



north east combined authority

## Transport North East (Tyne and Wear) Sub-Committee

Friday, 26th February 2016 at 2.00 pm

Meeting to be held in a Committee Room, Civic Centre, Regent Street, Gateshead, NE8 1HH

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## AGENDA

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Page No

1. **Apologies for Absence**
2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.
3. **Minutes of the Previous Meeting** 1 - 8
4. **Nexus Service Review** 9 - 14
5. **DB Regio Tyne and Wear Limited (DBTW) Performance Update** 15 - 20
6. **Publicity Marketing and Promotions Policy for Tyne and Wear** 21 - 30
7. **Date and Time of Next Meeting**

Thursday, 28 April 2016 at 2pm at Newcastle Civic Centre.
8. **Exclusion of Press and Public**

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

- |     |   |                |
|-----|---|----------------|
| 9.  | <b>Confidential Minutes of the Previous Meeting</b> | <b>31 - 32</b> |
| 10. | <b>Tyne Tunnels - Update</b>                        | <b>33 - 48</b> |

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: [victoria.miller@northeastca.gov.uk](mailto:victoria.miller@northeastca.gov.uk)

**To All Members**

## North East Combined Authority

### Transport North East (Tyne and Wear) Sub-Committee

28 January 2016

Meeting held: Sunderland Civic Centre, Burdon Road, Sunderland, SR2 7SN

#### Present:

Councillor: J Harrison (Chair)

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

#### 51 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

#### 52 DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 53 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 24 November 2015 were approved as a correct record and signed by the Chair.

#### 54 MONITORING NEXUS' PERFORMANCE: 1 APRIL TO 5 DECEMBER 2015

Submitted (previously circulated and copy attached to Official Minutes):

- i. An update report of the Managing Director (Transport Operations) on Nexus' performance against its Corporate Business Plan targets and objectives for 2015/16 for the period 1 April to 5 December 2015; and
- ii. An addendum report of the Managing Director (Transport Operations) providing an update on the actions that were being taken to improve the performance Metro.

Members considered the update report, including the addendum report.

When introducing the report, the Managing Director (Transport Operations) drew Members attention to following additional points:

- The Metro patronage remained strong. The target for the Metro patronage for 2015/16 had now been exceeded.
- Improved communications were planned to mitigate issues in relation to disruption to the Metro services.
- Work was in progress to design a business case and specification for a new Metro fleet. Discussions had commenced with the Department for Transport

(DfT) and other stakeholders. An update would be provided to the Combined Authority in due course.

During the ensuing discussion and in response to Members' questions, it was noted that:

- The strong performance of Metro against budget meant less pressure on the reserves.
- A Member commented on the decline in punctuality of the Metro services over the recent years and referred to the fact that this was due to a number of complex factors, including the ageing fleet, issues with the power supply and infrastructure. A Member empathised that a lot of the issues were outside of Nexus or Combined Authority's control.
- In welcoming the increased Metro patronage, the Chair commented on the importance of a good understanding of the issues that affected the performance of Metro and improving these to the required standard that had been agreed.
- It was acknowledged that whilst the performance of Metro had been at a very high standard in the past and improvements were needed to return to that standard, the current level of performance was comparable with an average UK train operating company.
- In welcoming the increased Metro patronage and farebox income, a Member asked whether there was concern that the public's trust in the reliability of the Metro services would reach a tipping point. In response, it was noted that whilst more needed to be done to improve the reliability of the system and the services, it was also important to work to improve the perception and sustain the good reputation of Metro. A discussion then took place about communication approaches that could be used to maintain the public's trust in Metro and to tackle the artificial inflation of a negative perception, particularly through social media, whilst working to improve the performance of services.
- Members noted the four possible options for the way forward with regard to the proposed Bus Quality Contracts Scheme. Members also noted the remit of the Sub-Committee in relation to this matter and asked for a policy seminar to be organised on the Bus Quality Contract Scheme options.
- A Member welcomed the detail in the report, particularly the information on the progress of recommendations for DB Regio Tyne and Wear (DBTW) and Nexus, as set out in Appendix 2 of the main report.
- The Managing Director of DBTW offered assurances that the measures that had been recommended to improve the Metro services that served public events that brought additional pressures on the services, such as the Great North Run, would be implemented and sustained.

- The Managing Director of DBTW clarified the meaning of the “Driver – other” category, as referred to in Appendix 1 of the addendum report. The Chair commented that all possible factors that could impact on the Metro services should have been identified and factored in.
- The Managing Director of DBTW offered reassurances that issues with the recruitment and retention of drivers were being addressed and the company was now confidently ahead on these issues. The key issue remaining was the time it took to train new drivers. It was noted that no services had been cancelled due to unavailability of drivers.
- DBTW now worked to ensure that the Metro drivers could identify and address minor technical faults efficiently.
- The Managing Director of DBTW explained the reasoning behind instances where the Metro service had to be withdrawn without a prior notice and passengers instructed to exit the train and take the next one. The reasons included responding to faults to ensure safety and sometimes was also an approach used to address delays. A Member commented on the difficulties this caused to passengers, particularly at peak times.
- The Managing Director of DBTW offered reassurances that all areas across Tyne and Wear were given equal priority when addressing issues with the Metro services. There could be some additional difficulties experienced in some areas due to the nature of the rail track in those areas.
- A Member commented on the importance of improving communication with passengers, particularly when there were issues. The Managing Director of DBTW explained that the existing communication system was now out of date and new ways of communication were necessary. The company was working to address the issue.
- When benchmarked against other service providers, the level of driver productivity of DBTW was amongst the best, whilst other areas such as performance needed improvement. The key targets for DBTW remained the contractual targets which were rigorous.
- The Route Managing Director of Network Rail responded to Members’ questions with regard to the recent issues with power failure on the Metro system.
- In offering apologies for the recent Metro system failures and acknowledging their contribution to the potential damage of the reputation of Metro, the Route Managing Director explained that the incident with the power supply was a one-off and that it had been difficult to deal with due to the unique design of system. For the reason of the design of the system, Network Rail could not use the usual measures to repair the fault and had to rely on assistance from Nexus. The two failures had identified some features of the system that were not known before. Due to its design the system could not be as resilient as a conventional system and, as a way forward, Network Rail

had commissioned work to assess the feasibility of redesigning of the system.

- It was not known why the potential issue of power failure had not been foreseen during the system design stage.
- Members commented on the difficulties caused by the power failure. The issue was exacerbated by the nature of the rail network in the area, which did not allow for bypassing.
- Comments were made about the usage and the importance of the Metro system in Tyne and Wear, including in linking areas such as the two cities, connecting more passengers than between Glasgow and Edinburgh. Comments were also made about the proportion of budget that was used to pay Network Rail for the maintenance of the system.
- Members also commented on the time it had taken Network Rail to repair the system, the lack of planning for the potential issues during the design of the system, the lack of risk assessment and whether the Tyne and Wear infrastructure was given adequate priority.
- The Route Managing Director of Network Rail offered reassurances that Network Rail was committed to working out a solution to redesign the system and make it more resilient. He also explained that relevant recommendations should be made to the DfT as part of the plan to introduce new rolling stock.
- Members welcomed the dialogue and partnership working with Network Rail, explaining the importance of addressing issues and improving the Metro services.
- The Route Managing Director welcomed closer relationships, particularly between the teams of Network Rail and Nexus and offered reassurances that Network Rail took the Tyne and Wear Metro system seriously and gave it the same priority as it gave to other systems in the country.
- A brief discussion took place about the benefits that could potentially arise from the forthcoming franchise operation by Arriva, including whether resources and knowledge could be shared.
- A brief discussion also took place about the nature of the contract between Nexus and DBTW for operating Metro by DBTW. The Managing Director of DBTW indicated that some matters were not known to the parties when entering into the contract such as, for example, the condition of trains. She emphasised that the company was committed to doing its best in delivering the Metro services up to the end of the contract.
- The Managing Director (Transport Operations) reminded Members that the contract for operating Metro by a private company had unlocked significant funding from the DfT. He also explained that the contract had been drafted relying on expert advice from the industry, which had been based on the

practices of heavy rail. However, any future arrangements for Metro's operation would need to reflect lessons learned during this current operation.

- Members noted information on the method used by Nexus to measure punctuality, which was more restrictive than the method used in the heavy rail industry. There were currently no changes proposed for the method used.
- Clarification was offered on the method used to measure customer satisfaction, including benchmarking against other public transport services.
- Members noted that it was the cumulative effect of complex issues that had impacted on the Metro services. Members also noted the substantial amount of work required by all parties to ensure improvements.

**RESOLVED** – That:

- i. the report and the addendum report be noted;
- ii. the action list for the improvement of the Metro services be kept updated and submitted to future meetings; and
- iii. consideration be given to organising a policy seminar for Members on the Bus Quality Contract Scheme options.

**55 UPDATE ON NEXUS' STRATEGIC RISKS**

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

Members considered the report which provided an update on the nine strategic risks that were currently being managed by Nexus.

Officers drew Members' attention to the position with funding from the government, which had now been confirmed, and also its impact, particularly on concessionary travel.

**RESOLVED** – That:

- i. The report and the current status of the nine strategic risks that were currently being managed by Nexus be noted;
- ii. Information be provided to a future meeting on the programme that was currently being developed by Nexus for the work to identify how services should be prioritised given the funding position; and
- iii. The subject of the strategic review of Nexus' services be discussed at the next policy seminar, in advance of the next meeting.

## 56 NEXUS CORPORATE BUSINESS PLAN

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

Members considered the report which sought approval of Nexus' Corporate Business Plan for 2016/17.

A Member asked that the words "if possible" be deleted from Section 2.2.2 of the Corporate Business Plan.

### **RESOLVED** – That:

- I. Subject to the amendment set out above, Nexus' proposed Corporate Business Plan for 2016/17 be approved.
- II. The Sub-Committee would assume a supervisory role in the review of Nexus' services during 2016 which would be a key feature of Nexus' Corporate Business Plan for 2016/17.
- III. A work programme setting out a timetable for the review of Nexus' services be submitted to the February 2016 meeting.

## 57 GO SMARTER UPDATE

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

Members considered the report which provided an update on the Tyne and Wear Go Smarter Programme. The Chair welcomed the information on the outputs.

The ensuing discussion included the following matters:

- funding for the programme for future years;
- the current position of the revenue funding, the costs of the programme and the importance of an appropriate cost/benefit evidence with regard to the programme;
- the cross-cutting nature of the programme having an impact on health;
- the importance of investment into health-promoting initiatives;
- the method used to collect evidence;
- the need for a longer-term evidence; and
- the nature of the benefits of the programme, some of which could not be evident until further into the future as these involved education of children.

### **RESOLVED** – That:

- i. The report be noted.
- ii. Further detail be provided on the programme, including evidence of an appropriate cost/benefit analysis, including over a longer term.



- iii. The Sub-Committee noted that a further report would be submitted to the Transport North East Committee on 26 February 2016.
- iv. With the addition of information requested in Resolution ii above, the Sub-Committee would recommend to the Transport North East Committee that consideration should be given to the opportunity to secure future funding of the Tyne and Wear Go Smarter Programme in the medium to longer term.

58 **DATE AND TIME OF NEXT MEETING**

26 February 2016 at 2pm at Gateshead Civic Centre.

59 **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** – That by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda items 10 and 11 (Confidential Minutes of the Previous Meeting and Tyne Tunnels Update) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

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## North East Combined Authority

### Transport North East (Tyne and Wear) Sub-Committee

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**Date:** 26 February 2016  
**Subject:** Nexus Service Review  
**Report of:** Managing Director (Transport Operations)

#### **EXECUTIVE SUMMARY**

When the Leadership Board agreed the transport levies at its January 2016 meeting, reference was made to the need to conduct a review of Nexus' services in 2016, to identify options for reductions in service budgets for consultation during 2016 and implementation from 2017 onwards.

The Leadership Board was informed that this is necessary, because without the possibility of generating £5m of annual savings from implementing the Bus Quality Contracts Scheme from 2017/18, and having had its grant from the NECA reduced by £2m in 2016/17, Nexus' budget deficit will grow to an estimated £7m in 2017/18, if action to address the budget imbalance is not taken. The Budgets for future years also need to take account of the impact of cuts in Government grant (resulting in a reduction in the Tyne and Wear Levy and the Grant to Nexus), as well as the cost pressures over the period. Therefore, in order to deliver a balanced budget in the medium term, cuts in services will need to be implemented from 2017 onwards, to be considered as part of a review of Nexus' services.

#### **RECOMMENDATIONS**

It is recommended that the Sub-Committee:

- a) Agrees that a review of Nexus services, to be led by the Managing Director (Transport Operations) be undertaken prior to the budget setting process for 2017/18 commencing; and
- b) Instructs the Managing Director (Transport Operations) to take into account views expressed by the public and key stakeholders when making proposals for the Sub-Committee's consideration, which will enable Nexus to achieve a balanced budget, without having to place reliance on its financial reserves by no later than 2019/20.

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### 1 Background Information

- 1.1 Nexus will be unable to balance its revenue budget from 2017/18 onwards, without use of reserves, as had been envisaged with a Bus quality Contracts Scheme (QCS) in place. The effect of the QCS Board's opinion is that at best, any financial benefits of either the QCS or bus franchising will not now arise, even in part, until 2020.
- 1.2 A review of the services offered by Nexus is therefore required in order to reduce expenditure and it is recommended that this be led by the Managing Director (Transport Operations) and undertaken prior to the budget setting process for 2017/18 commencing. Further, the review will need to take into account views expressed by the public and key stakeholders when making proposals for the Sub-Committee to consider.
- 1.3 It is envisaged that the Sub-Committee will assume a supervisory role and it will need to consider a range of options which will enable Nexus to achieve a balanced budget, taking account of the potential grant from NECA paid for from the Transport Levy, without reliance on its financial reserves by no later than 2019/20.
- 1.4 The Tyne and Wear transport costs that are part of the NECA Budget will also be subject to review at the same time to help meet the savings needed from NECA to set a balanced budget.

### 2 Nexus' Net budget 2016/17

- 2.1 The net budget i.e. the budget funded from the grant Nexus receives from the NECA that was approved by the Leadership Board in January 2016 is detailed below:-

	<b>Net Exp (£m)</b>
ENCTS	36.530
Discretionary concessions	3.552
Metro (Gold Card)	4.221
Ferry	1.160
Northern Rail (Administration)	0.187
Secured bus services	14.110
Bus waiting facilities	2.401
Public transport information	1.649
Contribution to major projects	2.349
<b>TOTAL NET EXPENDITURE</b>	<b>66.160</b>
Less: NECA GRANT	-62.500
<b>RESERVE FUNDED</b>	<b>3.659</b>

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### 3 Nexus' Services

- 3.1 Nexus provides a wide range of public transport services across Tyne and Wear. It provides economically and socially important transport links through the Metro (as well as the Northern Rail service between Newcastle and Sunderland), the Shields Ferry and Secured Bus services that would otherwise not be provided because they are not commercially viable. Nexus also provides and maintains bus waiting facilities (6,500 bus stops, 2,000 bus shelters and 15 bus interchanges), and provides public transport information at bus stops and Metro stations, on the internet, at Travelshops and by phone. It retails public transport products at Travelshops, online and at Metro stations through ticket machines.
- 3.2 Nexus has a statutory duty to operate the English National Concessionary Travel Scheme (ENCTS) across Tyne and Wear on behalf of the government, managing and distributing passes to users, and providing reimbursement to bus operators for accepting passes. The cost of the statutory ENCTS is estimated to be £36.530m in 2016/17.
- 3.3 On behalf of the NECA, Nexus also operates discretionary travel concession schemes across Tyne and Wear:
- A reduced fare scheme for children on all modes of public transport;
  - Extensions to the ENCTS to allow travel for carers, travel to medical appointments during the morning peak hours (before 09:30) as well as travel after 23:00; and
  - The Metro Gold Card scheme that allows ENCTS pass-holders to travel by Metro for a small annual payment.
- 3.4 Nexus' services are used by significant numbers of people. As set out in Nexus' annual expenditure and activity analysis report for 2014/15, which was presented to the Sub-committee at its November 2015 meeting:-
- The Metro carried 38.1 million journeys (of which 5.3 million journeys were made using the Metro Gold Card);
  - Secured bus services carried 8.1 million journeys, 6% of all bus journeys in Tyne and Wear;
  - The concessionary child fare was used to make 8.2 million journeys;
  - The Shields Ferry carried 469,000 journeys; and
  - The Taxicard was used to make 126,000 journeys, with a further 50,000 made on Group Travel services.
- 3.5 In addition, there were 3 million visits to the Nexus website and Nexus handled 166,000 telephone information calls. During the year Nexus compiled, printed and installed around 9,000 bus stop timetables.

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### **4 Public Consultation Proposals**

- 4.1 Withdrawal or diminution of any of Nexus' discretionary services will adversely impact people in the community, to varying degrees.
- 4.2 Nexus will therefore develop a consultation process that will allow stakeholders to understand various options and be able to influence the decision making process.
- 4.4 Nexus will develop a consultation document. This will set out the context for the review, explain the services provided by Nexus, and consider the value of those services to local communities along with the potential consequences of their withdrawal. Views expressed during consultation will be used by Nexus to inform the development of a spending reduction proposal to discuss with this Committee.
- 4.5 All options will be impact assessed.
- 4.6 A proposed timetable is set out below:
  - January and February 2016 – preparatory work with key officers and the Sub-Committee
  - March, April and May 2016 – prepare a public consultation document
  - June and July 2016 – undertake a public consultation
  - August 2016 – analyse the consultation responses and develop spending reduction proposals
  - September and October 2016 – discuss proposal with TWSC and obtain endorsement for a final spending reduction plan
  - November 2016 and January 2017 – discuss budget proposals with the Leadership Board
  - November 2016 to February 2017 – commence the amendment and/or withdrawal of those discretionary services that will no longer be funded, and set up any necessary alternative service arrangements

### **5 Next Steps**

- 5.1 Following consultation and analysis of responses, Nexus will develop spending reduction proposals for consultation in the summer and discussion with the Transport North East (Tyne and Wear) Sub-Committee (TWSC) in September 2016.
- 5.2 Once members have endorsed a final agreed spending reduction plan, Nexus will then start to implement it with the aim of achieving a balanced budget without reliance on its financial reserves by no later than 2019/20.

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### **8 Potential Impact on Objectives**

- 8.1 The outcome of this spending review is very likely to result in a significant reduction in the achievement of the objectives within the Tyne and Wear Bus Strategy, which in turn will impact upon the achievement of objectives within the Tyne and Wear Local Transport Plan and associated policies and strategies.

### **9 Finance and Other Resources**

- 9.1 Financial implications are considered throughout this report. The cost of preparing documentation and managing a consultation process in relation to this spending review will be met from within Nexus' existing resources.

### **10 Legal**

- 10.1 There are no legal issues that arise directly as a consequence of this report. Nexus proposes that it will continue to meet its statutory obligations throughout the term of this spending review. Section 11.4 of this report (Risk Management) considers the risks of certain legal implications arising should the review not be properly conducted.

### **11 Other Considerations**

#### **11.1 Consultation/Community Engagement**

Nexus is proposing to conduct a comprehensive public consultation that will enable an understanding of community priorities in transport to be understood. These priorities will influence the outcomes of the spending review that will be brought to this Committee for consideration in September 2016.

#### **11.2 Human Rights**

The protection of people's human rights will be considered throughout this review.

#### **11.3 Equalities and Diversity**

The equality and diversity needs of protected groups will be considered throughout this review. Nexus will ensure that the views of protected groups and their representatives are elicited during the proposed consultation.

#### **11.4 Risk Management**

There are significant risks associated with the need to carry of a review of Nexus services that will ultimately lead to proposals that will cut expenditure on discretionary services. The risks range from that of a legal challenge being successfully brought

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against Nexus and/or the NECA, to Nexus being unable to set a balanced budget for which it has a legal duty, as required by the Transport Act 1983.

### 11.5 Crime and Disorder

None arising directly as a consequence of this report.

### 11.6 Environment and Sustainability

The scale of service reductions that could be envisaged as a result of this review is likely to result in less use of public transport modes and greater use of the car, which could exacerbate environmental issues in Tyne and Wear.

## 12 Background Documents

12.1 None.

## 13 Links to the Local Transport Plans

13.1 The report outlines Nexus' activity that supports the delivery of the Tyne and Wear Local Transport Plan.

## 14 Appendices

14.1 None.

## 15 Contact Officers

15.1 Toby Hughes, Managing Director for Transport Operations, NECA/Nexus  
E-mail [toby.hughes@nexus.org.uk](mailto:toby.hughes@nexus.org.uk) Tel: 0191 203 3246

## 16 Sign off

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

## 17 Glossary

QCS – Quality Contracts Scheme

ENCTS – the English National Concessionary Travel Scheme

DfT – Department for Transport



## North East Combined Authority

### Transport North East (Tyne and Wear) Sub-Committee

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**DATE:** 26 February 2016

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

**REPORT OF:** Managing Director (Transport Operations)

#### **EXECUTIVE SUMMARY**

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

#### **RECOMMENDATIONS**

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

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### 1 Background

- 1.1 Whilst Nexus' overall performance is regularly provided to the Sub-Committee in the separate report entitled 'Monitoring Nexus' Performance', this report is intended to provide and put into context the most recent information relating to the operation of the Metro system by the Concessionaire, DBTW.
- 1.2 Since September 2015, and as a consequence of the very poor Metro service on the day of the Great North Run, Members of this Sub-Committee have exercised greater focus in their monitoring role towards the Metro. Most recently, and relating to ongoing performance problems, further monitoring has taken place including a special Members' Seminar. Both of these matters have developed a set of action plans which continue to be reviewed by this Sub-Committee. This report does not give an update on these two sets of actions; however, these will be reported on at future meetings.

### 2 Overall performance of the Metro system

- 2.1 The overall performance of the network is reported to passengers through the Metro Passenger Charter using a measure known as 'Charter Punctuality'. Charter Punctuality is a measure of how many trains pass each monitoring point on its journey. A "pass" represents a train passing a monitoring point no earlier than 30 seconds and no later than 180 seconds of its scheduled time. The target for this measure is 87.2% and the three most recent periods recorded the following results:

- Period 9            67.05%            4 weeks ending 5<sup>th</sup> Dec 2015
- Period 10           77.02%            4 weeks ending 2<sup>nd</sup> Jan 2016
- Period 11            77.12%            4 weeks ending 30<sup>th</sup> Jan 2016

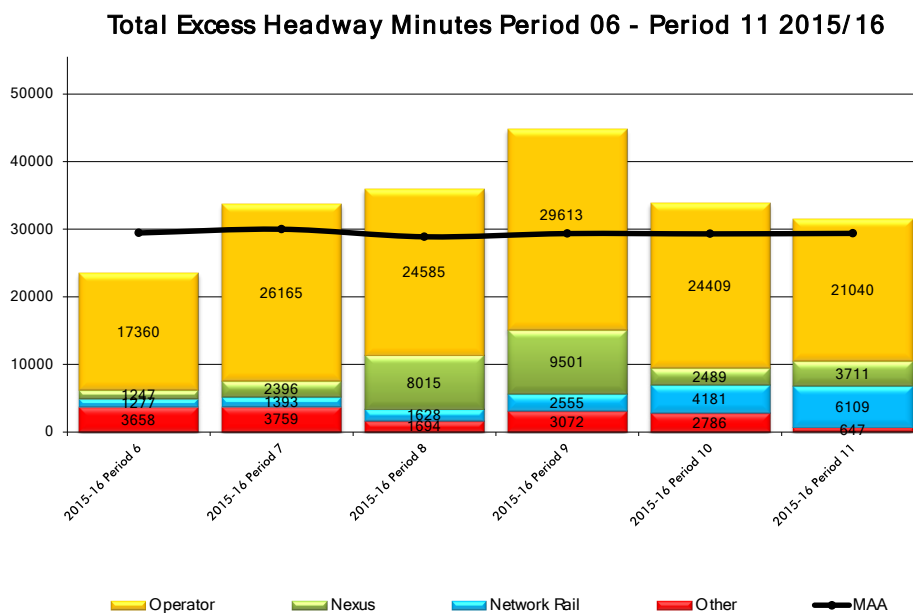
- 2.2 The average Charter Punctuality across the above three periods was 73.73%, which is a decline compared to the three previous periods' (6, 7 & 8) average of 79.73%.
- 2.3 Charter Punctuality achieved during the equivalent three periods (9, 10 & 11) last year was slightly higher at 75.48%. In part, this decline can be explained by the effects of autumn arriving late in 2015 compared to 2014; however other factors have influenced the most recent three periods.

### 3 Breakdown of influences on performance

- 3.1 Punctuality results are a result of the performance of three organisations: DBTW, Nexus (in its capacity as infrastructure provider), and Network Rail.
- 3.2 The graph below shows a breakdown between each of the organisations over the last six periods. In the case of Nexus, this includes low rail adhesion disruption.

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In the most recent two periods, performance on the Metro system was severely affected by faults on Network Rail's infrastructure that caused major disruption over several days on two separate occasions. In addition to this, the performance of the Metro fleet continues to be a source of concern, with faults per kilometre (the standard industry measurement) well below that of other Electric Multiple Unit (EMU) train fleets in the UK.

- 3.3 **Period 9** whilst influenced in part by autumn in the form of low rail adhesion (LRA) this period also experienced other weather related events with trees and other objects blown on to the line. The most significant of these weather related incidents was on 5<sup>th</sup> December 2015 and involved a factory roof being blown onto Nexus' infrastructure near to Bede. Leaving aside the weather related events there was also a higher than normal number of Metrocar faults resulting in noticeable disruptions to the Metro service.
- 3.4 **Period 10** was dominated at the start of the period by major disruption spreading over four days on Network Rail's infrastructure when the overhead line developed a major fault. Notwithstanding this and a number of less significant other incidents, this period was the only one of the three under review within this report to have bettered last year's Charter Punctuality (Period 10 2014/15 was 76.79%).
- 3.5 **Period 11** saw another major Network Rail overhead line supply problem when a faulty underground cable failed resulting in disruption to services for three days. Other sizeable but less significant incidents included a minor DBTW staff injury; a Nexus signalling (points) failure; a Metrocar under frame equipment fault and an overhead line fault at the Metro depot.

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3.6 **Fleet or Metrocar reliability** performance results for the latest period (11) have not yet been published. Measured in the number of Kilometres between service effecting incidents of 4 EHW minutes or more the results for the other two periods are as follows:

- Period 9 6580 km/incident
- Period 10 7118 km/incident

The Metrocar moving annual average reliability to the end of Period 10 was 7305 km/incident. In this year (2015/16) to date the highest period was Period 8 at 8214 km/incident and the lowest was Period 1 at 5977 km/incident. These figures are typically around half the value they were in Year 2 of the Concession Agreement (2011/12).

3.7 **Weather resilience of the Nexus infrastructure** during Periods 9, 10 and 11 is worthy of noting. The weather conditions from November to January saw a higher than normal number of storms consisting of very high winds and significant levels of rainfall. In Southern Scotland and the North of England these weather fronts resulted in major road and railway closures typically due to flooding or embankment/earthwork failures. During the same timescales and in relation to Nexus' infrastructure there were no service effecting flooding or embankment/earthwork failures. This positive set of outcomes is thought, in the main, to be a function of the targeted works that form part of the Metro Reinvigoration or Asset Renewal Plan.

## 4 Potential Impact on Objectives

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

## 5 Finance and Other Resources

5.1 The penalties levied on DBTW during 2015/16 until the end of Period 9 are at a value of £0.477m.

## 6 Legal

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

## 7 Other Considerations

### 7.1 Consultation/Community Engagement

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

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### 7.2 Human Rights

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

### 7.3 Equalities and Diversity

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

### 7.4 Risk Management

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

### 7.5 Crime and Disorder

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

### 7.6 Environment and Sustainability

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

## 8 Background Documents

8.1 None.

## 9 Links to the Local Transport Plans

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

## 10 Appendices

10.1 Not applicable.

## 11 Contact Officers

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

# North East Combined Authority

## Transport North East (Tyne and Wear) Sub-Committee

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### 12 Sign off

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

### 13 Glossary

**DBTW** – Deutsche Bahn Regio Tyne and Wear Ltd, the current operator of the Tyne and Wear Metro through the Concession Agreement with Nexus

**Excess Headway Minutes** - the method by which delays experienced by passengers are measured

## North East Combined Authority

### Transport North East (Tyne and Wear) Sub-Committee

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**DATE:** 26 February 2016

**SUBJECT:** Publicity Marketing and Promotions Policy for Tyne and Wear

**REPORT OF:** Managing Director (Transport Operations)

#### **EXECUTIVE SUMMARY**

The purpose of this report is to seek endorsement of a policy for Publicity, Marketing and Promotions in the Tyne and Wear area as undertaken by Nexus on behalf of the Combined Authority.

#### **RECOMMENDATIONS**

It is recommended that the Sub-Committee agree to approve the Publicity Marketing and Promotions Policy.

# North East Combined Authority

## Transport North East (Tyne and Wear) Sub-Committee

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### **1 Background Information**

- 1.1 Nexus undertakes publicity, marketing and promotions activity within Tyne and Wear to promote public transport use in line with the objectives of the NECA.
- 1.2 These activities include advertising, public relations, promotions activities and commercial partnerships.

### **2 Proposals**

- 2.1 The attached policy proposes the criteria by which Nexus intends to undertake such activity on behalf of the NECA in the future.
- 2.2 There is no specific legislation that covers Nexus in this regard, and Nexus is not specifically bound by DCLG guidance on this matter. However in developing this policy has used DCLG guidance as best practice.
- 2.3 The policy covers all publicity, which is defined as 'any communication in whatever form, addressed to the public at large or a section of the public', but excludes the provision of information, such as bus stop timetables.
- 2.4 The policy will be formally reviewed every two years.

### **3 Next Steps**

- 3.1 If the Sub-committee approves the policy Nexus will ensure that all future marketing and promotion activity is undertaken in accordance with its principles, and will report on use of the policy to the Sub-Committee.

### **4 Potential Impact on Objectives**

- 4.1 The policy supports travel to work, education and employment through the promotion of public transport as a mode of choice, supporting model shift to sustainable transport. This in turn supports wider policy objectives such as congestion reduction.

### **5 Finance and Other Resources**

- 5.1 There are no direct financial consequences arising from the adoption of the proposed policy. Nexus has set aside a marketing budget of approximately £170k in the current year; in addition DBTW has a contractual obligation to expend around £700k each year on marketing activities to promote the Metro system.



# North East Combined Authority

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### **6 Legal**

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

### **7 Other Considerations**

#### **7.1 Consultation/Community Engagement**

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

#### **7.2 Human Rights**

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

#### **7.3 Equalities and Diversity**

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

#### **7.4 Risk Management**

Nexus regularly reviews its strategic risks and these are reported to meetings of this Sub-Committee on a regular basis.

#### **7.5 Crime and Disorder**

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

#### **7.6 Environment and Sustainability**

The policy referred to in this report promotes the use of public transport and thus contributes to NECA's environmental objectives.

### **8 Background Documents**

- (i). Code of Recommended Practice on Local Authority Publicity; Department for Communities and Local Government 31<sup>st</sup> March 2011
- (ii) Nexus Policy Framework, report to TWSC, 9<sup>th</sup> July 2015

### **9 Links to Plans in the Policy Framework**

9.1 Not applicable

# North East Combined Authority

## Transport North East (Tyne and Wear) Sub-Committee

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### 10 Appendices

10.1 Proposed Publicity, Marketing and Promotions policy.

### 11 Contact Officers

11.1 Name, e-mail address, Tel: Huw Lewis, Head of Customer Services and Communications, [huw.lewis@nexus.org.uk](mailto:huw.lewis@nexus.org.uk), 0191 203 3112

### 12 Sign off

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



## **1. Policy Statement**

This policy covers all Nexus activities with regards to the marketing and promotion of Nexus, its services and public transport on behalf of the NECA. It also covers marketing and promotions activities by any organisation acting on behalf of Nexus, including the Metro Concessionaire.

The policy covers all publicity, which is defined as 'any communication in whatever form, addressed to the public at large or a section of the public'. However this policy does not cover the provision of information which allows an individual to use a service, such as timetable information. This is covered separately in the Information Policy.

## **2. Background**

Nexus has a large commercial operation with significant (£60 million +) revenue risk across all of its current operations (this represents around one-third of Nexus' gross revenue budget).

Nexus undertakes marketing, publicity and promotion of public transport, including those services which it has a direct financial interest in, on behalf of the NECA with an objective to promote public transport use and encourage modal shift to sustainable forms of transport, away from the private car, in line with local transport plans.

Nexus also provides a large range of information on public transport services in order to promote and maintain accessibility, this includes information about concessions it provides to assist those with protected characteristics, such as Taxicard for disabled people and the Tyne and Wear concessionary fare schemes.

There are, therefore, three distinct marketing streams with different purposes:

- i) The marketing of transport services from which Nexus derives fares revenue, in order to increase that revenue and thereby keep taxpayer subsidy at a minimum. This applies principally to marketing for Metro, the Shields Ferry, Secured bus services and to some extent the Pop smart brand.
- ii) The promotion of services and concessions that Nexus funds which are promoted in order to ensure local residents are aware of the range of services available to them.

- iii) The promotion of public transport services generally, even where Nexus has no direct financial interest, an example includes the provision of information relating to bus services that commercial operators provide.

### 3. Scope

This policy covers all decisions made by Nexus relating to paid advertising, leaflet campaigns, publication of free newspapers and newsheets and maintenance of websites – including the hosting of material which is created by third parties. The policy does not cover the provision of public transport information, such as timetables, bus stop liners and real time information.

## 4. Policy

- a. Publicity by Nexus or any party acting on its behalf must be:
  - i. Lawful
  - ii. Cost effective
  - iii. Objective
  - iv. Even-handed
  - v. Appropriate
  - vi. Have regard to equality and diversity
  - vii. Issued with care during periods of heightened sensitivity
  
- b. Marketing and promotion activity will be carried out to support specific brands, products or services which are themselves delivery mechanisms for the NECA's objective of maintaining and growing public transport use and improving accessibility. These include 'Metro' 'Pop' 'Shields Ferry' 'Companion Card' 'Nexus.org.uk' (for travel information) amongst others – there should be no direct promotion of 'Nexus' itself, although Nexus may be referred to as the provider of brands and services being marketed.
  
- c. Before embarking on any publicity activity Nexus will satisfy itself that the methodology being proposed is the most appropriate and effective for the message being conveyed.
  
- d. Marketing activity may include the sponsorship of events or marketing partnerships with event providers or visitor attractions, in the name of a Nexus brand or service, providing this is an appropriate and effective means of a message or objective being conveyed. This will be done only where:
  - i. the sponsorship or marketing partnership will generate a positive return on investment for Nexus by means of growing fare income;
  - ii. the sponsorship or marketing partnership will support the NECA's objectives for transport in some other way, for example by growing public transport ridership, increasing awareness of sustainable travel modes, or promoting the availability of concessionary products; or
  - iii. the sponsorship or marketing partnership will support the transport-related objectives of NECA's constituent members, for example promoting travel to an event by public transport.

- e. For the avoidance of doubt, Nexus will not sponsor or enter into marketing partnerships with wholly commercial entities, other than where the activity can be demonstrated to generate a positive return on investment for Nexus by means of growing fare income.
- f. Marketing resources may be put towards joint campaigns or activities with transport operators or other public bodies, providing that such a campaign would meet Nexus' own objectives if delivered in isolation.
- g. The Metro Concessionaire currently provides marketing for Metro and Metro ticketing as part of the Concession Agreement with Nexus. In this case Nexus will oversee all aspects of the marketing activity through the agreement of an annual Marketing Plan against which delivery and the cost effectiveness of marketing campaigns can be measured.
- h. Nexus must ensure that all publicity relating to policies and proposals from central government is balanced and factually accurate and must not be perceived as a political statement.
- i. Where Nexus uses paid advertising it should be clearly identified as advertising.
- j. When Nexus provides assistance to third parties to issue publicity Nexus will ensure that the principles in this policy are adhered to by the recipients of that assistance.
- k. Nexus should not incur any expenditure in retaining the services of lobbyists for the purposes of the publication of any materials designed to influence public officials.
- l. All publicity should be free to the end users; this does not include information formats where there is a delivery cost, such as telephone information lines or SMS messages.
- m. Any expenditure incurred by Nexus on publicity, marketing and promotions will be in accordance with Nexus Standing Orders and Financial Regulations. The overall budget will be agreed via the Nexus business planning process and expenditure monitored in line with normal arrangements concerning periodic financial reporting.
- n. Any non-cash transfers from Nexus in pursuit of the objectives for Publicity, Marketing and Promotions will be in accordance with Nexus Standing Orders and Financial Regulations and monitored accordingly.
- o. Any benefits in kind received by Nexus in pursuit of the objectives for publicity, marketing and promotions will be recorded in its register of gifts and hospitality as required by its Standing Orders and Financial Regulations.

- p. All publicity, marketing and promotions activity will be measured for effectiveness using recognised evaluation tools. All marketing campaigns will have a return on investment target. Nexus is not bound by DLGG guidance on local authority publicity; the guidance covers Local Authorities as specified in section 6 of the Local Government Act 1986. However Nexus recognises this as best practice and makes sure that activity complies with relevant guidance.
- q. Nexus will provide all publicity in alternative formats when requested.

## **5. Monitoring and reporting**

Nexus will report its activities in respect of the use of this policy to the Tyne and Wear Sub-Committee of NECA's Transport North East Committee (TWSC). This will normally be by means of a marketing update section in its general performance update.

Wherever possible Nexus will liaise with the TWSC regarding major marketing campaigns and new sponsorship and marketing partnerships in prior to finalising them, and have regard to the sub-committee's feedback.

Nexus' Corporate Management Team will ensure that regular reviews of marketing activity are undertaken to ensure that return on investment is achieved and/or the NECA's objectives have been met.

## **6. Responsibilities**

This policy is owned by Corporate Manager Customer Services and Communications.

Responsibility for ensuring compliance with this policy rests jointly with the Corporate Manager, Customer Services and Communications and in respect to the Metro Operating Concession, the Head of Metro Delivery.

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