied to increase its services in 2016 to 2 trains per hour, it was already known that a) the infrastructure investment would not be made, and b) LNER had been given firm rights, and so Network Rail only provided “provisional rights” to TPE.

Consequently, under existing rail industry rules LNER has the right to operate its third hourly service at the expense of TPE’s second hourly service.

## **2. The Consultation**

2.1 Although LNER is leading on stakeholder engagement regarding the new

timetable, the other operators on the ECML (TransPennine Express, Cross Country and Northern) are also consulting on changes to their own timetables, along with two operators on the south of the line.

This has led to six separate consultation documents, with each operator describing the impact on their own timetable. This results in a very difficult process to engage with, and it is hard for consultees to understand the net effect on passengers and links between places.

The closing date for consultation responses is 5<sup>th</sup> August 2021.

The proposed May 2022 timetable changes are summarised below with respect to services travelling to, from and through the North East.

- 2.2 **LNER trains** – The two existing LNER services will be speeded up (by omitting some station stops for example Berwick, Morpeth, and Darlington), making Newcastle-London 10 min faster and Newcastle-Edinburgh 5 min faster.

LNER will introduce a third London to Newcastle service each hour. The new service will stop at many stations along the ECML, improving the North East's links to Peterborough, Stevenage, and Grantham.

There will be 50% more seats on LNER between Newcastle and London Monday-Saturday, and a smaller increase on Sundays. Durham will see a slight increase in LNER services to three trains every two hours.

LNER plan to remove of the once-daily direct LNER service between Sunderland and London due to low passenger numbers.

- 2.3 **TransPennine Express** – To free up capacity for the extra LNER train to travel north of York, the hourly TransPennine Express service from Newcastle/Durham/Darlington to Manchester Airport will no longer serve the North East, instead becoming a York to Manchester Victoria service.

The hourly TransPennine Express service from Edinburgh to Liverpool (via Berwick, Morpeth, Newcastle, and Manchester) will no longer serve Scotland nor Northumberland, instead becoming a Newcastle/Durham/Darlington to Manchester and Liverpool service. This service will be slightly slower as it will stop at more stations en-route.

The frequency of trains serving Chester-Le-Street will increase from one train every two hours to hourly.

- 2.4 **Cross Country Trains** – Service patterns are proposed to be changed to plug some but not all the gaps north of Newcastle (Morpeth, Alnmouth and Berwick) due to the loss of the TPE service.

- 2.5 **Northern Trains Ltd** – Northern is introducing shorter-length services within the North East to improve performance, resulting in more trains starting and ending their journeys at Newcastle Central Station rather than operating through it.

Northern was also due (Pre Covid-19) to introduce a semi fast second train per hour between Middlesbrough, Sunderland and Newcastle. This proposal has been delayed because the additional trains required to operate it are needed elsewhere on the network, to cater for resultant changes from the ECML Main Line timetable

in the Tees Valley.

2.6 Some other changes of note are:

**Grand Central** – Plan to increase the daily Sunderland to London service from 5 to 6 trains per day

**East Coast Trains Limited** – Later this year the new open access operator East Coast Trains Ltd will start a fast service 5 times each day between Edinburgh, Morpeth, Newcastle, and London. This service will continue in May 2022.

**Northumberland Line** – Passive provision has been made within the timetable to accommodate 2 trains per hour for the new Northumberland passenger service when it becomes operation following the delivery of the upgrade works.

2.7 The timing of trains around the clockface is also important. For example, 6 trains an hour to between York and Newcastle sounds reasonable but in reality, the four trains which call at most stations all depart in a 22-minute time period, with two Cross Country services only 5 minutes apart. Passengers at Durham and Darlington will often wait 38 minutes for the next northbound service.

2.8 The following table shows the net effect on the number of trains each day at NE stations:

ECML Station	Dec-19	May-22	Diff
Berwick upon Tweed	56	50	-6
Alnmouth	43	44	1
Morpeth	75	54	-21
Newcastle	172	171	-1
Chester-Le-Street	28	38	10
Durham	163	155	-8
Darlington	183	154	-29
Northallerton (to/from Ncle)	43	52	9

### 3. Proposals

3.1 It is proposed, in responding to the rail industry's consultation, that the Joint Transport Committee should make the following requests to the government and the rail industry:

- a) That the timetable changes are put on hold;
- b) That a "taskforce" be established by the government, led by an independent third party, to examine the capacity constraints and put forward options to resolve them both short- and long- term; and
- c) That the taskforce should then put together a plan to introduce the timetable change slowly, aligned to the growth in capacity, and with no detriment to existing connectivity.

3.2 It is proposed that the Joint Transport Committee makes these requests through direct representations to the Secretary of State for Transport.



- 3.3 At the meeting of Transport for the North's Rail North Committee on 23<sup>rd</sup> June 2021, Mayor Driscoll made these same points. The Committee agreed, and as a result Transport for the North will be writing to the Secretary of State for Transport to put forward its view that a taskforce should be established urgently.
- 3.4 A more detailed proposed response from the Joint Transport Committee to the rail operators who are carrying out the consultation is attached at Appendix 1. If approved, we propose to provide the same response to all four train operators.
- 3.5 It should be recognised that some timetable enhancements may need to be made sooner rather than later, such as the introduction of the Northumberland Line services and the new open access operator. However we do not believe that these improvements require trade-offs against other services.

#### **4. Reasons for the Proposals**

- 4.1 The North East Transport Plan places a high value on the existing very strong and high-quality rail links provided by LNER between the North East, London, and Scotland.

**The Joint Transport Committee would therefore in principle be expected to welcome an increase in services to London because they support economic growth.**

- 4.2 The region has been campaigning for an increase in the capacity of the ECML in the North East for many years, including the Chamber of Commerce's "Fast Track East Coast" Campaign, precisely in order for the line to be able to support a growth in passenger and freight services.

The North East Joint Transport Committee wrote to the Rail Minister in November 2020 warning that the situation now before us – of needing to make trade-offs on the ECML because of scarce capacity – was likely to arise. The letter suggested that the reinstatement of a short section of route called "Bensham Curve" might provide an opportunity to create capacity for seven passenger trains each hour thus allowing all services; it also suggested that this project could be a candidate for acceleration.

**Regrettably no action has been taken to increase the capacity of the East Coast Main Line in the North East.**

**Consequently, all parties are now being put in the unwelcome position of having to make trade-offs between services and train operators.**

- 4.3 We are concerned that original business case and associated decision to increase LNER's Azuma services to 3 trains per hour was taken seven years ago (2014) by the government when circumstances and the economic environment were very different. For example, Transport for the North did not exist, and its Strategic Transport Plan, which proposes to support economic growth by strengthening the transport links between the economic centre of the North, had not been written. Nor had the franchise been let for TransPennine Express which led to increased frequencies between the North East and Manchester.

The business case was built on the assumption that the ECML infrastructure would be improved to carry more trains – this turned out to be only partially true, and the infrastructure improvements in the North East did not occur.

Further, the recent changes to the economic appraisal of schemes means that ‘the Treasury Green Book’ places a greater emphasis on strategic societal improvements than previously.

**Therefore, the full facts were never considered in the round, but the original decision to increase services to London is being progressed despite the infrastructure not being ready. We do not believe this is in the best economic interests of the region.**

## **5. Alternative Options Available**

- 5.1 Option 1 – The North East Joint Transport Committee may agree to the proposal to object to the proposed ECML timetable for May 2022 as outlined in section 3 above.

Option 2 – The North East Joint Transport Committee may accept the East Coast Main Line timetable changes proposed for May 2022 as outlined in section 2 above.

**Option 1 is the recommended option.**

## **6. Next Steps and Timetable for Implementation**

- 6.1 The East Coast Main Line May 2022 consultation deadline is Thursday 5th August 2022. It is proposed to write to the Secretary of State for Transport to make the points outlined in section 3 above, and to respond to the train operators using the draft set out in Appendix 1.

## **7. Potential Impact on Objectives**

- 7.1 The lack of investment in the capacity of the East Coast Main Line is hampering the delivery of key North East Transport Plan objectives, particularly around the ‘connecting beyond our boundaries’ theme.

## **8. Financial and Other Resources Implications**

- 8.1 As this is a proposed response to an external consultation, there are no implications on financial or other resources.

## **9. Legal Implications**

- 9.1 As this is a proposed response to an external consultation, there are no legal implications.

## **10. Key Risks**

- 10.1 The lack of capacity on the East Coast Main Line between York and Newcastle is constraining economic growth, reducing access to future employment, training, and leisure opportunities, and further isolating the North East from the

other key Northern economic centres and Edinburgh.

- 10.2 There is a risk that the rail industry decides not to, or is not able to, agree to a deferment of the introduction of the new ECML timetable in May 2022, at which point the negative effects on connectivity described in section 2 will occur.

## **11. Equality and Diversity**

- 11.1 There are no specific equality and diversity implications arising from this proposal.

## **12. Crime and Disorder**

- 12.1 There are no crime and disorder implications arising from the proposal.

## **13. Consultation/Engagement**

- 13.1 Heads of Transport and Transport Strategy Board have been consulted on the proposal.

## **14. Other Impact of the Proposals**

- 14.1 The impacts of the rail industry's proposals are outlined elsewhere in this report.

## **15. Appendices**

- 15.1 Appendix 1 – Draft Response to the East Coast Main Line – May 2022  
Timetable Consultation  
Appendix 2 – Draft Letter to Secretary of State for Transport

## **16. Background Papers**

- 16.1 The various train operator Consultation links are:
- **LNER** – <https://lner.citizenspace.com/>
  - **TransPennine Express** – <https://www.tpexpress.co.uk/about-us/our-plan/east-coast-mainline-consultation>
  - **Cross Country** – <https://www.crosscountrytrains.co.uk/about-us/press/consultation-may-2022>
  - **Northern** – [www.northernrailway.co.uk/eastcoast22](http://www.northernrailway.co.uk/eastcoast22)

The link to the previous JTC paper on ECML is:

[\(Public Pack\)Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 \(northeastca.gov.uk\)](#)

## **17. Contact Officers**

17.1 Tobyn Hughes, Managing Director, Transport North East  
Email: [tobyn.hughes@nexus.org.uk](mailto:tobyn.hughes@nexus.org.uk)

## **18. Sign off**

- The Proper Officer for Transport:
- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

## **19. Glossary**

Any acronyms or technical terms used are explained in the body of the report.

LNER – London North Eastern Railways

ECML – East Coast Main Line

JTC – North East Joint Transport Committee

DfT – Department for Transport

TfN – Transport for the North

TPE – TransPennine Express

VTEC – Virgin Trains East Coast.

## Appendix 1

It is proposed to write covering letters to each of the train operators and the Secretary of State with the common response attached.

*5<sup>th</sup> August 2021*

### **Consultation Response: East Coast Main Line May 2022 Timetable Changes**

#### **Introduction**

Transport North East have compiled this response to the East Coast Main Line (ECML) May 2022 Timetable Consultation on behalf of the North East Joint Transport Committee (JTC). The JTC has an overarching vision of moving to a green, healthy, dynamic, and thriving North East as set out in the North East Transport Plan.

The committee brings together the region's two Combined Authorities (North of Tyne Combined Authority covering Newcastle, North Tyneside and Northumberland, and the North East Combined Authority covering Durham, Gateshead, Sunderland and South Tyneside) which have transport powers for the region.

We work closely with Nexus, the Passenger Transport Executive for Tyne and Wear and with the North East Local Enterprise Partnership, which covers all seven of the local authorities listed above. We are also a member of Transport for the North, working collaboratively to realise their goal for improvements in northern transport connectivity that will help to re-balance the national economy.

#### **The North East Transport Plan**

Where relevant, we have commented on how the proposals for **the ECML May 2022 Timetable changes** align or not with the agreed objectives of the North East Transport Plan. The Plan can be viewed [here](#). Between now and 2035, it aims to help support our region's wider goals of creating and sustaining 100,000 more and better jobs in a growing and decarbonised economy, where social and health inequalities are greatly reduced. The Plan has five objectives:

- Achieve a carbon-neutral North East
- Promote a healthier North East
- Deliver appealing sustainable transport choices
- Overcome inequality and grow our economy
- Provide a safe, secure network

#### **Regional and National rail context**

The North East's long-distance rail links, especially on the ECML are crucial to the region's economy and to the Transport Plan objective of reducing inequality and growing our economy. The line, which carried 15 million passengers from the North East each year prior to the COVID pandemic, is used by long distance, regional and local passenger trains, plus

freight services. However, with just two tracks in our region, the line suffers from limited capacity which affects the reliability of existing services and the potential to add further services.

The region has been campaigning for an increase in the capacity of the ECML in the North East for many years, including the Chamber of Commerce's "Fast Track East Coast" Campaign, precisely in order for the line to be able to support a growth in passenger and freight services

We support the plans for future investment in both the eastern leg of HS2 and Northern Powerhouse Rail and view High-Speed Rail as essential to unlocking the full economic potential of this region and supporting the regeneration of our towns and cities. To pave the way for the high speed network, the North East has long campaigned for enhanced capacity and resilience on the ECML in our region. All enhancement schemes need to be delivered in full and integrated in a way that secures maximum benefit and helps to unlock economic growth for the region and the wider North, as well as aiding the Transport Plan objective to decarbonise the economy.

We have previously called for the capacity upgrades of the ECML to form part of the Integrated Rail Plan for the North and Midlands. Furthermore, we believe that the economic benefits of HS2 and Northern Powerhouse Rail would be maximised if high-speed services run between the North of England and Scotland via the ECML.

There is a need to invest in the ECML, particularly between York and Newcastle to enable the improved services highlighted above to become a reality. Between now and the arrival of HS2 and NPR, any changes to the services on the line need to build towards these national, regional, and local priorities.

## **Response to the Consultation**

Our responses, when not concerning the ECML in general, are predominately in relation to the proposed timetable changes for London North Eastern Railway (LNER), CrossCountry, TransPennine Express (TPE) and Northern Train services, proposed to be introduced from May 2022.

**The overall conclusion to our consideration of the consultation is that, as detailed below, we do not consider that the proposed changes should go ahead as planned.**

**Instead, the Joint Transport Committee requests that the timetables changes are put on hold and that a "taskforce" be established by the government, led by an independent third party, to examine the capacity constraints and put forward options to resolve them both short- and long- term. It is also proposed that the taskforce should then put together a plan to introduce the timetable change slowly, aligned to the growth in capacity, and with no detriment to existing connectivity.**

## **The Capacity issue and "trade-offs"**

We place a high value on the existing very strong and high-quality rail links provided by LNER between the North East, London and Scotland, and would in principle welcome an increase in those services because it supports economic growth.

Equally we place a high value on the regional services provided by TPE between the North East, Scotland and key economic centres in the North including Leeds, Manchester and Liverpool.

However, as identified in the various consultation documents, the key issue is that the ECML is a two-track railway from Northallerton to Newcastle, and from Newcastle to Berwick. Therefore, despite the welcome investment in the line further south and the new Azuma Fleet, the North East is being asked to compromise its connectivity due to the local capacity constraint which have not being resolved.

The original government investment package for the ECML to enable an increased number of services did include plans for freight “by-pass” loops to be installed in the North East. These would allow faster trains to overtake freight and therefore increase capacity, but these were subsequently removed from the programme to save cost.

Therefore, the limitation of 6 passenger trains per hour remains. If the train service is to be grown to one destination, it must inevitably be reduced to another to keep within this limitation.

This issue highlights again the need to invest in the infrastructure in the North East (including the reopening of the Leamside Line) to provide the level of connectivity required to meet future forecast demand and ensure our economy is competitive with other UK regions.

The North East Joint Transport Committee wrote to the Rail Minister in November 2020 warning that the situation now before us – of needing to make trade-offs on the ECML because of scarce capacity – was likely to arise. The letter suggested that the reinstatement of a short section of route called “Bensham Curve” might provide an opportunity to create capacity for seven passenger trains each hour thus allowing all services; it also suggested that this project could be a candidate for acceleration.

Regrettably no action has been taken to increase the capacity of the East Coast Main Line in the North East.

Consequently, all parties are now being put in the unwelcome position of having to make trade-offs between services and train operators

The North East has made its view clear on this to Government, the Department for Transport, the train operators, and Network Rail. The North East does not wish to see the loss of our current East -West connectivity (i.e. reduced TPE services).

From an economic growth perspective, we do not believe that it makes strategic sense to half the number of trains to Leeds and Manchester in order to increase by a third the number of trains to London. Transport for the North supports this position.

In the longer term the two trains each hour to Manchester will become “Northern Powerhouse Rail” services, so it is counter-productive to shrink this market now when it needs to be nurtured and grown in the long-term.

Furthermore, Network Rail’s own long-term planning process (the “Continuous Modular Strategic Plan”) forecasts that TPE services to Leeds/Manchester will become ever more crowded, so future demand is there every bit as much as it is to London.

We feel that curtailing these services is contrary to the TfN’s Long Term Rail Strategy. This strategy contains the stated TfN aim of improving connectivity to the main Northern Economic centres through its flagship scheme Northern Powerhouse Rail. The NPR plan is to uplift from 2 trains per hour to 4 trains per hour. Thus, interim TPE services form the basis on which to build the improved connectivity and we should not be seeking to reduce them. The services are also part of the Trans Pennine Route upgrade scheme business case.

### **Analysis of the new timetable**

In the consultation documents four key factors were highlighted as below. We have responded to each in turn, focussing more on the detail and impact of the various timetable changes.

*For the development of this new timetable we have looked to:*

***Balance frequency and reliability.*** *Passengers want a well-designed timetable with the frequency they need but which has enough space between services to avoid congestion and delays. As we increase the frequency of services on the East Coast we want to continue to deliver high reliability for our customers.*

Response:

The limitations on the capacity on the ECML in the North East means that service frequency in our region is **not increased** and unpalatable trade-offs are therefore proposed. The only measures of improved reliability seem to come about through skipping a number of stops on the ‘fast’ LNER services. We consider that the two track railway in the North East will continue to be a reliability risk.

We do however welcome the proposed increased frequency of trains serving Chester-Le-Street, from one train every two hours to hourly, noting this is something we have been advocating for many years.

As noted previously we do not support changes to the following services which would have the impact of reducing the frequency of trains to/from a number of key economic centres for North East passengers:



- The removal of the hourly TPE service from Newcastle / Durham / Darlington to Manchester Apt.
- The hourly TPE service from Edinburgh to Liverpool becoming a Newcastle / Durham / Darlington to Manchester and Liverpool service.
- The delay in the introduction of a second ‘semi fast’ train per hour along the Durham Coast connecting Newcastle, Sunderland, Hartlepool, and Middlesbrough.
- The removal of the once-daily direct LNER service between Sunderland and London.

As well as congestion the timing of trains around the clockface is critical. We feel the timetable proposals do not serve North East passengers well in this respect.

For example, 6 trains an hour to Newcastle from York sounds reasonable but in reality the four trains which call at most stations all depart in a 22 minute time period, with two Cross Country services only 5 minutes apart – as shown in the Timetable extract below.

Northbound	TPE	EC8	XC1	XC2
Darlington [a]		10:00		
Darlington [d]	09:50	10:02	10:08	10:12
Durham [a]		10:18		
Durham [d]	10:07	10:19	10:24	10:29
Chester-le-Street	10:14			
Newcastle Central [a]	10:23	10:35		10:42

As a result, at Durham and Darlington there are numerous examples of 38-minute gaps in the timetable until the next northbound service.

As noted in the consultation document congestion of services increases the risk of poor reliability and performance, especially in our area where there are limited opportunities for passing due to infrastructure constraints.

***Balance connectivity and journey times.*** *The investment in upgraded infrastructure and new trains allows us to improve journey times and compete with other modes of transport. A key way to keep journey times down is to not over-serve stations. So we have balanced the need for fast journeys with serving all destinations.*

Response:

We recognise that faster journey times will be achieved by the LNER ‘fast’ trains but believe the cost paid in terms of lost service provision and reduced connectivity, both locally and nationally, is too high for the North East region.

- The two fast LNER services will “skip” some existing stops for example Berwick, Morpeth, and Darlington.

- The curtailed Liverpool to Edinburgh TPE service, as well as further reducing the level of services in Northumberland, has it's Northallerton stop withdrawn. It will also have an **increased** journey time of 5 minutes.
- As noted previously the introduction of a second 'semi fast' train per hour along the Durham Coast connecting Newcastle, Sunderland, Hartlepool, and Middlesbrough will be delayed by these proposals, so no journey time improvements there.
- Passengers from Sunderland who currently use the LNER services to/from London will now need to undertake a 28-minute Metro journey to/from Newcastle Central station.
- Connections between local, regional and national rails services are made worse under these proposals both northbound and southbound at numerous North East stations.

The proposed changes to Northern Train timetables also have a negative impact. Both ourselves and the operator have worked hard to incrementally improve these services over recent years in terms of connectivity with other services, we see this as a step backwards.

For example, passengers on the Bishop Line arriving into Darlington at 11:16 or those from Saltburn & Middlesbrough arriving at 11:17 hoping to travel to Durham, Newcastle or beyond face the following options northbound:

Northbound	EC6	EC4	TPE	XC2	EC8	XC1
Darlington [a]					12:00	
Darlington [d]			11:50	11:54	12:02	12:08
Durham [a]	11:44				12:18	
Durham [d]	11:46		12:07	12:11	12:19	12:24
Chester-le-Street			12:14			
Newcastle Central [a]	11:58	12:08	12:23	12:26	12:35	12:40
Newcastle Central [d]	12:02	12:10				

This is only one example of many. Passengers at numerous other stations in our area face increased overall journey times and poorer connectivity.

The following table shows the net effect on the number of trains each day at NE stations:

ECML Station	Dec-19	May-22	Diff
Berwick upon Tweed	56	50	-6
Alnmouth	43	44	1
Morpeth	75	54	-21
Newcastle	172	171	-1
Chester-le-Street	28	38	10
Durham	163	155	-8
Darlington	183	154	-29
Northallerton (to/from Ncle)	43	52	9

Passengers at Morpeth in particular will wonder what they have done to receive such a reduced service, especially given the significant investment and improvements undertaken at their local station recently. A station which recorded a 13.5% increase in patronage in 18/19 and a 6.6% increase in 19/20, based on the ORR estimates.

**Balance ambition with realism.** *There has been significant investment in the East Coast, but we still need to remain realistic about both the opportunities and remaining constraints on the route. The timetable needs to work well in reality as well as on paper. This means some difficult trade-offs on parts of the route, including for some East to West journeys, have been necessary.*

Response:

As noted previously – the significant infrastructure investment has not taken place North of York. Whilst we acknowledge that investment in rolling stock and infrastructure elsewhere might improve some services, the net effect in our area will be negative. We believe we have also shown that the proposed timetable will not work well in our area in terms of frequency, connectivity or improved overall journey times for many passengers.

We cannot support the trade-offs proposed in our area, in particular the loss of East West connectivity. We would reiterate that from an economic growth perspective, we do not believe that it makes strategic sense to half the number of trains to Manchester in order to increase the number of trains to London.

**Deliver for the future.** *The pandemic is likely to have a continuing impact on our lives, and the rail industry is no exception to this. But we are confident that demand to visit places, enjoy leisure and retail experience and meet colleagues, friends and family will remain. That means providing a timetable that will give the reliability and connectivity that passengers want for the long term.*

Response:

The core purpose of TfN is to reduce the productivity gap and grow the North's economy. This is even more relevant post Covid 19. For the North East to be part of this push for greater economic parity, it is essential that we retain and grow east -west connectivity. The proposed changes counter that approach.

Also, significant work is underway seeking to secure investment for both Trans Pennine Route upgrade and Northern Powerhouse Rail. Therefore, in order to 'deliver for the future', existing services should be built upon to strengthen these business cases not undermine them.

## **Our position**

The proposed changes have significant connectivity impacts for the North East and do not align with the North East Transport Plan objectives, the Transport for the North strategies nor policies to rebalance the North's economies.

That is why the region has been campaigning for an increase in the capacity of the ECML in the North East for many years, including the North East Chamber of Commerce's "Fast Track East Coast" and ECMA's 'Invest East Coast' campaigns.

As highlighted above, the North East Joint Transport Committee wrote to the Rail Minister in November 2020 about this precise issue.

North East MP's have also raised the investment issue through the ECML APPG and various members questions in the House.

We think the proposed trade-offs as they stand represent the wrong approach. Thus, we can't support them.

In the consultation document it states:

*“The timetable is based on a series of decisions about investment in infrastructure and train fleets, as well as access decisions made by the ORR. This means that the structure of the timetable for May 2022 as proposed, is fixed.”*

Putting aside the question of ‘why bother consulting if the proposal is fixed’, we would highlight that we appear to be the victims of a combination of industry processes and unfortunate timing:

- The business case and associated decision to increase LNER's Azuma services to three each hour was taken way back in the past (2014), when circumstances and the economic environment were very different. For example, TfN did not exist and its Strategic Transport Plan had not been written;
- The decision was taken on the assumption that the ECML infrastructure would be improved to carry more trains – this turned out to be only partially true
- The decision was taken before anyone had even suggested increasing frequencies to Manchester and so the full facts were never considered in the round.
- Additionally rebalancing the economy was not a government policy of the day to consider, neither was the recent changes to the economic appraisal of schemes ‘the Green Book’ which is now has a greater emphasis on strategic societal improvements and finally the passenger forecasts that would predict the return on the investment are flawed due to the impacts of the Covid 19 pandemic.
- We wonder whether the business case has been reviewed to take account of the very different circumstances now present.

**Due to the changing circumstances since the original business case and the subsequent impacts on East West connectivity, we therefore request that the timetable changes should be delayed, and a “taskforce” established.**

**Our Proposal**

In conclusion we propose the following way forward:

- The planned May 2022 timetable changes should not be implemented as consulted but should be put on hold.
- A “taskforce” should be established by the government and led by an independent expert
- The taskforce should examine the capacity constraints and put forward options to resolve them both short- and long- term
- The taskforce should then put together a plan to introduce the timetable change slowly, aligned to the growth in capacity, and with no detriment to existing connectivity.

Only through these actions do the North East JTC believe that the fair and equitable solution can be derived to ensure the region gains maximum benefit from the past and future investment in the key economic artery, which is the East Coast Main Line.

We recognise that some timetable enhancements will need to be made sooner rather than later, such as the introduction of the Northumberland Line services and the new open access operator, but we do not believe that these improvements require trade-offs against other services.

## **Appendix 2 – Draft letter to Secretary of State for Transport**

Please see attachment

## **NORTH EAST JOINT TRANSPORT COMMITTEE**

The Rt. Hon. Grant Shapps MP  
Secretary of State for Transport  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

Gateshead Council  
Civic Centre  
Regent Street  
Gateshead  
NE8 1HH

By email: [DFT.Ministers@dft.gov.uk](mailto:DFT.Ministers@dft.gov.uk)

2 July 2021

Dear Secretary of State

### **East Coast Main Line May 2022 timetable consultation**

I write as Chair of the North East Transport Committee, which represents the North of Tyne Combined Authority and the North East Combined Authority's combined interests on transport matters.

I wish to raise our considerable concerns at the train service connectivity trade-offs proposed in the current consultation over a new timetable for the East Coast Main Line from May 2022, and to seek your assistance in resolving them.

To summarise the proposals being consulted upon:

- There will be more services each hour between Newcastle and London, and these will be made quicker than today by omitting some station stops, notably at Berwick and Darlington. A new open access operator will provide a further five fast services each day to London.
- The improved service to London will displace other train services in the North East because of insufficient track capacity, leading to a reduced frequency to Leeds and Manchester with a slower service, a net reduction in the overall number of services at almost all stations in the region, and other negative impacts on local rail services.

We place a high value on the existing very strong and high-quality rail links between the North East and London, Scotland, Yorkshire, Manchester and the Midlands, all of which rely on the East Coast Main Line in our region. We also understand and appreciate the significant investment that the government has made in the East Coast Main Line in recent years including investment in the new Azuma train fleet and capacity interventions at the southern end of the route.

But we do not believe that connectivity between major cities and towns in the North should be reduced in order to grow connectivity to London, and we therefore do not support the proposals. We will respond to the train operating companies accordingly, and ask them to put the timetable changes on hold.

Unfortunately, the underlying reason for this problem is that the route is heavily constrained by the two-track railway sections from Northallerton to Newcastle, and from Newcastle to Berwick Upon Tweed. This means that trains of differing speeds bunch together, and there is no resilience if the line becomes blocked. As a result there is a limit on the number of trains that the route can accommodate, and that limit was reached some time ago.

You will be aware that the region has been campaigning for an increase in the capacity of the East Coast Main Line in the North East for many years, including the Chamber of Commerce's "Fast Track East Coast" Campaign, precisely so that the line can support a growth in passenger and freight services with the economic benefits that would result.

We wrote to the Rail Minister in November 2020 warning that the situation now before us – of needing to make trade-offs on the route because of scarce capacity – was likely to arise. In the letter we suggested that the reinstatement of a short section of route called "Bensham Curve" might provide an opportunity to slightly increase capacity and so allow all planned services to run; it also suggested that this project could be a candidate for acceleration.

Along with other political and business leaders the North of Tyne Mayor Jamie Driscoll and I have repeatedly raised this matter at meetings of the Northern Transport Acceleration Council, Transport for the North, and numerous other forums. As well as the Bensham Curve we have highlighted that the long-term solution is the full re-opening of the mothballed Leamside Line because that will increase the capacity of the East Coast Main Line corridor in the North East by 50%.

Regrettably no action at all has been taken to increase the capacity of the East Coast Main Line in the North East. Consequently, all parties are now being put in the unwelcome position of having to make those trade-offs between services and train operators. If the train service is to be grown to one destination, it must inevitably be reduced to another to keep within the limit.

We would like to request your support in delaying the introduction of the new timetable until a way forward can be found, and further request your assistance in finding solutions that will urgently tackle the capacity problem. We propose that a "taskforce" be established, led by an independent third party, to examine the capacity constraints and put forward options to resolve them both short- and long- term. The taskforce should then put together a plan to introduce the timetable changes slowly, aligned to the growth in capacity, and with no detriment to existing connectivity.

We recognise that some timetable enhancements will need to be made sooner rather than later, such as the introduction of the Northumberland Line services and the new open access operator, but we do not believe that these improvements require trade-offs against other services.



We understand that Transport for the North will also be writing to you to put forward its view that a taskforce should be established urgently.

I hope you will give consideration to this request and we can work together to achieve a fairer and more equitable solution. We would welcome an opportunity to discuss the matter with you in person.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Gannon', with a long horizontal flourish extending to the right.

**Councillor Martin Gannon**  
**Chair of the North East Joint Transport Committee**

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## North East Joint Transport Committee

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**Date:** 13 July 2021

**Subject:** Appointment to Transport for the North, Rail North Committee

**Report of:** Managing Director, Transport North East

### Executive Summary

A single member is required to represent the interests of both the North of Tyne Combined Authority and the North East Combined Authority at Transport for the North's Rail North Committee.

This report proposes that Mayor Jamie Driscoll is the main representative, and that Cllr Martin Gannon is the substitute representative for the LA7 area on Transport for the North's Rail North Committee.

### Recommendations

The North East Joint Transport Committee is recommended to:

- i. Nominate Mayor Jamie Driscoll as Member, and Cllr Martin Gannon as Substitute Member to represent the regional group comprising NECA and NTCA on the Transport for the North, Rail North Committee.
- ii. Note that Transport for the North have stipulated that the Member and Substitute Member appointed to the Rail North Committee should be from amongst the current Members and Substitute Members representing both NECA and NTCA on the TfN Board.

## **1. Background Information**

- 1.1 On 1 April 2018, Transport for the North (TfN) became a Sub-National Transport Body. It has a local government-type governance structure comprising a Board, Rail North Committee, Scrutiny Committee and Audit Committee. Whilst both NECA and NTCA are eligible to nominate their own representatives on the TfN Board and Scrutiny and Audit committees, the Rail North Committee has a different constitutional structure being a successor to the former Rail North Ltd.
- 1.2 When the forerunner of the Rail North Committee (then known as Rail North Limited) was created, geographical groupings were used to appoint a committee of 11 members from the then 25 authorities that make up the area covered by the Northern and TransPennine Express rail franchises. This structure was carried forward into TfN's governance arrangements for the rail franchises when it was established. Thus, the creation of the NTCA does not affect the provision of a single member to represent the rail franchise interests of the LA7 area.
- 1.3 We have been advised by TfN that both NECA and NTCA attract separate voting rights as set out in the Transport for the North Regulations. In relation to rail franchise matters, votes are weighted on the basis of rail passenger miles taken on the relevant franchised railway operations within the constituent authority's area. Using this methodology NECA is allocated fourteen votes, and the NTCA is allocated fifty-one votes. As NECA has fewer than thirty-two weighted votes (which is the threshold for having its own separate representation), it is expected to form a regional group with NTCA covering the North East (LA7) area, with one representative on the Rail North Committee who will be entitled to cast combined votes on behalf of the two Combined Authorities.
- 1.4 Part of the TfN constitution recognises the existence of the North East Rail Management Unit (NERMU) (administered through Transport North East), which has some delegated responsibilities for contract matters in the wider North East Rail geography. Through NERMU, officers across the LA7 authorities and Tees Valley Combined Authority are working together to maximise the benefits to North East England through contractual commitments and the longer future rail planning processes.
- 1.5 Rail North has produced a Long-Term Rail Strategy which is being used to inform a North East Rail and Metro Strategy as part of the North East Transport Plan process. The North East Rail and Metro Strategy is planned to be complete early 2022.

## **2. Proposals**

- 2.1 The Joint Transport Committee is invited to nominate Mayor Jamie Driscoll as Member, and Cllr Martin Gannon as Substitute Member to represent the regional group comprising NECA and NTCA on the Transport for the North, Rail North Committee.
- 2.2 Mayor Jamie Driscoll and Cllr Martin Gannon have already been nominated as lead representatives on the main Transport for the North Board by their respective

Combined Authorities.

### **3. Reasons for the Proposals**

- 3.1 The proposals will enable NECA and NTCA to participate in the Transport for the North Rail North Committee.

### **4. Alternative Options Available**

- 4.1 No alternatives are presented, as nomination of a single representative is a requirement for NECA and NTCA to participate in the Transport for the North Rail North Committee.

### **5. Next Steps and Timetable for Implementation**

- 5.1 The appointments will be effective from the date they are made. The Monitoring Officer will communicate the appointments to Transport for the North.

### **6. Potential Impact on Objectives**

- 6.1 The appointments will enable NECA and NTCA to properly discharge their functions, thereby assisting in the delivery of their objectives.

### **7. Financial and Other Resources Implications**

- 7.1 There is no specific provision in the budgets to support expenses associated with membership of outside bodies and it is anticipated that these will be met by the constituent authorities.

### **8. Legal Implications**

- 8.1 Functions of Transport for the North Rail North Committee are set out in the Subnational Transport Body (Transport for the North) Regulations 2018. The proposals in this report ensure that NECA and NTCA continue to contribute to the development and implementation of rail strategies and rail contract management in the North with the objective that economic growth in the area continues to be enhanced.

### **9. Key Risks**

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

### **10. Equality and Diversity**

- 10.1 There are no specific equality and diversity implications arising from this report, however, the Joint Transport Committee will be mindful of the advantages of gender balance on boards and committees.

### **11. Crime and Disorder**

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

**12. Consultation/Engagement**

12.1 None

**13. Other Impact of the Proposals**

13.1 None

**14. Appendices**

14.1 None

**15. Background Papers**

15.1 None

**16. Contact Officers**

16.1 Derek Gittins, Head of Heavy Rail, Transport North East  
[Derek.gittins@transportnortheast.gov.uk](mailto:Derek.gittins@transportnortheast.gov.uk)

**17. Sign off**

- The Proper Officer for Transport:
- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

**18. Glossary**

NECA – North East Combined Authority

NTCA – North of Tyne Combined Authority

TfN – Transport for the North

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of the Local Government Act 1972.

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of the Local Government Act 1972.

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