

North East Joint Transport Committee

Tuesday, 15th March, 2022 at 2.30 pm

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

AGENDA

| | Page No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. Apologies for Absence | |
| 2. Declaration of Interests | |
| Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this. | |
| 3. Minutes of the meetings held on 18 January 2022 and 2 February 2022 | 3 - 13 |
| 4. JTC Agenda Standing Items | 15 - 20 |
| 5. Capital Programme Update | 21 - 30 |
| 6. 2021/22 Revenue Budget Update | 31 - 42 |
| 7. Transforming Cities Fund Tranche 2 - Grant Funding Agreements | 43 - 60 |
| 8. Transport Plan Progress Report | 61 - 77 |
| 9. North East Zero Emission Vehicle Policy | |
| Report to follow. | |
| 10. Exclusion of the Press and Public | |

The Joint Transport Committee may wish to exclude the press and public from the meeting during consideration of items 12 and 13 by virtue of paragraphs 1, 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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|-----|--------------------------------------------------------------------------|----------------|
| 11. | Leamside Line Update | 79 - 84 |
| 12. | Transfer Proposal - PA to Managing Director, Transport North East | 85 - 88 |
| 13. | Date of Next Meeting | |

The date of the next meeting has been changed to Tuesday 14 June at 2.30pm at Gateshead Civic Centre.

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NORTH EAST JOINT TRANSPORT COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 18 January 2022

Meeting held: Council Chamber, Gateshead Civic Centre

COMMITTEE MEMBERS PRESENT:

Councillor: M Gannon (Chair)

Councillors: J Foreman, C Johnson, K Kilgour, G Miller, G Sanderson and E Scott

IN ATTENDANCE:

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

Officers: G Armstrong, J Bailes, F Bootle, J Fenwick, R Forsyth-Ward,
D Gittins, E Goodman, A Graham, M Kearney, G Mansbridge,
P Meikle, P Smith, D Wafer, E Reynard and J Sparkes

Others: Councillor G Stone (JTC OSC Member)
M Gilbert (NEBus)

71. APOLOGIES FOR ABSENCE

Apologies were received from Councillor T Dixon, Councillor N Forbes and Councillor C Rowntree.

72. DECLARATION OF INTERESTS

There were no declarations of interest.

73. MINUTES OF THE LAST MEETING HELD ON 20 DECEMBER 2021

The minutes were agreed as a correct record.

74. TRANSPORT BUDGET AND LEVIES

The Chair advised the Committee that a request had been received to defer this report to allow for further discussions to take place regarding the Tyne and Wear Levy. An extraordinary meeting would be set up as soon as possible to consider the report.

RESOLVED: The North East Joint Transport Committee agreed to defer the report and consider it at its next meeting.

75. TRANSPORT CAPITAL PROGRAMME

The Committee considered a report which provided a summary of the updated forecast capital outturn for 2021/22 and the initial capital programme for 2022/23 which totals £279.774m.

The report also provided updated on capital expenditure relating to Transport schemes, the Active Travel Fund programme, the Metro Asset Renewal Plan programme and Metro Fleet replacement. In addition, an update of Transforming Cities Fund Tranche 1 and 2 schemes was provided, including Durham Bus Station and Sunderland Central Station.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the latest position in respect of the 2021/22 capital programme, as set out from section 2.1 of the report; and
- (ii) Approved the proposed initial capital programme for 2022/23 which amounts to £279.774m as set out from section 2.1 of the report.

76. TRANSPORT NORTH EAST – TRANSPORT PLAN PROGRESS REPORT

The Committee considered a report which provided an update on progress to deliver the objectives set out in the North East Transport Plan including the Transforming Cities Projects and the Active Travel Fund.

Great British Railways' (GBR) call for evidence was launched on 9 December 2021 and will be open for eight weeks until 4 February 2022. They are seeking support for a Whole Industry Strategic Plan (WISP), a 30-year strategy for the UK's rail system. They aim to use evidence to shape their Strategic Plan which will be a 30-year strategy for the UK's rail system. It will be shaped by a set of strategic objectives that have been developed by the UK Government for the benefit of rail passengers, freight users and taxpayers, and to support Britain's economic, environmental and social ambitions.

The Tyne Pass Scheme at the Tyne Tunnels went live on 8 November 2021. Roadworks are in place around the former toll booths which will gradually be removed and a new road layout put in place. The works are expected to continue until March/April 2022.

A number of customers have been dissatisfied with the way in which they have received Unpaid Toll Charge Notices (UTCN) since the introduction of the scheme. Transport North East is working with TT2 Ltd to ensure a fair appeals process is in place and to improve the customer experience.

Work on the inclined glass lifts at the Tyne Pedestrian and Cyclist Tunnels is continuing. However, there is currently a supplier issue which means that there is no competition date for this work yet.

Councillor Miller acknowledged that the number of dissatisfied customers at Tyne Tunnels is small but noted that there is a reputational risk for region because of this. He asked whether there was any intention to extend the time that users could take to pay the toll when they used the Tunnels?

Tobyn Hughes advised that the situation is being monitored and Transport North East is continuing to work with TT2 Ltd regarding the customer experience. Officers from TT2 Ltd attended the Tyne and Wear Sub-Committee meeting on 13 January where they answered questions from the Committee. It is felt that it is too early to change the payment process, but this will be reviewed on a regular basis.

Councillor Sanderson advised that he had been contacted by a resident about this issue and asked for additional details on the number of UTCN's that had been issued and who was responsible for monitoring the scheme.

Councillor Johnson advised that as Chair of the Tyne and Wear Sub-Committee (TWSC), he had asked officers from TT2 Ltd to attend the meeting the week before. At the meeting, TT2 Ltd advised that they were making some immediate changes to their processes following feedback from customers. The minimum amount at which the auto top-up facility can be set for pre-paid accounts has been reduced to £5. In addition, customers will receive an email alert advising them when their pre-pay balance needs to be topped up and they will still be able to use the Tunnels; previously the customer would have received a UTCN if their balance was not in credit.

Councillor Johnson also advised that TT2 Ltd had identified a number of people who had been incorrectly charged when the scheme went live. These customers are being identified and will receive a full refund.

The Tyne and Wear Sub-Committee has asked TT2 Ltd to work with Transport North East to develop a hardship fund which aims to help those customers who will be adversely affected should they receive a fine for an unpaid toll.

Councillor Johnson also advised that TT2's research has shown that extending the toll payment timescale does not encourage customers to pay the toll on time. The toll payment time is also set out within the byelaws for the Tyne Tunnels which was fully consulted on before implementation. Councillor Johnson assured the Committee that the TWSC will continue to review and monitor the Tyne Pass scheme and will make any changes if they are required.

In response to Councillor Sanderson's request for data relating to the Tunnels, officers advised that on average around 52,000 people use the Tunnels every day, with 75% of them using a pre-paid account. The compliance rate for payment during the first month was 94% but this is expected to increase as customers get used to the new process.

Councillor Sanderson made a formal request for an update report on the Tyne Pass scheme at the next meeting of the JTC, including information on toll payments and customer feedback.

Councillor Gannon agreed to this request and suggested that an update be provided for members before the next meeting. Councillor Gannon also noted that since the Tyne Pass scheme has been introduced, CO2 emissions at the Tyne Tunnels had reduced by 90%.

Councillor Sanderson asked whether the toll charge would be reduced if more people used the Tunnels, as there was more money being made from the tolls.

Councillor Scott asked for an explanation of how the Tyne and Wear Sub-Committee linked into the Joint Transport Committee.

Mike Barker advised that the JTC had delegated functions to the Tyne and Wear Sub-Committee including the Tyne Tunnels and other transport issues within Tyne and Wear. It was suggested that this information be shared with the JTC.

Councillor Gannon suggested that the minutes of the Tyne and Wear Sub-Committee meetings be included as a standing item on future JTC agendas. This was agreed by the Committee.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the report;
- (ii) Delegated authority to the Managing Director, Transport North East, following consultation with the Chair of the JTC, to submit a response to the GBR call for evidence on behalf of the Joint Transport Committee by the deadline of 4 February 2022; and
- (iii) Requested that the minutes of the Tyne and Wear Sub-Committee be included as a standing item on future Joint Transport Committee meeting agendas.

77. ZERO EMISSION BUS REGIONAL AREAS – BUSINESS CASE APPROVAL

The Committee considered a report which sought approval for the submission of a business case to the Department for Transport for the delivery of 73 battery electric buses in the North East. The Business Case represents a total of £40.1m investment, with £18.3m sought from the Department for Transport through the Zero Emission Bus Regional Areas fund and the remaining £21.8m provided in

match funding from Go North East, Durham County Council and Northumberland County Council.

The package of investment aligns with the Bus Service Improvement Plan and was developed in consultation with all bus operators, Nexus and regional local authorities. The business case has been developed to ensure a positive Benefit Cost Ratio, represents good value for money, addresses air quality challenges, looks to overcome inequalities and supports improved skills. The business case demonstrates that the proposed package of investment can be delivered in line with the proposed timescales from the Department for Transport (two years from funding award).

RESOLVED: The North East Joint Transport Committee:

- (i) Approved the submission of the full business case pursuant to a bid for funding to the Zero Emission Bus Regional Areas Fund to deliver 73 battery electric buses and associated infrastructure: and
- (ii) Delegated authority to the Managing Director, Transport North East, to make minor modifications in order to finalise the business case and submit it to the Department for Transport ahead of 31 January 2022 deadline.

78. TRANSFORMING CITIES FUND TRANCHE 2 – GRANT FUNDING AGREEMENTS

The Committee considered a report which sought delegated authority to approve and allocate funding from the Transforming Cities Fund (TCF) Devolved Pot to two schemes: The South Tyneside Council, Healthier Metro Neighbourhoods scheme and the Sunderland City Council, A690 Corridor Strategic Cycle Network scheme.

Business Cases for both schemes are currently being considered in accordance with the region's Transport Assurance Framework with scheme appraisal being conducted by Transport North East's retained independent consultants.

It is necessary to expedite approval of both schemes following the anticipated conclusion of appraisal in January 2022 to meet the construction programmes outlined within both Business Cases 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 scheme Business Cases and due diligence in line with the Transport Assurance Framework, to approve both the Healthier Metro Neighbourhoods scheme and the A690 Corridor Strategic Cycle Network scheme and enter into Grant Funding Agreements (GFA) for the delivery of both schemes with South Tyneside Council and Sunderland City Council.

RESOLVED: The North East Joint Transport Committee:

- (i) Delegated authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £2,380,000 from the TCF Devolved Pot to the Healthier Metro Neighbourhoods scheme, subject to successful appraisal in line with the Transport Assurance Framework.
- (ii) Instructed officers to prepare and sign a Grant Funding Agreement with South Tyneside Council for the Healthier Metro Neighbourhoods scheme, if approved.
- (iii) Delegated authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £4,406,400 from the TCF Devolved Pot to the A690 Corridor Strategic Cycle Network scheme, subject to successful appraisal in line with the Transport Assurance Framework.
- (iv) Instructed officers to prepare and sign a Grant Funding Agreement with Sunderland City Council for the A690 Corridor Strategic Cycle Network scheme, if approved.

79. LOCAL GROWTH FUND ELECTRIC VEHICLE INFRASTRUCTURE PROJECT

The Committee considered a report which sought approval to change the location of two electric vehicle charging points in Durham and Sunderland, following discussions with both local authorities. Funding for the project, to provide electric vehicle charging points in each of the North East local authority areas has been allocated through the Local Growth Fund.

RESOLVED: The North East Joint Transport Committee:

- (i) Agreed to change the location of the charge point in Durham from Middleton-in-Teesdale to Crook; and
- (ii) Noted and agreed that the proposals for St Mary's have been changed following discussions with Sunderland City Council and will provide four double socket posts serving eight dedicated electric car charging spaces for EV drivers.

80. NORTH EAST RAIL AND METRO STRATEGY

The Chair advised the Committee that following a request from a Committee Member, it had been agreed to defer this report to enable further briefings to take place with Committee Members, ahead of a decision being made. An extraordinary meeting would be set up as soon as possible to consider the report.

RESOLVED: The North East Joint Transport Committee agreed to defer the report and consider it at its next meeting.

81. SOUTH OF TYNE AND WEARSIDE LOOP (METRO EXPANSION) – STRATEGIC OUTLINE BUSINESS CASE DEVELOPMENT

The Committee considered a report which recommended the development of a Strategic Outline Business Case for the South of Tyne and Wearside Loop, following the conclusion of early engineering feasibility and demand forecasting work and the securing of £70,000 from the North East LEP to part fund the next step.

Councillor Gannon commented that this was a significant proposal and was a great example of how the Joint Transport Committee works together to provide improved public transport infrastructure which will be a huge benefit to the whole region. He added that it was very disappointing that the whole Leamside Line cannot be reopened, however this project will support the ongoing investments in Sunderland and Durham as well as reducing congestion across the region.

Councillor Miller agreed and added that the project has his full support.

RESOLVED: The North East Joint Transport Committee approved the development work for the South of Tyne and Wearside Loop to be undertaken by Transport North East, part funded by the LEP (£70,000) and JTC (£30,000).

82. DATE OF NEXT MEETING

The North East Joint Transport Committee agreed to convene an extraordinary meeting to discuss the reports deferred at today's meeting. The next scheduled meeting of the JTC will be held on Tuesday 15 March 2022 at 2.30pm, venue to be confirmed.

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**NORTH EAST JOINT TRANSPORT COMMITTEE EXTRAORDINARY MEETING
DRAFT MINUTES FOR APPROVAL**

DATE: 2 FEBRUARY 2022

Meeting held: Council Chamber, Gateshead Civic Centre

COMMITTEE MEMBERS PRESENT:

Councillor: M Gannon (Chair)

Councillors: J Foreman, N Forbes, C Johnson, G Miller, G Sanderson and E Scott

IN ATTENDANCE:

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

Officers: P Melia, J Sparkes, G Mansbridge, P Meikle, D Gittins, Huw Lewis, Martin Kearney and R Patterson.

Others: Councillor G Stone (JTC OSC Member)

83. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T Dixon and Councillor C Rowntree.

84. DECLARATION OF INTERESTS

There were no declarations of interest.

85. NORTH EAST RAIL AND METRO STRATEGY

The Committee received a report which provided a summary on the development of the North East Rail and Metro Strategy. The report outlined the consultation process which is proposed to take place from 14 February 2022.

RESOLVED: The North East Joint Transport Committee agreed to progress the draft North East Rail and Metro Strategy to public consultation.

86. TRANSPORT BUDGET AND LEVIES

The Committee considered a report that set out the 2022/23 Transport Revenue Budget and associated Transport Levies for the North East Joint Transport Committee and the indicative forecasts for future years.

Committee was advised that an increase in levies is proposed due to the withdrawal of Government funding during recovery from the pandemic. The proposed increase in the levy is 6.75%.

Committee raised concerns that it is not easy to ask for an increase in levies at a time when cuts are being made, however recognised that there were no other options in order to protect routes and services. It was suggested that lobbying government for more funding needs to continue and bus companies should be looking at using their profit to support the situation.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the position of the Transport budget in 2021/22 and approved the revised estimates for the year;
- (ii) Agreed a Transport net revenue budget for 2022/23 of £87.201m, as set out in section 2.5 of the report;
- (iii) Agreed the following Transport Levies for 2022/23:
 - a. Durham County Council - £15,619,000
 - b. Northumberland County Council - £6,357,000
 - c. Tyne and Wear councils (detailed in Table 6) - £65,225,000
- (iv) Agreed a transport revenue grant to Durham County Council for the delivery of transport services of £15,609,000, as outlined in section 2.7;
- (v) Agreed a transport revenue grant to Northumberland County Council for the delivery of transport services of £6,347,000, as outlined in section 2.9;
- (vi) Agreed a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £63,125,000 as outlined in section 2.37;

- (vii) Noted that a fare increase for Metro and the Ferry service which is slightly in excess of RPI is included in Nexus' budget estimates, pending agreement from the Tyne and Wear Sub-Committee when it meets on 13 January 2022;
- (viii) Approved the budget for the Tyne Tunnels set out in section 2.69, which includes a recommended increase in the Tyne Tunnels tolls for inflation to be considered for approval by the Tyne and Wear Sub Committee on 13 January 2022;
- (ix) Approved the budget for Transport North East as set out in section 2.61;
- (x) Agreed to make permanent three posts within the Transport North East team, funded by a top slice of EP / BSIP grant funding to be received from 2022/23, as set out in section 2.60;
- (xi) Agreed the forecast level and use of reserves at section 2.71.

87. DATE OF NEXT MEETING

The next meeting of the North East Joint Committee will be held on Tuesday 15 March 2022 at 2.30pm, venue to be confirmed.

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North East Joint Transport Committee

Date: 15 March 2022

Subject: JTC Agenda Standing Items

Report of: Monitoring Officer - Transport

Executive Summary

Following a request from the Committee, this report seeks agreement to add an additional standing agenda item to future Joint Transport Committee agendas in relation to decisions made by the Joint Transport Committee Tyne and Wear Sub-Committee.

Recommendations

It is recommended that the Joint Transport Committee:

- (i) Agree the addition of a standing item to the agenda in relation to Joint Transport Committee Tyne and Wear Sub-Committee decision notices and agreed minutes.

1. Background Information

- 1.1 In accordance with the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 (the **Order**), the North East Combined Authority (**NECA**) and the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (**NTCA**) have appointed the Joint Transport Committee (JTC) to exercise functions as specified in the Order.
- 1.2 In accordance with the Part 3 of the North East Joint Transport Committee Standing Orders, the Joint Transport Committee has delegated part of its functions relating to transport in Tyne and Wear area, to the Tyne and Wear Sub-Committee.
- 1.3 The Sub-Committee focuses on issues which would have formerly been considered by the Tyne and Wear Integrated Transport Authority which was dissolved in 2014 when its powers were transferred to NECA.
- 1.4 The relevant transport functions delegated to the Tyne and Wear Sub-Committee are set out in Appendix A of this report.
- 1.5 The Joint Transport Committee agrees the membership of and appoints the Chair and Vice Chair of the Tyne and Wear Sub-Committee at its AGM.
- 1.6 The Chair of the Tyne and Wear Sub-Committee for the municipal year 2021-22 is Councillor Carl Johnson, who is also Vice Chair of the Joint Transport Committee.

2. Proposal

- 2.1 At the last meeting of the Joint Transport Committee held on 18 January 2022, Committee Members sought clarification on the role and remit of the Tyne and Wear Sub-Committee, and also asked to be notified of decisions made by the Sub-Committee.
- 2.2 In order to accommodate this request, it is proposed that the decision notice published following each Tyne and Wear Sub-Committee meeting is included as part of the Joint Transport Committee agenda pack. In addition, any agreed minutes from the Sub-Committee will be included where possible.

3. Reasons for the Proposals

- 3.1 The proposals will enable the Joint Transport Committee to operate effectively and in accordance with the Order and the Standing Orders.

4. Alternative Options Available

- 4.1 There are no alternative options.

5. Next Steps and Timetable for Implementation

- 5.1 The proposal will be implemented at the next meeting of the Joint Transport Committee.

6. Potential Impact on Objectives

- 6.1 The arrangements will enable the Joint Transport Committee to be fully informed of decisions made by the Tyne and Wear Sub-Committee, thereby assisting in the delivery on its objectives.

7. Financial and Other Resources Implications

- 7.1 There are no financial implications.

8. Legal Implications

- 8.1 The Joint Transport Committee is required to make arrangements to enable relevant decision-making responsibilities and associated functions to be fulfilled. These responsibilities arise under the provisions for the Order creating NECA and the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018. The proposals set out in this report comply with these requirements.

9. Key Risks

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

10. Equality and Diversity

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

11. Other Impact of the Proposals

- 11.1 The proposals comply with the principles of decision-making. Relevant consultation processes have been held where applicable.

12. Appendices

- 12.1 Appendix A sets out the transport functions delegated to the Tyne and Wear Sub-Committee by the Joint Transport Committee, along with membership details.

13. Background Papers

- 13.1 Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018.
- 13.2 The Durham, Gateshead, South Tyneside and Sunderland Combined Authority Order 2014 (SI 2014 No.1012) as amended by the Second Order.

13.3 The North East Joint Transport Committee Standing Orders (January 2019).

14. Contact Officers

14.1 Mike Barker, Monitoring Officer – Transport
mikebarker@gateshead.gov.uk Tel: 0191 433 2100

15. Sign off

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

16. Glossary

JTC – Joint Transport Committee
NECA – North East Combined Authority
NTCA – North of Tyne Combined Authority

Tyne and Wear Sub-Committee

Membership

Five Members (three Members nominated by NECA to represent Gateshead, Sunderland and South Tyneside and two Members nominated by NTCA to represent Newcastle upon Tyne and North Tyneside)

Functions

The following transport functions are delegated by the JTC to Tyne and Wear Sub-Committee in respect of the area of the Tyne and Wear Authorities:

1. Considering and recommending to JTC the creation and development of:
 - (i) Advanced Quality Partnership Schemes pursuant to sections 113C to 113O of the Transport Act 2000;
 - (ii) Franchising Schemes pursuant to sections 123A to 123X of the Transport Act 2000; and
 - (iii) Enhanced Partnership Plans and Schemes pursuant to sections 138A to 138S of the Transport Act 2000.
2. Implementing Concessionary Travel Schemes pursuant to sections 93 to 105 of the Transport Act 1985.
3. Implementing Advanced Ticketing schemes pursuant to sections 134C to 134G of the Transport Act 2000.
4. Determining the local bus information to be made available, and the way in which it should be made available, pursuant to sections 139 to 143B of the Transport Act 2000.
5. Determining the operation, performance and development of accessible transport provision (including the provision of grants) pursuant to section 106 of the Transport Act 1985.
6. Setting tolls in relation to the Tyne Tunnel.
7. Appointing Members to the Tyne and Wear Passenger Transport Executive (Nexus), the appointment and dismissal of the Director General of Nexus and discharging all other responsibilities falling on either of the Combined Authorities pursuant to the Transport Act 1968.
8. Without limitation to the above:
 - (a) authorising the acquisition, disposal and development of land held by either of the Combined Authorities or NEXUS in relation to the transport functions discharged by the Transport Joint Committee (including pursuant to sub-sections 10(1)(xx), (xxii) and (xxiii) of the Transport Act 1968);

- (b) determining the operation, performance and development of tendered bus services, bus stations/stops and passenger transport services pursuant to Section 10(1)(vi)(a) of the Transport Act 1968;
 - (c) monitoring the operation and performance of the metro service and the associated activities of NEXUS and recommending appropriate action;
 - (d) any other matter previously falling to be discharged by the Tyne and Wear Integrated Transport Authority prior to the creation of NECA unless such matter shall have been specifically reserved for decision by the Transport Joint Committee;
9. Monitoring the operation and performance of bus, ferry and local rail services and influencing accordingly.
10. Further transport functions as may be delegated to the Tyne and Wear Sub-Committee by the JTC as considered appropriate.

North East Joint Transport Committee

Date: 15 March 2022

Subject: 2021/22 Capital Programme Update – Forecast of Outturn at 31 December 2021

Report of: Chief Finance Officer

Executive Summary

This report provides the North East Joint Transport Committee (JTC) with an update on the forecast outturn position in relation to the 2021/22 Transport Capital Programme based on the position at the end of December 2021.

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 on Transport schemes of £126.374m is now forecast against the revised capital programme budget of £161.788m, a forecast under-spend of £35.414m against the revised programme.

The revised programme takes account of the 2020/21 outturn and new grant approvals made since the original capital programme was set in January 2021, as well as the updated position reported to the JTC at the meeting on 18 January 2022.

The forecast underspending primarily relates to slippage / delays in relation to the Transforming Cities Fund Tranche 2 programme (excluding Metro Flow) of £19.516m, the Metro Asset Renewal Plan (£4.75m) and Metro Fleet Replacement (£4.491m) and with Metro Flow (£5.054m).

Actual expenditure to the end of December 2021 totalled £79.324m – 62.8% of the forecast total capital expenditure for the year.

Most of the capital works during the year will be funded through government grants awarded (£115.855m in 2021/22) with elements of the Nexus capital programme and the Tyne Pedestrian and Cyclist Tunnels works funded by reserves (£10.519m in 2021/22) held specifically for this purpose.

Recommendations

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

1. Background Information

- 1.1 This report provides an update on the JTC capital programme for 2021/22 and the funding sources identified to deliver the programme, which covers a wide range of transport improvements.
- 1.2 In January 2021, the JTC approved the initial 2021/22 capital programme totalling £152.674m. The capital programme was then updated to take account of adjustments for slippage from 2020/21 and for new grant approvals made after the original capital programme was agreed. Following further revisions during the year, the approved capital programme for 2021/22 currently stands at £161.788m.
- 1.3 The updated position shows a revised capital programme forecast of £126.374m, with expenditure to the end of December £79.324m, or 62.8% of the forecast.

2. Proposals

- 2.1 A summary of the Transport capital programme for 2021/22 is set out in the table below, with further details provided in the following sections.

Table 1: Capital Programme summary 2021/22

| | 2021/22 Revised Budget | Spend to 31 Dec 2021 | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|--------------------------------------|-------------------------------|-----------------------------|---------------------------------|----------------------------------|
| | £m | £m | £m | £m |
| TCF Tranche 1 | 0.901 | 0.896 | 0.901 | 0.000 |
| TCF Tranche 2 (Excluding Metro Flow) | 32.455 | 2.473 | 12.939 | (19.516) |
| Active Travel Fund - Tranche 2 | 3.752 | 0.693 | 3.392 | (0.360) |
| EV Charging Infrastructure | 0.257 | 0.000 | 0.257 | 0.000 |
| Ultra-Low EV – Taxi Project | 0.049 | 0.001 | 0.049 | 0.000 |
| Metro Asset Renewal Plan | 23.684 | 9.348 | 18.934 | (4.750) |
| Metro Fleet Replacement | 64.215 | 45.531 | 59.724 | (4.491) |
| Nexus non-Metro Programme | 3.304 | 0.999 | 2.061 | (1.243) |
| Metro Flow | 20.632 | 10.967 | 15.578 | (5.054) |
| Tyne Tunnels | 1.200 | 0.583 | 1.200 | 0.000 |
| LTP | 11.339 | 7.833 | 11.339 | 0.000 |
| Total Capital Programme | 161.788 | 79.324 | 126.374 | (35.414) |

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

- 2.2 The North East was awarded £208m grant from the 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 for 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.
- 2.3 There are nineteen schemes within the TCF Tranche 1 programme, of which twelve have been fully claimed and audit statements submitted which have released the retention held by NECA. There are a further five schemes which have submitted a final claim, but an audit statement is awaited to release the retention. The remaining two schemes are Barras Bridge (Newcastle City Council) and New Road to Lingley Lane (Gateshead Council) which are due to complete by the end of the financial year.
- 2.4 As of quarter 3 2021/22, only £4.9m of the TCF Tranche 2 funds have been expended, with £2.473m in the current year to date, which represents just 4.6% of the overall programme. Expenditure is likely to rapidly increase from quarter 4 given the agreement from the JTC in November for the early release of funding for the Intelligent Transport Systems (ITS) and North Shields Transport Hub schemes, totalling £7.74m. An additional £10.5m of expenditure is forecast this financial year which reflects the number of business cases due to come forward for review over the next couple of months and the advanced funding for the ITS and North Shields schemes.

Active Travel Fund

- 2.5 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.
- 2.6 Ten Active Travel schemes across the seven Local Authorities have been allocated £6.938m from the remaining £6.978m. In order for a Grant Funding Agreement (GFA) to be set up and claims to be processed for schemes, TNE has requested that an Assurance Statement and a Monitoring and Evaluation Plan is submitted for the scheme. This is additional to the DfT requirement to submit a letter confirming the outcomes of public consultation activities. One GFA is now in place with Durham County Council and the Durham Great North Cycleway scheme is under construction. The first claim for the scheme was entered for quarter 3. The remaining documents have started to come through and GFAs will be issued, with schemes due to commence on site before the end of the financial year.
- 2.7 An announcement is expected by the end of March in relation to the Active Travel Fund Tranche 3 to which the region submitted a bid.

Electric Vehicle (EV) charging infrastructure

- 2.8 Using funding of £0.390m allocated through the Local Growth Fund, the JTC are currently in the process of delivering a number of new EV Charging Points around the north east, one in each local authority, based on a prioritisation process set out

in an Enabling Study completed last year. At its meeting in January, the JTC approved a proposal to change the proposed site for Durham County Council from Middleton in Teesdale to Crook instead, as it was no longer possible to proceed with the original site.

- 2.9 Forecast expenditure to the year end is £0.257m which will be funded through the Local Growth Fund grant.

Ultra-Low Emission Vehicles – Taxi Project

- 2.10 Nine of the ten dedicated electric vehicle charges for the taxi and private hire industry (funded by the Office of Zero Emission Vehicles) are now live and operational. Engagement events to encourage the switch to electric vehicles in the taxi trade are planned for 2021 and 2022. There are issues impacting on implementing the final site. The Coronation Street site in North Tyneside is currently being used as a Covid testing centre. Discussions are being held with North Tyneside Council on the future of this site. £0.043m budget will be carried over into 2022/23 for this site

- 2.11 Forecast expenditure to the year end is £0.049m which will be funded through government grant.

Nexus Capital Programme

- 2.12 The Joint Transport Committee approved Nexus' Capital Programme for 2021/22 to 2023/24 in January 2021. The programme is sub-divided into the following sections:

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

- 2.13 At the end of Period 9 the total programme spend was £66.845m, against the budgeted spend of £76.799m. The 2021/22 forecast outturn is £96.298m against a revised budget of £111.835m. Importantly, the under spend and associated programme implications can be accommodated and no resources will be clawed back. The £15.537m net underspend is detailed below in the table below:

Table 2: Nexus Capital Programme 2021/22

| | | Revised Budget | Actual/Forecast | Variance |
|---------------------------------|------------------------|-----------------------|------------------------|-----------------|
| | | £m | £m | £m |
| Cumulative to Period 9 | | | | |
| Metro Asset Renewal Programme | | 11.552 | 9.348 | (2.204) |
| Fleet Replacement Programme | | 48.833 | 45.531 | (3.304) |
| Other Capital Projects | | 1.991 | 0.999 | (0.991) |
| Metro Flow | | 14.423 | 10.967 | (3.456) |
| | | 76.799 | 66.845 | (9.954) |
| | Original Budget | Revised Budget | Actual/Forecast | Variance |
| | £m | £m | £m | £m |
| Outturn | | | | |
| - Metro Asset Renewal Programme | 19.222 | 23.684 | 18.934 | (4.750) |
| - Fleet Replacement Programme | 63.069 | 64.215 | 59.724 | (4.491) |
| - Other Capital Projects | 8.229 | 3.304 | 2.061 | (1.243) |
| - Metro Flow | 8.100 | 20.632 | 15.578 | (5.054) |
| | 98.260 | 111.835 | 96.298 | (15.537) |

- 2.14 At the end of Period 9, £71.376m of capital grant has been claimed from the Department for Transport (DfT). This includes both the MARP, FRP and MFL. The actual amount claimed in total was 100% of forecast and therefore within DfT tolerance levels of +/- 5%.

Metro Asset Renewal Programme (MARP)

- 2.15 Cumulative actual spend at the end of Period 9 was £9.348m against the revised budgeted profile of £11.552m. The £2.204m underspend relates to reduced use of contingency than forecast, together with project spend outlined below being deferred into 2022/23.
- 2.16 Forecast outturn for 2021/22 is £18.934m (including a risk contingency of £0.613m) against a revised budget of £23.684m. The £4.750m net decrease is as a result of:
- £2.572m of project spend deferred into 2022/23 (including Network Refresh, Tanners Bank, Battery Loco replacement Rail Grinding and Relay Rooms);
 - Net savings of £1.026m (reductions in Tyne Dock track works, Heworth to South Shields plain line renewal, Cable Degradation in Relay Rooms, offsetting against increases in Tunnels Asbestos Maintenance, Northumberland Park Car Park and Christon Road S&C); and
 - A review of the contingency has been undertaken which has resulted in a

reduction in the provision held of £1.152m.

- 2.17 The lack of long term surety is now severely impacting on delivery of the MARP because future projects aren't sufficiently developed in the life cycle and are therefore incapable of delivery within the guaranteed funding window or of being brought forward to mitigate slippage in the current year's programme. This will continue to be an issue until a multi-year funding settlement is available.
- 2.18 Total grant claimed to date is £8.165m and MRG capital grant totalling £16.000m is forecast to be claimed by year end. The forecast outturn is currently £0.712m above the minimum spend target of £18.222m. Arrangements have been made with the DfT in the event that the minimum spend level is not achieved, thereby ensuring no claw back of MRG capital grant at the year-end.
- 2.19 The remaining £2.934m of forecast spend will be funded from £2.473m of local funding (LTP and reserves), plus £0.461m Highways Challenge Fund grant for Tanners Bank.

Fleet Replacement Programme (FRP)

- 2.20 Cumulative actual spend at the end of Period 9 was £45.531m against the revised budget profile of £48.833m. The majority of the £3.303m underspend relates to less contingency being applied than budgeted and a realignment of contractor activities on the Gosforth Depot project. In Period 9 a negative MSA variation order was confirmed, for the removal of the energy storage test requirement, further reducing spend by £0.226m. None of this is expected to delay the depot completion date.
- 2.21 Forecast outturn for 2021/22 is now £59.724m which represents an underspend of budget by £4.491m. The underspend relates to the amended contractor programme at Gosforth Depot, which has turned the programme dashboard amber in respect of the Depot Construction Contract given the lack of float in the programme. As a result of the underspend, the local contribution will be deferred into 2022/23, so there is no impact on capital grant funding from DfT.
- 2.22 The £59.724m forecast outturn is expected to be funded from the £54.100m DfT Fleet Replacement grant available in 2021/22. With the balance funded from the local contribution of £5.624m.

Other Capital Projects (OCP)

- 2.23 In 2021/22 Other Capital Projects have a revised budget of £3.304m comprising of £1.322m Transforming Cities car park projects, £1.226m Ferry North Landing relocation, £0.515m Ferry vessels and infrastructure and £0.241m non Metro digital projects.
- 2.24 Cumulative actual spend at the end of Period 9 was £0.999m against the revised budgeted profile of £1.991m, resulting in a £0.992m underspend. This is mainly as a result of delays in the Ferry North Landing relocation project. The Ground Investigation works were due to be incurred as part of the project development ahead of the main contract procurement but will now form part of the design and build contract, which will only be progressed if funding is available.

- 2.25 Forecast outturn for 2021/22 is £2.061m (including a risk contingency of £0.109m) against an approved budget of £3.304m. The forecast underspend consists of:
- £0.483m relating to the Transforming Cities (TCF) car park projects. This is as a result of a reduction in contingency and programme slippage into the next financial year. Although forecasts have reduced in 2021/22 both projects are estimated to complete by the funding deadline of March 2023 and are being monitored closely.
 - Additionally, there is a £0.299m overspend on Ferry vessels and the South Landing refurbishment, following a revised scope following Voith inspections, offset against a £0.723m forecast underspend on the North Landing Relocation project, due to the aforementioned programme delays. Given the current uncertainty of funding and wider market conditions, the award of contract for ground investigations will not progress at this time. Instead, they will be integrated into the design and build contract which will be released when funding is secured. Nexus has also engaged with suppliers to understand how best to structure those contracts and this feedback will be considered in future programmes and approaches.

Metro Flow (MFL)

- 2.26 Cumulative actual spend at the end of Period 9 was £10.967m against an expected cumulative spend of £14.423m, resulting in a £3.456m underspend. The variance relates to contractor delays to undertaking planned surveys, together with a re-costed programme from the contractor and reduced spend on PM time and de-vegetation works.
- 2.27 Forecast outturn for 2021/22 is £15.578m (including a risk contingency of £1.007m) against a revised budget of £20.632m. The £5.054m underspend is due to a £2.255m movement in the contractor's latest programme compared to their bid submission. Largely relating to design works these changes have not affected the programme critical path and delivery date but are being monitored by the project team. It also reflects the re-costed programme from the contractor. Additionally, the cost of the internal team is likely to be around £0.444m less than budget, although this is currently being reviewed. Finally, there is a forecast £2.355m reduction in contingency usage to the year-end.
- 2.28 The project is 100% TCF capital grant funded in 2021/22 with TCF grant of £20.100m delegated to and received in full by Nexus during Period 4. TCF Grant conditions allow grant, already received, to be carried forward into 2022/23 in the event that there is an underspend in year. The 2021/22 grant allocation, together with TCF grant receivable in 2022/23, must be fully utilised by the end of 2022/23.
- 2.29 In relation to the match funding (£8.5m Metro Rail Grant and the £4.9m to acquire Network Rail infrastructure) MRG has now been secured and a letter of comfort was received from DfT in August 2021 which Nexus is placing reliance on in relation to the acquisition of Network Rail infrastructure. This has enabled the

award of both the contracts for the 4 additional trains to Stadler and the engineering works contract to Buckingham Group. Discussions with civil servants continue in order to resolve the delay in full conformation of the funding to acquire Network Rail infrastructure.

Tyne Tunnels

- 2.30 The completion and certification of the inclined lifts is now the only major outstanding work required to complete the full refurbishment of the Tyne Pedestrian and Cycle Tunnels. Once this is completed, the Tunnels will be handed over from the Newcastle City Council project team, who are continuing to oversee their operation, to TT2 Ltd., who will then manage the operation of the Tunnels for the remainder of the Concession.
- 2.31 New contractors were appointed in Spring 2021 and work began in July. The new specialist lift engineers have made good progress on the wiring and mechanical systems which control the lift. However, there are still works to be completed on the cabin, doors and the door operating mechanisms. New parts are required but due to unexpected supplier issues there is a delay to the works until the parts can be supplied, therefore it is planned that bringing the lifts into full operation will be during 2022. The new lifts will be able to carry up to 6 cyclists and their bikes in one journey. Expenditure to the end of December 2021 is £0.583m with £1.200m forecast for the full year.

Local Transport Plan

- 2.32 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 MARP capital programme). The LTP block allocation is also used to contribute to the costs of the Transport North East (TNE) team and, in Tyne and Wear only, to the Urban Traffic Management and Control (UTMC) centre. Payments have been made to the authorities for the first three quarters for the year following receipt of the grant from DfT and expenditure to 31 December 2021 is £7.833m.

Overall Capital Programme Financing

- 2.33 Forecast capital expenditure for 2021/22 will be financed as follows:

Table 3: Capital Programme Financing 2021/22

| | 2021/22 Original Budget | 2021/22 Revised Budget | 2021/22 Revised Forecast | 2021/22 Variance |
|----------------------|----------------------------------------|---------------------------------------|-----------------------------------------|-----------------------------|
| | £m | £m | £m | £m |
| Government Grants | 147.174 | 151.102 | 115.855 | (35.247) |
| Earmarked Reserves | 5.500 | 10.686 | 10.519 | (0.167) |
| Total Funding | 152.674 | 161.788 | 126.374 | (35.414) |

3. Reasons for the Proposals

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

4. Alternative Options Available

4.1 This report is for information with no decision required.

5. Next Steps and Timetable for Implementation

5.1 Performance against the capital programme for 2021/22 will be monitored for the remainder of the financial year and a report on the final outturn presented to the JTC at its meeting in July 2022.

6. Potential Impact on Objectives

6.1 Successful delivery of the various transport schemes and investment proposals outlined in this report will assist the JTC in meeting its objective to maximise the region's opportunities and potential.

7. Financial and Other Resources Implications

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

8. Legal Implications

8.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on a local 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.

9. Key Risks

9.1 Risks associated with the delivery of transport project 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 forecast level of these are considered to be adequate.

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 capital programme for 2021/22 was subject to consultation with key stakeholders including constituent authorities as part of the budget setting process. Budget holders were involved in the preparation of the forecasts included in the report. Individual capital schemes are subject to consultation as part of their delivery programmes.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 None

15. Background Papers

15.1 Joint Transport Committee Capital Programme 2021/22 – report to 19 January 2021 meeting: ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 \(northeastca.gov.uk\)](#)

16. Contact Officers

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17. Sign off

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

18. Glossary

North East Joint Transport Committee

Date: 15 March 2022

Subject: 2021/22 Revenue Budget update – Forecast of Outturn at 31 December 2021

Report of: Chief Finance Officer

Executive Summary

This report provides the North East Joint Transport Committee (JTC) with an update on the forecast outturn position in relation to the 2021/22 Transport Revenue Budget.

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

Where grants are paid to other organisations for the delivery of transport services (i.e. Durham, Northumberland and Nexus), the grant is fixed for the year but the report provides details of how the grant will be applied by each organisation to the provision of public transport services. Any under or overspends against the budget for these organisations are retained within their own reserves and will be considered in the setting of the transport budgets for future years.

Underspends against the grant received from the JTC are forecast for Durham and Northumberland. For Nexus, the call on reserves is currently forecast to be £1.350m better than the original budget at £1.330m.

Expenditure on the Transport North East Core Budget is forecast to be slightly lower than the original budget, mainly due to vacancies in the team during the year and a balanced position is forecast with no use of reserves required.

A breakeven position is also forecast on the Tyne Tunnels revenue account, where lower levels of tolls income compared to the original budget for the year will be offset by lower contract payments to the tunnels operator, TT2, since their reimbursement is based on actual usage.

Recommendations

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

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. This report presents an update against the latest budget with the forecast prepared based on the position at 31 December 2021.

2. Proposals

Forecast of Revenue Outturn 2021/22 – Period to 31 December 2021

- 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. Expenditure against the retained levy is forecast to be £0.072m below the budget of £2.120m, mainly due to reductions in financing charges on historic debt relating to the former Tyne and Wear Integrated Transport Authority.

2.2 *Table 1: 2021/22 Transport Levies and Grants*

| | 2021/22 Original Budget | Spend to date (31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|----------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------|-----------------------------------------|------------------------------------------|
| | £m | £m | £m | £m |
| Grant to Durham | 15.457 | 11.593 | 15.457 | 0.000 |
| Grant to Northumberland | 6.318 | 4.739 | 6.318 | 0.000 |
| Grant to Nexus | 57.813 | 43.360 | 57.813 | 0.000 |
| Retained Levy Budget | 2.120 | 1.590 | 2.048 | (0.072) |
| Contribution to Metro Futures Planning Studies Budget (2021/22 Only) | 1.187 | 1.187 | 1.187 | 0.000 |
| Tyne and Wear Levy Rebate | 1.200 | 1.200 | 1.200 | 0.000 |
| Total Expenditure | 84.095 | 63.669 | 84.023 | (0.072) |
| Transport Levy | (82.895) | (62.171) | (82.895) | 0.000 |
| Contribution from Nexus Reserves held by NECA | (1.200) | (1.200) | (1.200) | 0.000 |
| Contribution to JTC unearmarked reserves | 0.000 | 0.300 | 0.072 | 0.072 |

Durham

2.3 The forecast of outturn at the end of December 2021 shows a projected underspend of £0.890m when compared to the original budget for the year. This projected underspend will be retained by Durham at the year-end.

2.4 *Table 2: 2021/22 Forecast of Outturn – Durham County Council*

| | 2021/22 Original Budget | Spend to Date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|------------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| | £m | £m | £m | £m |
| Concessionary Fares | 11.932 | 6.271 | 11.082 | (0.850) |
| Subsidised Services | 2.556 | 2.021 | 2.389 | (0.167) |
| Bus Stations | 0.177 | 0.548 | 0.237 | 0.060 |
| Bus Shelters | 0.019 | 0.070 | 0.066 | 0.047 |
| Passenger Transport Information | 0.088 | 0.076 | 0.108 | 0.020 |
| Staffing | 0.685 | 0.514 | 0.685 | 0.000 |
| Share of JTC Transport Costs | 0.010 | 0.000 | 0.010 | 0.000 |
| Net Expenditure | 15.467 | 9.500 | 15.427 | (0.890) |

2.5 The underspend for Durham mainly relates to reduced payments to operators for concessionary travel and for subsidised services following a procurement exercise, plus additional grant income received. There have been some additional costs incurred in relation to repairs and security on bus stations and additional maintenance on bus shelters.

Northumberland

2.6 The forecast outturn position for 2021/22 is currently estimated to underspend by £0.315m when compared to the original budget for the year. This projected underspend will be retained by Northumberland at the year-end..

2.7 *Table 3: 2021/22 Forecast of Outturn – Northumberland County Council*

| | 2021/22 Original Budget | Spend to Date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|---------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| | £m | £m | £m | £m |
| Concessionary Fares | 4.903 | 2.916 | 4.643 | (0.260) |

| | | | | |
|---------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Subsidised Services | 1.230 | 0.754 | 1.175 | (0.055) |
| Bus Services | 0.026 | 0.019 | 0.026 | 0.000 |
| | 2021/22 Original Budget | Spend to Date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
| | £m | £m | £m | £m |
| Passenger Transport Information | 0.025 | 0.025 | 0.025 | 0.000 |
| Staffing | 0.134 | 0.100 | 0.134 | 0.000 |
| Share of JTC Transport Costs | 0.010 | 0.000 | 0.010 | 0.000 |
| Net Expenditure | 6.328 | 3.814 | 6.013 | (0.315) |

2.8 In common with Northumberland's approach to funding supported services in 2020-21, Northumberland has continued to fund supported services at pre-Covid-19 levels with the majority of these services now returning to pre-Covid-19 frequency having operated at reduced frequency. These supported services include instances of services running commercially at popular and peak times, but where support is given to maintain journeys at other times for example early mornings or late evenings.

2.9 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 0930 on local bus services. ENCTS scheme journeys are still significantly reduced due to the ongoing implications of the Covid-19 pandemic and subsequent messaging regarding only travelling for essential purposes. During the early part of 2021-22 the Council reduced payments to those operators not running pre Covid mileage in line with government advice, with those operators being reimbursed based on the proportion of mileage currently being operated when compared with pre covid mileage, any shortfall is claimable by operators as part of the commercial BRG claim, which means despite the reduction in concessionary travel payment operators are no worse off. All other operators continue to be reimbursed 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, these overpayment will continue for the remainder of 2021/22 before a phased return to actual patronage levels during the early part of 2022/23.

Nexus

2.10 The 2021/22 budget was set using pre-Covid service levels on the basis that government support would continue in the form of Light Rail Revenue Restart Grant (LRRRG) and Local Authority Coronavirus Bus Services Support Grant (LACBSSG). The original budget included £21.944m of Covid support with the remaining shortfall between income and expenditure of £2.680m being funded from reserves.

- 2.11 In July the DfT confirmed that a final tranche of LRRRG support would be available to the end of the financial year and then it would be discontinued. LRRRG is now expected to be in excess of the original budget and is currently envisaged to be sufficient in order to cover Metro's expected fare and commercial revenue losses over the remainder of the year.
- 2.12 Elsewhere within the budget, there are positive variances which means that the call on reserves is currently forecast to be £1.350m better than the original budget, which given the financial challenges that lie ahead, represents a positive outcome. A summary of the forecast outturn is summarised below:

2.13 *Table 4: 2021/22 Forecast of Outturn – Nexus*

| | 2021/22 Original Budget | Spend to Date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|--------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| | £m | £m | £m | £m |
| Concessionary Fares | 38.604 | 25.635 | 37.269 | (1.335) |
| Bus Services | 14.833 | 10.631 | 14.788 | (0.045) |
| Metro | 24.103 | 16.357 | 24.530 | 0.427 |
| Other | 4.897 | 3.440 | 4.919 | 0.022 |
| COVID-19 Support | (21.944) | (15.170) | (22.363) | (0.419) |
| Levy | (57.813) | (40.390) | (57.813) | 0.000 |
| Total Expenditure | 2.680 | 0.503 | 1.330 | (1.350) |
| Reserves | (2.680) | (0.503) | (1.330) | 1.350 |

Metro

- 2.14 LRRRG that is available to Nexus for the financial year is estimated as £21.102m. This is required to cover fare and commercial revenue losses, shortfalls on investment income and allowable additional costs (up to a maximum level set by DfT).
- 2.15 Taking into account additional costs covered by LRRRG, investment income losses forecast to be £0.145m and other commercial and miscellaneous income forecast to be £0.412m higher than budget, this will require fare revenue of £28.509m to be generated in year, in order to make up the shortfall against the 2021/22 budget.
- 2.16 To the end of P9, £21.093m of fare revenue has been generated, which represents a 62% recovery rate (against the evenly profiled 21/22 budget) and a 67% recovery rate (against the flat profiled pre-Covid actuals).
- 2.17 HV Power unit price forecasts show an approximate £2.1m overspend for the year and noting that notwithstanding the emergence of the Omicron variant and the

subsequent downturn in Metro patronage throughout December 2021, LRRRG can be used to cover additional costs to a maximum level set by the DfT, so it is currently envisaged that this increase in cost will be accommodated from within the overall Metro operating budget.

Concessionary Travel

- 2.18 In line with government supplementary guidance, bus operators were given notice that from 19 July 2021, concessionary fares would be reimbursed based on the number of services operating, rather than at budgeted levels. To the end of period 9, bus companies are operating on average 91% of services and deductions in concessionary fares reimbursement amount to £1.335m. Given the uncertainty around levels of service provision, the forecast for the year at this stage assumes no further deductions although to the extent that services do not recover to pre-COVID levels, further savings in this budget are likely.

Bus Services

- 2.19 Bus commercial revenue to the end of P9 is £1.728m which is £0.721m higher than budget. This comprises £1.460m of fare revenue, £0.176m of departure charges and £0.092m of miscellaneous income. The LACBSSG required was budgeted to be £0.762m to the end of P9, however as revenue is £0.721m higher than budget, this reduces the fare loss support required to £0.041m.
- 2.20 The bus shuttle service to the Nightingale vaccination centre in the Sunderland area ended on 17 October 2021. The costs for this totalled £0.372m and as this service is a direct result of Covid-19 the costs have been claimed from LACBSSG.
- 2.21 In addition, costs of £0.383m has been claimed as a pass through, on behalf of small operators who do not have access to LACBSSG funding.
- 2.22 The renewal of existing secured service contracts has seen increases of around £0.275m in 2021/22 and can be funded from LACBSSG. This brings the total LACBSSG required to support Bus Services to £1.075m (including small operator claim passthrough) which is £0.313m higher than the budget of £0.762m.
- 2.23 £0.847m of additional scholars services has been claimed from funding from the Department for Education and at this time there are no further additional scholars services required.
- 2.24 Taxi Card membership continues to be lower than budget with net savings of £0.045m identified to the end of period.

Other

- 2.25 Ferry revenue to the end of period 9 is £0.221m which is £0.054m higher than budget but remains £0.066m (23%) lower than pre-Covid levels. For the first quarter of the financial year, Nexus were able to claim ferry revenue losses through the MHCLG scheme. The losses in this period were £0.051m of which £0.042m is expected to be paid. Since this date, ferry revenue recovery has improved against the flat budget therefore losses have not significantly increased. Any future revenue

shortfall will be borne by Nexus and is reflected in the forecast in the table above.

Transport North East

- 2.26 Since its creation in 2018, the Transport North East (TNE) team has been working at capacity to develop and lead on the delivery of a very broad and ambitious transport programme on behalf of the region. NECA and NTCA together form one of the largest areas in the country by population and geographical size. TNE acts as the strategic transport body that supports both Combined Authorities (via the JTC).
- 2.27 Forecast expenditure on the core budget for TNE in 2021/22 is estimated to be £0.860m compared with the original budget of £0.952m, primarily as a result of vacancies in the team and additional external contributions supporting some posts. Expenditure on projects, programmes and externally funded work is forecast to be totalled £7.019m compared to the original budget of £1.708m. This is due to Covid grants allocated to the JTC and paid to delivery partners (such as Home to School Transport grant and Coronavirus Bus Services Support Grant), Active Travel Fund projects and the additional costs of the Bus Services Improvement Plan and Enhanced Partnership development (£1.018m forecast.) Forecast outturn on the BSIP work for 2021/22 is lower than the agreed revised budget for this piece of work, since the scope of what was required has changed following confirmation that the national total available is significantly less than originally communicated, and the delay to timescales communicated by the DfT which required a pause in consultation and an expectation that an Enhanced Partnership scheme is submitted by the end of April 2022. The work will be funded through DfT grant (£1.415m) and the contribution from JTC unallocated reserves previously agreed, if this is required.
- 2.28 The TNE core budget is funded through contributions from the Transport Levies which are retained to support JTC activity and a topslice of the Local Transport Plan Integrated Transport Block grant which is awarded to the JTC plus external contributions to fund specific posts and external grants for specific programmes and projects.

2.29 *Table 5: TNE Core Budget Forecast of Outturn 2021/22*

| | 2021/22 Original Budget | Spend to Date to 31 Dec 2021 | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|------------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------------------------|------------------------------------------|
| | £m | £m | £m | £m |
| Employee costs | 0.758 | 0.417 | 0.674 | (0.084) |
| Transport Plan / Strategy Work | 0.070 | 0.025 | 0.070 | 0.000 |
| Research and Development | 0.100 | 0.000 | 0.045 | (0.055) |
| Travel and Miscellaneous | 0.013 | 0.012 | 0.017 | 0.004 |
| IT / Equipment / Accommodation | 0.011 | 0.008 | 0.009 | (0.002) |
| Zero Emission Bus Regional Areas (ZEBRA) | 0.000 | 0.000 | 0.045 | 0.045 |
| Total Expenditure | 0.952 | 0.462 | 0.860 | (0.092) |

| | | | | |
|---------------------------------------------------|--------------------------------|-------------------------------------|---------------------------------|----------------------------------|
| LTP funding - TSU | (0.500) | (0.375) | (0.500) | 0.000 |
| Retained Transport Levy | (0.187) | (0.187) | (0.197) | (0.010) |
| External funding for specific posts | (0.216) | (0.057) | (0.163) | 0.053 |
| Total Income | (0.903) | (0.619) | (0.860) | 0.043 |
| | 2021/22 Original Budget | Spend to Date to 31 Dec 2021 | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
| | £m | £m | £m | £m |
| Net Expenditure to be funded from Reserves | 0.049 | (0.157) | 0.000 | (0.049) |
| Contribution to/(from) Reserves | | | | |
| JTC unallocated reserves | 0.000 | 0.157 | 0.000 | 0.000 |
| Regional Transport Team reserves | (0.005) | 0.000 | 0.000 | 0.005 |
| Go Smarter legacy funds – Transport Plan | (0.044) | 0.000 | 0.000 | 0.034 |

2.30 *Table 6: TNE Grants and Contributions Forecast of Outturn 2021/22*

| | 2021/22 Original Budget | Spend to Date to 31 Dec 2021 | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|---------------------------------------------------------------|--------------------------------|-------------------------------------|---------------------------------|----------------------------------|
| | £m | £m | £m | £m |
| Go Ultra Low – Revenue | 0.000 | 0.002 | 0.002 | 0.002 |
| TCF Tranche 2 programme management | 0.361 | 0.125 | 0.259 | (0.102) |
| Covid-19 grants | 0.000 | 3.734 | 3.734 | 3.734 |
| Active Travel Planning | 0.000 | 0.023 | 1.192 | 1.192 |
| BSIP/ Enhanced Bus Partnership | 0.160 | 0.173 | 1.018 | 0.858 |
| Metro Futures Planning Studies | 1.187 | 0.084 | 0.598 | (0.589) |
| Rail Development | 0.000 | 0.105 | 0.216 | 0.216 |
| Total Expenditure | 1.708 | 3.886 | 7.019 | 5.311 |
| ERDF grant - Go Ultra Low - Revenue | 0.000 | (0.002) | (0.002) | (0.002) |
| TCF grant | (0.361) | (0.125) | (0.259) | 0.102 |
| Covid-19 grants | 0.000 | (3.374) | (3.734) | (3.734) |
| ATF Revenue grant | 0.000 | (0.023) | (1.192) | (1.192) |
| DfT Bus Capacity grant | 0.000 | (0.173) | (1.018) | (1.018) |
| Metro Futures Planning Studies - funded by Nexus contribution | (1.187) | (0.084) | (0.468) | 0.719 |
| Metro Futures Planning Studies – funded by LEP | 0.000 | 0.000 | (0.070) | (0.070) |
| Metro Futures Planning Studies | 0.000 | 0.000 | (0.060) | (0.060) |

| | | | | |
|------------------------------------------------------|--------------------------------|-------------------------------------|---------------------------------|----------------------------------|
| – funded by Transport for the North | | | | |
| Rail Administration Grant (via Nexus) | 0.000 | 0.000 | (0.216) | (0.216) |
| | 2021/22 Original Budget | Spend to Date to 31 Dec 2021 | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
| | £m | £m | £m | £m |
| Total Grants and Contributions | (1.548) | (3.781) | (7.019) | (5.471) |
| Net Expenditure from Grants and Contributions | 0.160 | 0.105 | 0.000 | (0.160) |

Tyne Tunnels

- 2.31 The Tyne Tunnels are accounted for as a ring-fenced account within the JTC budget, meaning that all costs relating to the tunnels are wholly funded from toll income and Tyne Tunnels reserves, with no call on the levy or external government funding.
- 2.32 The JTC receives all toll income from the vehicle tunnels and a payment under the contract with TT2 is determined based on traffic levels. The balance retained by the JTC is to meet other costs associated with the Tyne Tunnels, primarily interest and principal repayments on borrowing taken out to fund the New Tyne Crossing project and client costs associated with the management of the contract with the concessionaire.
- 2.33 The 2021/22 budget included an increase in tolls for Class 2 vehicles to £1.90 in line with inflation as measured by the Retail Price Index (RPI) – a year on year increase of £0.10.
- 2.34 Following a strong recovery during summer 2021, traffic levels dropped back slightly to around 95% of pre-pandemic levels during the period to the end of December 2021, leading to a reduced forecast level of both toll income and contract payments to TT2 when compared to the original budget for the year. This seems to have been a direct result of the autumn fuel shortage and increase in fuel prices which has resulted in reduced journey numbers.
- 2.35 The Tyne Pass Scheme for barrierless open road tolling, was launched on 8th November 2021. The barrierless scheme has modernised the payment system at the Tyne Tunnels and provides other benefits for the area, including significantly reduced carbon emissions.
- 2.36 *Table 7: Tyne Tunnels Forecast of Outturn 2021/22*

| | 2021/22 Original Budget | Spend to date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
|--|--------------------------------|--------------------------------------------|---------------------------------|----------------------------------|
| | £m | £m | £m | £m |

| | | | | |
|-------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Tolls Income | (30.004) | (24.299) | (27.855) | 2.149 |
| TT2 Contract | 21.707 | 14.991 | 20.411 | (1.296) |
| Employees | 0.093 | 0.079 | 0.110 | 0.017 |
| Pensions | 0.054 | 0.037 | 0.050 | (0.004) |
| | 2021/22 Original Budget | Spend to date (to 31 December 2021) | 2021/22 Forecast Outturn | 2021/22 Forecast Variance |
| | £m | £m | £m | £m |
| Premises | 0.021 | 0.002 | 0.021 | 0.000 |
| Support Services | 0.129 | 0.131 | 0.155 | 0.026 |
| Supplies & Services | 0.095 | 0.030 | 0.086 | (0.009) |
| Financing Charges | 8.195 | 0.000 | 7.323 | (0.872) |
| Interest /Other Income | (0.050) | (0.011) | (0.061) | (0.011) |
| Repayment from TWITA for temporary use of reserves | (0.240) | (0.240) | (0.240) | 0.000 |
| (Surplus) /Deficit on Tyne Tunnels revenue account | 0.000 | (9.280) | 0.000 | 0.000 |

3. Reasons for the Proposals

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

4. Alternative Options Available

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

5. Next Steps and Timetable for Implementation

- 5.1 Performance against the revenue budget for 2021/22 will be monitored for the remainder of the financial year and a report on the final outturn presented to the JTC at its meeting in July 2022.

6. Potential Impact on Objectives

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

7. Financial and Other Resources Implications

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

8. Legal Implications

- 8.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on a local 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.

9. Key Risks

9.1 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 forecast level of these are considered to be adequate.

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 2021/22 was subject to consultation with key stakeholders including constituent authorities as part of the budget setting process. Budget holders were involved in the preparation of the forecasts included in the report.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 None

15. Background Papers

15.1 Joint Transport Committee Budget 2021/22 – report to 19 January 2021 meeting: [\(Public Pack\)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, 0191 433 3860

17. Sign off

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

- Chief Finance Officer: ✓

18. Glossary

North East Joint Transport Committee

Date: 15 March 2022

Subject: Transforming Cities Fund Tranche 2 – Grant Funding Agreements

Report of: Managing Director, Transport North East.

Executive Summary.

This report seeks Joint Transport Committee approval to allocate funding from the Transforming Cities Fund (TCF) Devolved Pot to three schemes following successful appraisal in accordance with the North East Transport Assurance Framework:

- Gateshead Council - Hills Street and Gateshead Quays Sustainable Access (GA08) totalling £3,293,750 of TCF funds.
- North Tyneside Council - North Shields Transport Interchange (NT02) totalling £19,125,000 of TCF funds.
- North Tyneside Council - A188/A189 bus Priority Corridor Improvements (NT08) totalling £3,345,000 of TCF funds.

In addition, the report also requests that the Joint Transport Committee delegate authority to the Transport North East Managing Director, in consultation with the Chief Finance Officer / Section 73 Officer and Monitoring Officer, subject to successful appraisal of scheme Business Cases and due diligence in line with the Transport Assurance Framework, to approve a further three schemes from the Transforming Cities Fund programme, those schemes are:

- Gateshead Council - A167 Birtley to Eighton Lodge Cycling Scheme (GA09) with a TCF allocation of £3,825,000
- North Tyneside Council - North Tyneside Improved Cycling and Walking Links to Metro (NT10) with a TCF allocation of £3,825,000
- Sunderland City Council - Holmeside Bus Rationalisation and Priority Measures (SU04) with a TCF allocation of £879,750

Business Cases for these schemes are currently being considered in accordance with the region's Transport Assurance Framework with scheme appraisal due to be conducted by Transport North East's retained independent consultants.

It is necessary to expedite approval of these schemes following the conclusion of appraisal given the lack of Joint Transport Committee dates between March and June, in order to meet the construction and delivery programmes, given that all TCF grant funding must be fully incurred by 31st March 2023. **Appendix 1** provides an overview of the schemes seeking decision within this report.

Recommendations

The North East Joint Transport Committee is recommended to:

- i. Approve the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements and release the associated £25,763,750 of funds from the TCF Devolved Pot to enable these projects to commence;
- ii. Instruct officers to prepare and sign Grant Funding Agreements with Gateshead Council and North Tyneside Council for the delivery of the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements.
- iii. Delegate authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £8,529,750 of funds from the TCF Devolved Pot to the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures. Subject to successful appraisal in line with the Transport Assurance Framework.
- iv. Instruct officers to prepare and sign Grant Funding Agreements, following successful appraisal, with: Gateshead Council, North Tyneside Council and Sunderland City Council for the delivery of the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures.

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 Once successfully appraised schemes will come forward for sign off and approval at an appropriate meeting of the JTC which will enable the North East Combined Authority (NECA) to enter into a Grant Funding Agreement (GFA) with the scheme promoter, once signed the GFA gives the scheme promoter permission to draw down the funding allocation associated with the approved scheme from the TCF Devolved Pot which is held by NECA on behalf of the JTC. **Appendix 2** provides an update on the progress of the TCF programme to date.

2. Proposals

- 2.1 Business Cases for the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements have now come forward and have been considered in accordance with the region's Transport Assurance Framework, with appraisal being conducted by TNE's retained consultants. Appraisal has shown the schemes recommended for approval possess strong strategic cases, offer value for money and are viable within the TCF programme timeframe.
- 2.2 In addition, a further three schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures have produced Outline Business Cases and are progressing Full Business Cases that are due to come forward for appraisal between March and June 2022. So as not to forestall critical stages of scheme delivery it is recommended approval of these schemes, subject to

successful appraisal, is delegated to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer.

- 2.3 JTC approval of these schemes will enable NECA to enter into Grant Funding Agreements (GFAs) with the scheme promoter for scheme delivery and enable each promoter permission to draw down the respective funding allocation from the TCF Devolved Pot.
- 2.4 In total, the amount of TCF grant funding associated with schemes seeking full approval by JTC is: £25,763,750, whilst the TCF grant funding associated with schemes seeking approval to be delegated totals: £8,529,750

3. Reasons for the Proposals

- 3.1 The TCF programme has just under 13 months left to deliver with financial completion of schemes required by the 31st March 2023, to date, the Department for Transport (DfT) have not given an indication that there will be likely to be any relaxation in the deadline for TCF programme delivery. It is therefore imperative that the region takes a delivery focused approach to the TCF programme, in order to ensure that schemes are able to deliver within the required programme timeframe, and all funds are fully incurred by the end of March 2023.
- 3.2 Following the successful appraisal of the: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange and the A188/A189 bus Priority Corridor, approval is sought from JTC for these schemes to commence delivery. The approval and onwards delivery of these schemes will contribute to the delivery of our Transforming Cities Fund programme, which in turn will contribute to delivery of the objectives in outlined within the North East Transport Plan.
- 3.3 In addition to seeking the full approval of the above schemes, delegated approval is sought for the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures.
- 3.4 The programme for the delivery of the schemes recommended for delegated approval are on critical delivery paths. Although these schemes have not yet produced Full Business Cases these are expected to be delivered between March and June 2022. Outline Business Cases have been produced and subsequently appraised by our independent assurance consultants which have identified no fundamental issues to scheme delivery or viability. This provides comfort to the JTC that these schemes are sufficiently developed and pose limited delivery risk.
- 3.5 However, the programmes of delivery of these schemes would be at risk if swift approval of Full Business Cases is not forthcoming following appraisal and works start date is pushed back. The recommendations outlined in this report have been put to the JTC in order to expedite scheme approvals owing to the need for schemes to begin their construction programmes and meet the required TCF timeline for delivery and due to the lack of JTC meeting dates between March 2022 and June 2022. This will ensure schemes are approved in a timely manner and construction programmes can commence in good time, putting the region in the

best possible position for schemes to deliver within the required TCF programme timeframe and fully incur grant funds by the end of March 2023.

4. Alternative Options Available

4.1 As part of the Business Case development for all the schemes proposed for approval and delegated approval, a range of delivery options were assessed against value for money, risk and deliverability considerations in line with the Transport Assurance Framework. Preferred options were selected and progressed on the understanding that the approach detailed within the Business Case offers the best mix of benefits offset against comparably lower levels of delivery risk. The Business Cases demonstrate why the chosen solutions provide the best options 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, approving the: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements schemes and releasing the associated £25,763,750 of funds from the TCF Devolved Pot to enable these projects to commence.

In addition, delegating authority to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer, to approve, subject to successful appraisals in line with the agreed regional Transport Assurance Framework, the following schemes A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures, enabling these schemes to deliver within 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 schemes outlined in this report will not be able to deliver in line with the TCF programme timescales, the benefits detailed within the Business Cases of the schemes will not be realised and the North East Transforming Cities Fund programme would be likely to underspend.

4.5 Option 1, is the recommended option.

5. Next Steps and Timetable for Implementation

5.1 Grant Funding Agreements will be prepared by officers for those schemes which have secured full approval these will be subsequently agreed with each respective scheme promoter, after which construction can commence. TNE will require that scheme promoters provide quarterly monitoring update reports on approved schemes that will detail progress, expenditure, and risks.

5.2 Full Business Cases for those schemes seeking delegated approval will be delivered between March and June 2022 and will be subsequently appraised by TNE's retained independent consultants in line with the Transport Assurance Framework, should the appraisal outcome of these schemes be successful, Grant Funding Agreements will be prepared by officers and agreed with each respective scheme promoter, after which construction can commence. TNE will also require that scheme promoters provide quarterly monitoring updates reports on these schemes which will detail progress, expenditure and risks.

6. Potential Impact on Objectives

6.1 The schemes detailed in this report 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 In total, the TCF allocation covered by this report amounts to £34,293,500 with £25,763,750 coming forward for full approval and the remaining £8,529,750 coming forward for pre-approval with final sign off delegated to the Managing Director Transport North East in consultation with the Section 73 Officer and Monitoring Officer.

Should the recommendations of this report be accepted by JTC and all associated scheme approvals be completed, a summary of the TCF Devolved Pot can be updated as follows:

- Total available TCF Funds (exc. Metroflow): £103,797,542
- Funds Committed prior to this report: £45,332,902
- Funds Committed as a result of the report: £34,293,500
- Remaining Devolved Pot: £24,171,140
- Total TCF Ask: £120,514,064
- Overprogramming: £16,716,522

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

8. Legal Implications

8.1 Grant Funding Agreements are required in order to enable the scheme promoters to commence drawing down the funding allocation associated with each individual scheme. 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 these schemes 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 both scheme promoters.

10. Equality and Diversity

- 10.1 All schemes will be designed to modern standards and compliant with appropriate legislation, ensuring that any equality and diversity implications are minimised.

11. Crime and Disorder

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

12. Consultation/Engagement

- 12.1 This report has been shared with the Transport Strategy Board, comments have been taken on board and integrated into this report. The scheme promoters have managed all consultation requirements pertaining to each individual scheme.

13. Other Impact of the Proposals

- 13.1 Each scheme Business Case outlines in detail the transport benefits derived from each specific intervention, however, in addition the approval of these schemes is likely to generate substantial economic benefits and improve linkages to employment centres in the regions urban core.

14. Appendices

- 14.1 Appendix 1: Scheme Details
Appendix 2: Programme Update

15. Background Papers

- 15.1 North East Transport Assurance Framework: [NORTH EAST JOINT TRANSPORT COMMITTEE \(transportnortheast.gov.uk\)](https://transportnortheast.gov.uk)

16. Contact Officers

- 16.1 Jonathan Bailes, Transport Programme Lead
E-mail: jonathan.bailes@transportnortheast.gov.uk

17. Sign off

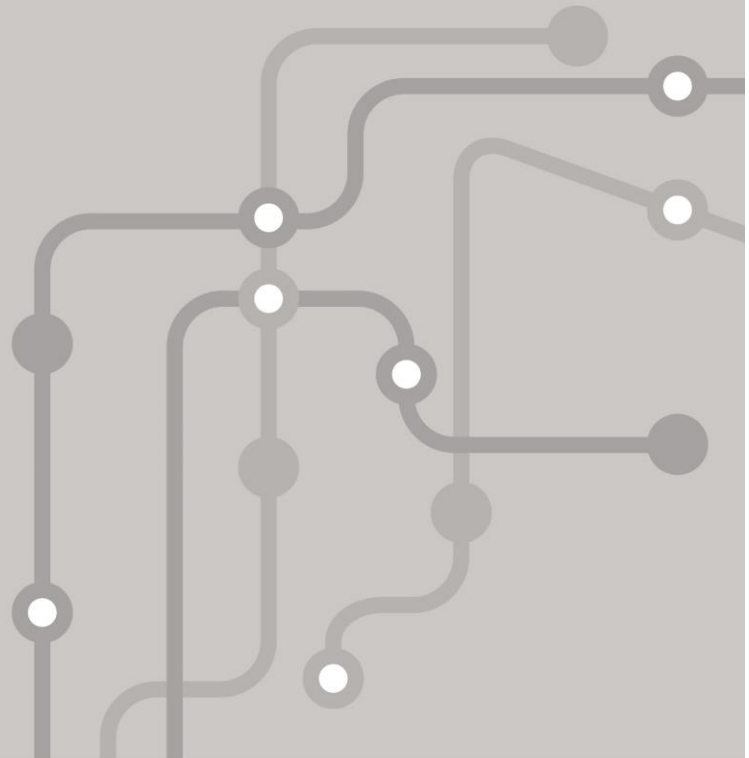
- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

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
- NECA – North East Combined Authority
- TNE – Transport North East

Transport **North East**

Appendix 1: Transforming Cities Fund: Scheme Details



Overview of schemes seeking full approval

The tables below provide an overview of the schemes that are sought for full approval at the March Meeting of the Joint Transport Committee:

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme: Hills Street and Gateshead Quays sustainable access |
| Description: This scheme forms part of a wider regeneration of the Gateshead Quays/Baltic Quarter area of Gateshead. It includes making permanent the temporary pedestrian and cycle facilities introduced as part of the Emergency Active Travel Fund, including Lambton Street/West Street, Askew Road/West Street and Hill Street. Further elements include the Hawks Road 'super crossing'; a signing strategy between Gateshead town centre and the Quays/Baltic Quarter; and further replacements and improvements to pedestrian crossings in the area. |
| TCF allocation: £3,293,750 |
| Benefits that will be achieved: The strategic objective for the scheme is 'the safe, sustainable and successful regeneration of the Gateshead Quays/Baltic Quarter area' with the scheme's objectives of increased levels of active and healthy travel; reductions in carbon emissions and other pollutants; and reduced risk of pedestrian and cycle road casualties. |

| |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme: North Shields Transport Interchange |
| Description: This scheme includes the delivery of the new North Shields Transport Interchange, reconfiguring the surrounding highway links and relocating the bus stands in North Shields to one central location. This scheme will also consist of wider elements in North Shields including a new active travel friendly link between the town centre and the Fish Quay, cycle improvements between the town centre and A1058, and cycle improvements on the A193 to benefit cycle movements between Tynemouth to the east and Stephenson Street junction to the west. |
| TCF allocation: £19,125,000 |
| Benefits that will be achieved: The objectives include increasing the attractiveness of public transport, with the aim to affect a mode shift away from the private car; and increasing footfall and cycling activity within North Shields to influence a cultural shift towards active travel. |

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme: A188/A189 bus Priority Corridor Improvements Phase 1 |
| Description: The scheme will introduce a new southbound bus lane between the A188 Goathland Avenue junction and the entrance to Four Lane Ends Interchange. The scheme |

will also deliver enhancements to local walking and cycling provisions, with new segregated cycle links to be delivered between the Interchange and A188 and A191 Strategic Cycle Corridors.

TCF allocation: £3,345,000

Benefits that will be achieved: The aim of this scheme is to improve the journey times of all buses along this corridor, therefore encouraging increased patronage. The pedestrian and cycling enhancements also aim to increase the use of these modes in the vicinity of the Interchange, therefore improving air quality.

Overview of schemes seeking delegated approval

The tables below provide an overview of the schemes that are sought for delegated approval at the March Meeting of the Joint Transport Committee:

Scheme: A167 Birtley to Eighton Lodge Cycling Scheme

Description: The scope of this scheme includes improved directional signage; widening of existing footways to create dual-use pedestrian/cycle paths and in parts segregated pedestrian/cycle facilities; side road crossings designed to improved crossing for pedestrians and cyclists; resurfacing of footways; and improvements to the connection between Durham Road and regional route 11. This is located on the A167 from Birtley north to the

TCF allocation: £3,825,000

Benefits that will be achieved: The objectives of the scheme include improving the standard of cycling along the A167 corridor, and thereby: increasing the number of cycling trips along the A167 between Birtley and Low Fell by 2023 compared with 2019; contributing to an increase in active travel in Gateshead over the next 10 years; and contributing to a reduction in CO2 and NO2 emissions from road traffic in Gateshead over the next 10 years.

Scheme: North Tyneside Improved Cycling/Walking Links to Metro

Description: This scheme will introduce high quality cycling and walking infrastructure to improve connectivity with four Metro stations across North Tyneside: Northumberland Park, Whitley Bay, Percy Main and North Shields.

TCF allocation: £3,825,000 TCF allocation

Benefits that will be achieved: The aim of this scheme is to improve the pedestrian and cyclist connectivity to these stations, and therefore increasing the use of these active travel modes. The mode shift would also result in an improvement to air quality in the vicinity of the schemes.

Scheme: Holmeside Bus Rationalisation and Priority Measures

Description: Holmeside is located within Sunderland City Centre and is a single carriageway road between Vine Place/Park Lane junction in the west, and Toward Road/Frederick Street junction in the east. The scheme will reassign the highway along Holmeside, providing improved pedestrian and cycle facilities, reducing the through vehicle movements in the city centre. The scheme will also introduce a one-way bus gate, with all other vehicles prohibited from using the bus gate section. The cycle improvements include a segregated eastbound cycle lane and a 10m wide 'super crossing' at the Holmeside/Crowtree Road/Park Lane junction.

TCF allocation: £879,750 TCF allocation

Benefits that will be achieved: The scheme will reduce the number of traffic movements along Holmeside, introducing bus priority measures and improving pedestrian and cyclist facilities. The aims of the scheme are to improve bus priority, increase active travel mode share, and improve air quality.

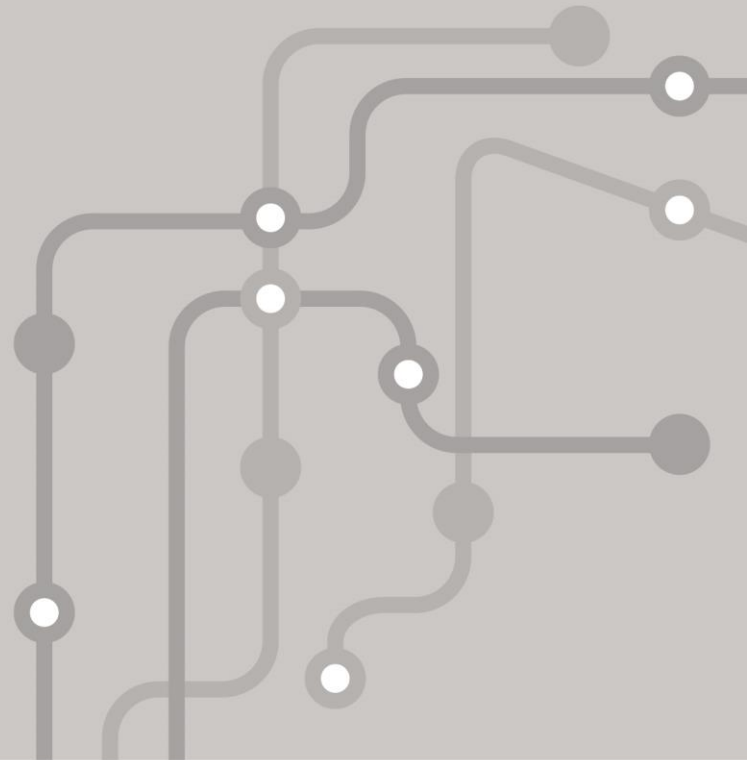
Map of TCF Interventions seeking approval



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Transport **North East**

Appendix 2: Transforming Cities Fund: Programme Update



Programme Update

1. The TCF Tranche 2 programme has just 13 months left to deliver with financial completion of schemes required by the 31st March 2023.
2. As of the end of Q3 2021/22, in total £4.89m of TCF funds have been claimed which represents approx. 4.6% of the TCF programme. We are currently estimating a further £10.46m is likely to be incurred by the end of Q4, if this forecast, based on scheme promoter updates, is accurate, in total 14.6% of the programme would have been spent by the end of the financial year 2021/22. This translates to 85.4% of all TCF expenditure being required to be incurred in the financial year 2022/23.

Scheme Approvals

3. The Joint Transport Committee meeting held on the 18th January 2022 delegated authority to the Managing Director of Transport North East to approve two schemes within the TCF Tranche 2 programme: the South Tyneside Council, Healthier Metro Neighbourhoods scheme and the Sunderland City Council, A690 Corridor Strategic Cycle Network scheme, subject to successful Business Case appraisal, both schemes are currently going through development and appraisal with our independent assurance consultants.
4. In total, two schemes have been approved in full, signed Grant Funding Agreements and have entered in to the delivery phase: Durham Bus Station and Sunderland Station, in addition, there is also a further outstanding delegation to approve the Regional Intelligent Transport Systems (ITS) scheme which is due to complete appraisal and come forward for sign off imminently.
5. Of the 23 schemes within the TCF tranche 2 programme in total 18 schemes still require a JTC decision for approval, 3 of these schemes are seeking JTC approval as outlined in this report: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange and A188/A189 bus Priority Corridor Improvements schemes and a further 3: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling & Walking Links to Metro and Holmeside Bus Rationalisation and Priority Measures are seeking a delegation to the TNE Managing Director to approve subject to successful appraisal.
6. The table below provides an overview of the TCF programme with regards to approvals:

Table 1: TCF Programme Overview

| REF | Scheme | FBC Due Date | Status |
|------------|-----------------------------------------------------|--------------|--------------------|
| DU01/04/03 | Durham City Approaches | July 22 | Outstanding |
| DU02 | Park and Ride Expansion, Durham City | July 22 | Outstanding |
| DU07 | Durham Bus Station | Approved | Approved |
| GA01 | West Tyneside Cycle Route | May 22 | Outstanding |
| GA05 | Metro Green Sustainable Access | May 22 | Outstanding |
| GA08 | Hills Street and Gateshead Quays sustainable access | Received | Approval Sought*** |

Transport North East

Appendix 2: Transforming Cities Fund: Programme Update

15 March 2022

| | | | |
|-----------|----------------------------------------------------------------|------------|-----------------------|
| GA09 | A167 Birtley to Eighton Lodge Cycling Scheme | Mar 22 | Delegation Sought**** |
| GA16 | Gateshead Interchange Bus Lane Improvement | May 22 | Outstanding |
| ITS01 | ITS Package of Works - Regionwide | Approved* | Approved* |
| NE01 | Transforming Newcastle City Centre | May 22 | Outstanding |
| NE03 | Newcastle - North Tyneside Active Travel Corridor | May 22 | Outstanding |
| NE04 | Newcastle Outer West | May 22 | Outstanding |
| NE07/N002 | Newcastle Airport - Ponteland cycle route | May 22 | Outstanding |
| NE08 | Newcastle Streets for People | May 22 | Outstanding |
| NT02 | North Shields Transport Interchange | Received | Approval Sought*** |
| NT08 | A188/A189 bus Priority Corridor Improvements Phase 1 | Received | Approval Sought*** |
| NT10 | North Tyneside Improved Cycling/Walking Links to Metro | March 22 | Delegation Sought**** |
| NX02 | Metro Park and Ride Enhancements | May 22 | Outstanding |
| NX04a | Callerton Parkway Strategic Park and Ride Site | Jul 22 | Outstanding |
| ST04 | South Tyneside Smart Metro Stations / Healthier Metro Stations | Approved** | Approved** |
| SU03 | Sunderland Central Station Redevelopment & Car Park | Approved | Approved |
| SU04 | Holmeside Bus Rationalisation and Priority Measures | Mar 22 | Delegation Sought**** |
| SU15 | A690 Corridor Strategic Cycle Network | Approved** | Approved** |

*Approved subject to successful appraisal delegated to MD TNE at JTC 16th November 2021

** Approved subject to successful appraisal delegated to MD TNE at JTC 18th January 2022

*** Approval sought at JTC 15th March 2022

**** Approval sought subject to successful appraisal to be delegated to MD TNE at JTC 15th March 2022

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North East Joint Transport Committee

Date: 15 March 2022

Subject: Transport Plan Progress Report

Report of: Managing Director, Transport North East

Executive Summary

This report provides an update on progress made across a number of 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 JTC and North East LEP have submitted a joint response to the Great British Railways (GBR) Whole Industry Strategic Plan (WISP) call for evidence.

The Chair of the Joint Transport Committee met with local MPs and business leaders last month at three strategic points on the Leamside line – Follingsby, Washington and Ferryhill. The visit enabled the group to get a closer look at the route and what would be the benefits of re-opening the line.

Public consultation is underway on the North East Rail and Metro Strategy.

The region has expressed support for the key proposals of Transport for the North’s new Freight Strategy.

Work has begun on installing new electric vehicle charging infrastructure at St Mary’s car park, Sunderland.

Preparatory work is starting on two further Transforming Cities projects, North Shields Transport Hub and the Regionwide Intelligent Transport Systems scheme.

Eight more Active Travel schemes are now undergoing an assurance process.

Capability Fund grant payments have started to be made to local authorities.

Work continues on the Enhanced Bus Partnership scheme and a draft version of the EP Plan is to be submitted to the Department for Transport by the end of April 2022.

Responding to concerns expressed by local authorities and operators, the Department for Transport has agreed to make additional Bus Recovery Grant (BRG) funding available to local transport authorities this financial year, as well as additional light rail funding, reflecting the impact on patronage due to the move to 'Plan B' measures in December.

The Tyne Pass Scheme to introduce barrierless travel for Tyne Tunnel users went live on 8th November 2021. Work continues on the glass inclined lifts which are the last feature of the Tyne Cyclist and Pedestrian Tunnels refurbishment.

Recommendations

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

1. Background Information

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 policy areas:

- Connectivity beyond our boundaries
- Making the right travel choice
- Active Travel
- Public transport: travelling by bus, ferry and on demand public transport
- Public transport: travelling by local rail and Metro
- Private transport: travelling by car and using road infrastructure
- Research, development and innovation

Progress under various categories 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

2. Connectivity beyond our boundaries

2.1 Rail update

In February the JTC submitted a joint response with the North East LEP to the Great British Railways (GBR) Whole Industry Strategic Plan (WISP) call for evidence.

The GBR 30-year strategic plan for Britain's railways has five areas of key focus, which the region is supportive of:

- Meeting customer needs
- Delivering financial sustainability
- Contributing to long term economic growth
- Levelling up and connectivity
- Delivering environmental sustainability

The joint response made clear that the region feels a long-term strategy has been sadly lacking leading to a fragmented approach to developing the rail network. The lack of a coherent plan has hit the North East particularly hard with recent proposals for the East Coast Mainline May 2022 timetable changes (which had they gone ahead would have reduced our connectivity across the North), as well as the disappointing outcome of the Integrated Rail Plan for the North and Midlands which severed the North East from both HS2 and Northern Powerhouse Rail.

The region's submission was also linked to the new North East Rail and Metro Strategy (see 2.4 below).

The North East call for evidence response stated clearly that transformation of the network, and the benefits to our region which will flow from that, cannot be achieved without increased levels of investment and new ways of working. The JTC has asked for a meeting with GBR to discuss how the region may help further in the development of the WISP, offering our support and perhaps trialling any pilot concepts within our 'self-contained' local rail geography.

2.2 Leamside line event and debate

Cross-party MPs, local politicians and business leaders came together on Friday 4th February at multiple locations along the Leamside Line to make the case for its reopening. The line's reopening is strongly supported by the region's political and business leaders.

Paul Howell MP for Sedgefield, Sharon Hodgson MP for Washington and Sunderland West, and Liz Twist MP for Blaydon met with Cllr Martin Gannon, Chair of the North East Joint Transport Committee and Leader of Gateshead Council alongside other supporters from the North East Chamber of Commerce, North East Local Enterprise Partnership, Transport for the North, Northern Powerhouse Partnership, Nexus and Transport North East, at three strategic points on the line –

Follingsby, Washington and Ferryhill.

The visit enabled the group to get a closer look at what scheme delivery in the future would look like.



The Leamside line was also the subject of a Westminster Hall debate on 8th February in which a range of MPs from different parties expressed their support for the line's re-opening to local rail traffic and to provide more resilience and extra capacity on the East Coast Main Line. Following the debate, in which the role of the North East Transport Plan was highlighted as offering "a comprehensive and ambitious plan for the region's transport", the Parliamentary Under-Secretary of State for Transport Wendy Morton summed up and re-affirmed the government's stance that "the case for reopening the Leamside line would be best considered as part of any future city region settlement."

2.3 Integrated Rail Plan

When attending the Transport for the North board meeting on 23rd February, the region's representatives expressed the view that, as it stands, the North East currently does not have enough capacity for today's growth in traffic and will require more investment to manage future demand for both passenger and freight services. Northern Powerhouse Rail did not include Newcastle which has impacted on our potential to be further connected to the rest of the UK. We feel that TfN's next steps to address the reduced vision of NPR need to be more reflective of the areas that did not receive the connections they were hoping for, such as the North East.

Whilst there is work planned to upgrade the ECML, we are yet to understand the impact it will have on current services during the agreed work. Network Rail are involved with discussions on a 7th and 8th train path which would help maintain and

possibly increase the ECML capacity.

Work is progressing with the Leamside Line through an umbrella Strategic Outline Business Case which will provide a view of the process of how a roll out of the line could look. These studies examine both the engineering feasibility and economic case for meeting the needs of the area. We hope to be supported through funding but are conscious that the North East has been unjustly missed out in Government funding previously.

2.4 North East Rail and Metro Strategy

The North East Rail and Metro Strategy is undergoing public consultation from 14th February 2022 for eight weeks and it is intended that the Strategy will be published by Summer 2022.

The North East is in a unique position in that it runs its own local railway (the Tyne and Wear Metro) and through this strategy seeks to better integrate local rail services and provide a clear understanding of how the North East Rail and Metro network can best serve residents and businesses in the area. Through the increase in the number of people and goods traveling by rail and Metro we will help tackle a number of key challenges in the North East whilst supporting national agendas. More rail and Metro use will:

- Reduce Carbon emissions through more efficient transfer of people and goods (modal shift)
- Improve connectivity providing more opportunities for work, training, education and leisure
- Improve health by encouraging modal shift and active travel as part of the journey
- Ensure a more secure financial future to operate key services

There will be four online consultation events held on Zoom with bookings taken through Eventbrite. One event, on Saturday 5th March, has already taken place and the other three are scheduled for:

- Tuesday 22nd March: 12pm
- Thursday 31st March: 10am
- Tuesday 5th April 6pm

There is also a telephone number that we are using to answer people's queries and to help them complete the consultation questionnaire over the phone. A rail and metro email address has been set up for people to get in touch with us, and engagement with the local press and social media has taken place to get people engaged with the consultation.

The full strategy and consultation questionnaire can be found here <https://www.transportnortheast.gov.uk/railandmetro/>

2.5 Transport for the North (TfN) update

Transport for the North recently concluded consultation on a new Freight and Logistics strategy. The main recommendations of the strategy included:

- Encouragement of more rail-connected warehouse clusters and rail freight interchanges across the north
- Enhanced rail capacity and capability for rail freight traffic, including on the Trans Pennine route and through County Durham
- A series of interventions to improve air quality in urban centres, including more consolidation/distribution centres, better overnight lorry parking provision, micro-consolidation and use of e-cargo bikes
- A pan-northern hydrogen transport refuelling strategy
- A Freight Data repository to improve access to freight data and plug gaps in data availability

Transport North East submitted a response to the consultation expressing general support for its proposals and outlining areas where the recommendations aligned with our own priorities.

TfN is also developing a series of policy position statements that will help inform the next version of its Strategic Transport Plan, to be published in March 2024. The latest statements cover International Connectivity and Rural Mobility.

In the latter case, an officer workshop took place in February to help TfN understand in more depth the challenges and opportunities within rural mobility for communities in the north. The north east was represented at the session and provided details of the challenges and opportunities faced in our rural areas. We will also be contributing to future sessions.

2.6 Public transport in towns and cities

The House of Lords Built Environment Committee has launched an inquiry into public transport in towns and cities. It is intended to submit evidence on behalf of the region to the inquiry before the deadline date of 11th March 2022.

3. **Making the right travel choice**

3.1 Local Growth Fund Electric Vehicle Infrastructure Project

Work began last month on the first of the seven sites across the region where new electric vehicle charging infrastructure is to be installed. 4 new charge points located in St Mary's car park, Sunderland will help to improve the availability of charging provision in this prominent city centre location.

Additionally, the seven local authorities in the region, Nexus and TNE are working with the North East Procurement Organisation (NEPO) to bring forward a concession agreement to enable long-term investment in the regional electric vehicle charging infrastructure (EVCi). This investment is needed to upgrade,

operate and maintain the current network and to resource its expansion in order to secure a sustainable long-term future.

3.2 Zero Emission Vehicle (ZEV) policy

A separate report on the agenda requests the Committee to approve the final version of the North East Zero Emission Vehicle policy.

3.3 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 now live and operational. Engagement events to encourage the switch to electric vehicles in the taxi trade are planned for March 2022 and will be virtual or physical workshops.

Of the two remaining sites, progress has been made at the Blandford Square site and the connection is expected to be made this Spring. The Coronation Street site in North Tyneside remains in use as a Covid testing centre.

3.4 Transforming Cities Fund

Work continues on the two schemes currently in the delivery phase, Durham Bus Station and Sunderland Central Station. In November, JTC agreed for the early release of funding for the North Shields Transport Hub and the Regionwide Intelligent Transport System (ITS) schemes, which is allowing preparatory orders/work to commence so that both schemes can start onsite before the end of the financial year and deliver within TCF timescales. JTC also agreed a delegated decision for the ITS scheme.

In January, JTC agreed delegated decisions for the South Tyneside Healthy Metro Stations and the A690 Corridor Strategic Cycle Network schemes. At the time of writing, all three schemes are due to enter into grant funding agreements shortly.

A separate paper providing an update on the TCF programme performance and scheme approvals will be presented at this meeting.

4. Active travel

4.1 Active travel fund

In Tranche 2, at the time of writing two schemes are under construction, which are Durham Great North Cycleway and North Tyneside Strategic Corridors. The remaining six schemes in Tranche 2 are to commence on site before the end of the financial year.

The Department for Transport indicated that a funding announcement for Tranche 3 was likely to be made in November, with grant determination letters to

follow and release of funds likely to occur in December 2021.

In mid-January, the DfT wrote to TNE confirming that they would like to put eight of our ATF Tranche 3 bid schemes through an assurance process, to be led by Active Travel England. These eight schemes are:

- Brunton Road – Sandy Lane;
- Elswick Road;
- Claremont Road;
- North Tyneside Sea Front Sustainable Route (SFSR);
- Ashington: North Seaton Road;
- Blyth Town Centre to South Beach;
- B1405 European Way / Pallion New Road - Segregated Cycle Lanes; and
- A183 Dame Dorothy Street – Segregated Cycle Lanes.

The combined total ATF funding ask is £17.9m. Feedback was received on the 21st of February, with a response due back by the 22nd confirming commitment to work with Active Travel England to resolve any issues raised in the assurance process. The funding announcements are due to be made in March with the grant allocation sent before the end of the financial year.

4.2 Capability Fund

The Capability Fund grant payments have started to be made to the local authorities. At the time of writing, four of the seven required grant funding agreements are in place, and the remaining three are progressing. The first of two monitoring and evaluation questionnaires has been issued by the Department for Transport, with responses required by the end of February. The second survey is anticipated to be requested in around 6 months' time.

5. **Public transport, travelling by bus, ferry and on demand public transport**

5.1 Bus partnership development

After JTC agreed on the postponement of the statutory consultation on 1 February 2022 due to the DfT letter from the 11 January 2022, the Enhanced Partnership team have been working on producing a Draft version of the EP Plan and Scheme to submit to DfT by the end of April 2022. A funding announcement is expected within the next few weeks.

Once these funding levels are known prioritised interventions will start to be included in the Enhanced Partnership Scheme. An updated date for when the Enhanced Partnership will be finalised and signed is currently unknown as Transport North East are still waiting for more information from DfT.

5.2 Zero Emission Bus Regional Area (ZEBRA) bid

At the time of writing, we await the government's response to our bid to the

ZEBRA fund.

5.3 Additional Bus Recovery Grant funding

Concerns were expressed by local authorities and operators around the lack of additional Bus Recovery Grant (BRG) funding from the end of March, and the impact of the Omicron variant on the sector. Whilst restrictions have now been relaxed, the move to 'Plan B' measures following the rise of Omicron raised concern that patronage recovery may be delayed, impacting the rate of recovery of the sector and requiring cuts in services affecting up to 15% of the network due to be implemented in March and May 2022.

To avoid the cliff edge in April 2022 the Department has now announced two sets of additional funding. An additional £29m in the current financial year of which the North East will receive £399,649 for local authority supported services and a £150m package of funding for the first six months of 2022/23 for bus and light rail services.

This is good news because it indicates that funding will be made available to bus and light rail services to support them through the recovery period until October. Unfortunately however we do not yet have any details over how this funding breaks down between English regions and operators, and we do not expect this for the next few weeks. Until we have that information we will be unable to be clear on the precise impact on the North East's bus network and next steps. It is our understanding at this point that bus service changes that have already been formally registered by the bus operators are unlikely to be reversed, but that the continuation of funding may have a positive impact on cuts that were being planned for but had not yet been formally registered.

6. Public transport: travelling by local rail and Metro

6.1 Metro funding

DfT and HM Treasury have confirmed a £13.1m package of funding to support Metro until the end of the financial year. Whilst promising patronage recovery had been seen, Plan B had a negative impact on patronage and with the lifting of restrictions it is hoped that patronage will again start to recover. Plan B and the impact of Storm Malik are likely to impact on the end of year patronage recovery figure.

At the time of writing an announcement has been made around potential further funding for light rail for a period of up to six months. However, it is not known how much funding will be made available to Nexus, nor what conditions will be attached to the funding.

In order to achieve the budget as set by JTC in January, Metro patronage needs to achieve 88% of pre-Covid levels. The impact of Plan B means that patronage

is currently lagging behind where it needs to be to achieve this target.

7. Private transport: travelling by car and using road infrastructure

7.1 Tyne Tunnel

The Tyne Pass Scheme to introduce barrierless open-road tolling for Tunnel users came into full operation on 8th November 2021. Roadworks are in place around the former toll booths which are gradually being taken down and a new road layout is being put in place. These works will continue until March/April 2022.

TT2 Ltd, the Concessionaire, operates the Tyne Tunnels and has implemented the new systems. After some initial system issues, the payment processes and ANPR cameras are working well. Journeys are already faster and carbon emissions have been significantly reduced under the open-road system. Users have quickly adapted to the new processes and 95% of users are paying the toll successfully online or via phone or Paypoint.

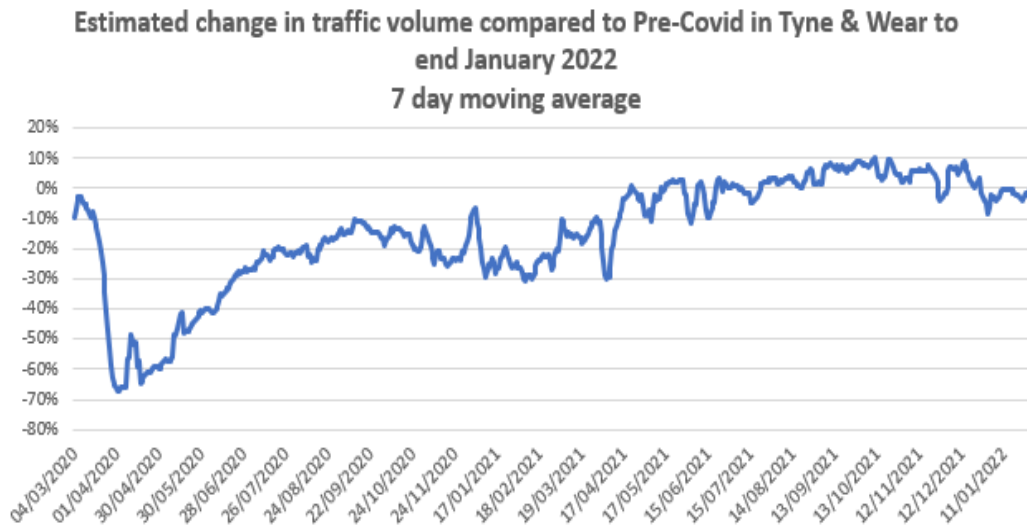
However, there is a reputational risk to JTC if the Tyne Pass scheme produces adverse outcomes for users. Of the users who have received an Unpaid Toll Charge Notice (UTCN), some have been disappointed with their experience and have set up social media groups and online petitions to register their dissatisfaction.

It is therefore important that Transport North East continues to work with TT2 on clear messaging to users, distinctive signage and fair processes for UTCNs and appeals in order to provide customers with the best possible experience under the new scheme. Officers will continue to work with TT2 towards these aims. Safeguards have been put in place via the Project Agreement with TT2 and via the processes for management of the Concession.

Tyne Cyclist and Pedestrian Tunnels (TCPT) are refurbished and open to the public 24/7 with free passage. Work continues on the glass inclined lifts which are the last feature of the refurbishment. There is no fixed date for completion of the inclined lifts as supplier issues mean that the end date is uncertain.

8. Estimated Change in Traffic Flow in Tyne and Wear

8.1 The following chart shows that at the start of the pandemic traffic levels dropped considerably but have now recovered significantly towards pre-covid levels and at times above.



9. Reasons for the Proposals

9.1 This report is for information purposes.

10. Alternative Options Available

10.1 Not applicable to this report.

11. Next Steps and Timetable for Implementation

11.1 Next steps are set out under each respective item.

12. Potential Impact on Objectives

12.1 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.

13. Financial and Other Resources Implications

13.1 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.’

13.2 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.

14. Legal Implications

14.1 There are no legal implications arising directly from this report.

15. Key Risks

15.1 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.

16. Equality and Diversity

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

17. Crime and Disorder

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

18. Consultation/Engagement

18.1 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.

19. Other Impact of the Proposals

19.1 No specific impacts.

20. Appendices

20.1 1 - Progress on Key Performance Indicators.

21. Background Papers

21.1 None.

22. Contact Officers

22.1 Tobyn Hughes, Managing Director, Transport North East

Tobyn.hughes@nexus.org.uk

23. Sign off

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

24. Glossary

All abbreviations or acronyms are spelled out in the report.

Appendix 1

Progress on Key Performance Indicators

| <u>KPI</u> | <u>Direction of travel</u> | <u>Key insight</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Sustainable Travel</u> 33% of journeys made by public transport, walking and cycling. Data Source: DfT National Travel Survey 2019, published August 2020. | Increase | Data in the National Travel Survey for 2020 shows that 37% of journeys are made by public transport, walking and cycling, which is an increase on the previous year. Other data sources have Metro and bus use remaining below pre-covid levels even after restrictions have been lifted in 2021. For the 7 days commencing 20 th November Metro was at 85% of typical journey numbers, and bus was |

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------|
| | | at 69%. |
| <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 | Data is not yet available to update, however, there have been no major changes to infrastructure. |
| <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: 2019, Department for Business, Energy & Industrial Strategy, published June 2021</p> | No Change | Figures for 2019 have been released and show no change in the amount of transport related CO2 emissions. |
| <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 | 0.48% of licenced vehicles in the region are classed as ultra-low emission (end of 2020). Data published May 2021. |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| licensing statistics | | |
| <p><u>Air quality</u></p> <p>For 2019, the highest, median, hourly nitrogen dioxide reading was 26.9ug/m³ occurring in the morning traffic peak.</p> <p>Data source: Department for Environment Food & Rural Affairs Automatic Urban and Rural Network (AURN)</p> | Decrease | <p>For 2021, the highest, median, hourly nitrogen dioxide reading was 25.5ug/m³ occurring in the morning traffic peak. This is an increase on 2020, however 2020 was expected to be unusually low. 25.5ug/m³ is lower than the baseline in 2019 – traffic levels began the year lower than pre-covid, however for much of the year they were at or above their equivalent pre-covid level.</p> |
| <p><u>Network performance</u></p> <p>In terms of efficiency, in 2019 our regional network scored 71.8%</p> <p>Data source: Department for Transport congestion data.</p> | No Change | Data is not yet available to update |
| <p><u>Motor vehicle traffic</u></p> <p>Estimated vehicle miles per head in our region in 2019 5,077</p> <p>Data source: Department for Transport National Travel survey, published August 2020</p> | Decrease | In 2020 the estimated vehicle miles per head were 4,064. We can expect that 2020 will be unusually low. |
| <u>Road safety: numbers</u> | Decrease | In the three-year rolling |

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>killed and seriously injured</u></p> <p>Numbers killed and seriously injured (KSI) three year rolling average (2016-17 to 2018-19) 778</p> <p>Data source: Traffic Accident Data Unit</p> | | <p>average from 2017 to 2020 there were 667 KSI.</p> <p>Recent data is provisional, and it can be expected that 2020 is lower than expected, due to the reduced traffic numbers.</p> |
| <p><u>Road safety: number of slight injuries</u></p> <p>Number of slight injuries three year rolling average (2016-17 to 2018-19) 3,275</p> <p>Data source: Traffic Accident Data Unit</p> | <p>Decrease</p> | <p>In the three-year rolling average from 2018 to 2021 there were 2,044 slight injuries.</p> <p>Recent data is provisional, and it can be expected that 2020 is lower than expected, due to the reduced traffic numbers.</p> |

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