



# **Tyne and Wear Integrated Transport Authority**

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**Meeting to be held in a Committee Room, Newcastle Civic Centre, NE99 2BN  
on Thursday 22 July 2010 at 10.00 am  
(Labour Group meeting at 9:00am) (Opposition Group meeting at 9:30am)**

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## **SUPPLEMENTAL AGENDA**

	<b>Page</b>
<b>21. NESTI Progress Update</b>	<b>1 - 4</b>

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**NOTE: Under the Local Government (Access to Information) Act 1985 members of the public have a right to inspect any non-confidential background papers used in the production of a non-confidential report to the Authority. Requests for information should be made to the Department originating the report.**

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## Tyne and Wear Integrated Transport Authority

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**DATE:** 22 July 2010

**TITLE:** NESTI Progress Update

**REPORT OF** THE CLERK OF THE AUTHORITY / DIRECTOR GENERAL OF NEXUS

**Not confidential**

**District Implications: All of Tyne and Wear**

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### 1. **Summary / Purpose of Report**

1.1 To update Members on the development of the NESTI programme.

### 2. **Recommendations**

2.1 Members are recommended to note the progress made to date.

### 3. **Key developments**

3.1 The first public transport service to carry NESTI-enabled smart ticketing equipment began on 6<sup>th</sup> June 2010 (Go North East Service 20 between Sunderland and Durham). Other NESTI-enabled services will follow soon.

3.2 Programme funding is now largely in place, the legal framework is in the final stages of consultation, and NESTI now has a brand symbol.

### 4. **Governance**

4.1 On 7 October 2009, the Leader and Elected Mayors of the North East Councils agreed to jointly form the NESTI Programme with the ITA and Nexus. They also agreed that a 'NESTI Board' be set up with officers representing the councils, within a governance structure giving a formal link back to the Leaders and Elected Mayors.

4.2 The ITA has drawn up a legal document, being called a 'Collaboration Agreement' to underpin the partnership. Consultation is underway with partners, and a final draft will be circulated shortly for signature.

- 4.3 The Agreement will not bind any of the authorities to either (a) any expenditure or other financial commitment beyond their initial capital contribution, or (b) any future contractual commitments. A proviso to this is that some authorities may be required to be members of ITSO and to pay the relevant fees.
- 4.4 A 'Shadow' NESTI Board has met on a number of occasions to move the programme forward, pending the full Board being convened once the Collaboration Agreement has been signed.
- 4.5 Under the terms of the Collaboration Agreement, future reports to Leaders and Elected Mayors will be presented in the name of the Chair of the ITA at least every 6 months, containing a summary of progress, budget status and other financial matters, and any other relevant matters.
5. **Funding**
- 5.1 In March the Treasurer to the ITA wrote to the Chief Finance Officer in each Local Authority requesting that they transfer their share of the NESTI funding to the ITA as agreed by Leaders and Elected Mayors. Almost all of this funding has been transferred, and the remainder committed by the authorities concerned.
6. **Programme Update**
- 6.1 The NESTI scheme is focused on the development of infrastructure to enable smart ticketing to occur. It is expected to deliver the following:
- a) Acceptance of ITSO smart tickets on all forms of public transport in the North East;
  - b) A HOPS available for use by any local authority or operator in the North East;
  - c) A smart retail network covering the North East;
  - d) Capability of an e-purse product;
  - e) Capability of interfaces to other smartcard schemes.
- 6.2 Procurement of the 'HOPS' (smart back office) has begun, with the equipment expected to be fully installed and available for use early next year.
- 6.3 Nexus is preparing plans to launch a smartcard that will be capable of carrying both public transport and local authority smart ticketing products. The brand chosen for the smartcard will be independent of Nexus and Tyne and Wear and will incorporate the NESTI logo (see below), and so it will be usable by people across the North East. Further details on the brand will be provided at a later date once the necessary registration and protection processes have been completed.
- 6.4 A legal contract is being prepared to cover the proposed NESTI grant funding arrangements to operators. Go North East, Stagecoach and Arriva have sent

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letters indicating their intention to participate in the scheme, subject to grant funding being made available and contractual terms being agreed. Smaller operators are being contacted to discuss how their participation in the scheme can be secured.

- 6.5 Work is underway to develop the opportunities for using the NESTI scheme to deliver efficiencies to Local Authorities; this is being pursued through ANEC and the Regional Improvement and Efficiency Partnership (RIEP). Discussions have also been held with a number of local authorities and universities over how the NESTI scheme could converge with existing smartcard schemes.
- 6.6 Go Ahead have launched a pilot scheme the service 20 between Sunderland (Park Lane Interchange) and Durham. NESTI are involved this pilot scheme in a number of different ways including funding, research and customer support. Concessionary travel passes issued by Nexus and County Durham are being used as smart cards on this service.

## 7. **Branding**

- 7.1 A symbol has been developed for NESTI to represent the scheme, as shown below:



- 7.2 The symbol will be displayed on or near all equipment funded in whole or part by NESTI. It will also appear on Nexus smartcards, conveying to customers the fact that their smartcard will be accepted wherever they see the symbol.
- 7.3 Operators and other issuers of smartcards will be offered the choice of whether to incorporate the symbol into their own smartcards or not, but it will in all circumstances be clearly displayed on buses close to the ticket machine and/or smartcard reader.
8. **Further comments by the:**
- **Clerk** (if any);
  - **Treasurer** (if any);
  - **Legal Advisor** (if any);
  - **Director General** (if any).

**9. Background Papers**

- 9.1 NESTI Collaboration Agreement;  
NESTI Outline Business Case.  
(Available on request from Nexus).

**10. Contact Officer (s)**

- 10.1 Tobyn Hughes, Director of Strategy, Nexus (Tel: 0191 203 3246)