



Tyne and Wear Integrated Transport Authority

**Special Meeting to be held in a Committee Room, Civic Centre, Newcastle upon Tyne
on Monday 29 June 2009 at 10.00 am**

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

(If any Member has a personal/prejudicial interest please complete the appropriate form and hand this to the Democratic Services Manager before leaving the meeting. A blank form can be obtained from the DSM at the meeting).

Members are reminded to verbally declare their interest and the nature of it and, if prejudicial, leave where appropriate at the point of the meeting when the item is to be discussed.

3. (a) **Annual Governance Statement 2008/09** **1 - 36**
4. **Kickstart Bus Challenge 2009** **37 - 40**

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Tyne and Wear Integrated Transport Authority

Date: 29 June 2009

TITLE: ANNUAL GOVERNANCE STATEMENT 2008/09

REPORT OF ACTING CLERK AND DEPUTY CLERK

Not Confidential / District Implications - All

1. Summary / Purpose of Report

- 1.1 The ITA is required to conduct an annual review of the effectiveness of its governance and internal control arrangements and include a statement to that effect within its Annual Report and Accounts.
- 1.2 This statement is known as the “Annual Governance Statement” and will be considered in detail by the ITA Standards and Audit Committee on 26 June 2009, in accordance with the detailed report and appendices provided at **Appendix 1**.
- 1.3 The statement summarises the operation of the governance and internal control environment during 2008/09, the extent to which it operated satisfactorily and highlights significant weaknesses and areas requiring improvement.
- 1.4 The purpose of this report is:
 - (a) To enable the ITA to consider the outcomes and implications of the review as detailed in **Appendix 1**. Relevant outcomes of the Standards and Audit Committee meeting will be verbally outlined to the ITA on 29 June 2009; and
 - (b) To seek formal approval of the Annual Governance Statement and Local Code of Corporate Governance.

2. Recommendations

- 2.1 To approve the Annual Governance Statement provided in **Appendix A of Appendix 1**, for inclusion in the draft Annual Report and Accounts 2008/09.
- 2.2 To note that the Annual Governance Statement must be up to date at the time of final publication which does not take place until the Accounts have been audited and finalised in September 09. The Annual Governance Statement will therefore be updated (if necessary) and submitted to this Committee for final consideration in September 09.
- 2.3 To approve the updated Local Code of Corporate Governance provided in **Appendix B of Appendix 1**, for publication on the ITA’s external website.

3. Next Steps

3.1 The AGS will be signed by the Chair of the ITA, Acting Clerk and Deputy Clerk (Section 151 Officer) before being published with the Draft Accounts.

4. *Further comments by the:*

- **Clerk** (none);
- **Treasurer** – the Treasurer has seen this report and is satisfied with its contents
- **Legal Advisor** (none);
- **Director General** (none).

5. Contact Officer (s):

Strategic Risk Manager – Farah Hussain – Telephone 0191 2116642



Tyne and Wear Integrated Transport Authority

Standards and Audit Committee

Date: 26 June 2009
TITLE: ANNUAL GOVERNANCE STATEMENT 2008/09
REPORT OF ITA OFFICER CO-ORDINATION GROUP
Not Confidential / District Implications - All

1. Summary / Purpose of Report

- 1.1 The Strategic Risk Manager submitted a report to this committee in December 08 on the requirement for the ITA to conduct an annual review of its governance and internal control arrangements and to produce an Annual Governance Statement.
- 1.2 The ITA Officer Co-ordination Group (“Officer Group”) carried out the review on 3 June 2009 – this report explains and presents the outcome.
- 1.3 There are two key documents which Committee are asked to consider:
- (a) **Appendix A** – draft Annual Governance Statement 2008/09 (“AGS”); and
 - (b) **Appendix B** – draft Local Code of Corporate Governance (“Local Code”).
- 1.4 The role of this Committee, as per the relevant paragraphs of its Terms of Reference are:
- 9.2 To review annually the effectiveness of the Authority’s internal control environment
 - 10.1 To consider and promote the Authority’s arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice
 - 10.6 To review the Authority’s Annual Governance Statement and to recommend its adoption to the Authority.

2. Recommendations

- 2.1 To consider the draft Annual Governance Statement provided in **Appendix A** and recommend it to the ITA for approval on 29 June 09, as part of the draft Annual Report and Accounts 2008/09.
- 2.2 To note that the AGS must be up to date at the time of final publication which does

not take place until the Accounts have been audited and finalised in September 09. The AGS will therefore be updated (if necessary) and submitted to this Committee for final consideration in September 09.

- 2.3 To consider the updated Local Code of Corporate Governance provided in **Appendix B** and recommend it to the ITA for approval on 29 June 09.

3. Introduction / Background

3.1 The ITA is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

3.2 The ITA also has a duty¹ to make arrangements to secure continuous improvement in the way in which it exercises its functions, having regard to a combination of economy, efficiency and effectiveness.

3.3 To discharge this responsibility, the ITA is responsible for putting in place proper arrangements (a Governance Framework) to:

- (a) Govern its affairs: in relation to this, we have adopted a Local Code. This is a public document which sets out the main elements of our governance framework, evidences our commitment to achieving good governance and demonstrates how we comply with the governance standards recommended by CIPFA²; and
- (b) Facilitate the effective exercise of our functions, including arrangements for managing risk: in relation to this, we have a system of internal control designed to manage risk to a reasonable level.

3.4 The ITA has a statutory duty to do the following on an annual basis :

- (a) Review and update the Local Code and demonstrate how we have complied with it in practice;
- (b) Conduct a review of the effectiveness of our governance framework, including the system of internal control;
- (c) Identify significant weaknesses and the actions that have taken place (or will take place) to address them;
- (d) Report these to the public in the AGS which is part of the Accounts.

4. Review Process

4.1 The Officer Group met on 3 June 09 to draw together their knowledge of the ITA's activities during the 2008/09 financial year. Where available, the Officer Group drew upon the information sources highlighted in Section 4 of the AGS.

4.2 The Local Code was also updated as part of this review, to reflect changes and improvements in the governance framework and to ensure there were no significant gaps in our arrangements that may need to be referenced in the AGS.

4.3 The main parts of the review were:

¹ Local Government Act 1999

² CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

- (a) **Assurances provided by Internal Audit during the year:** The Officer Group considered the summary results of audits completed during the year - these will be summarised within the Annual Internal Audit Opinion which is included on this agenda. In addition, regulations require us to conduct an annual review of the effectiveness of Internal Audit but only preliminary findings were available on 3 June 09 – the review is included on this agenda for consideration, before the AGS is approved.
 - (b) **Assurances provided by External Audit (Audit Commission) during the year:** officers attend regularly monthly meetings with the external auditors which enables continuing feedback. The “Value for Money Conclusion” is an important source of formal information arising from the external auditors and this will not be available until later in the year. This will be taken into account before the AGS is finalised in September.
 - (c) **Local Transport Plan Partnership:** a review of the main governance and internal control arrangements through an assurance statement.
 - (d) **TT2 Ltd:** there is a governance structure in place which provides management, contract monitoring and assurance in relation to the operation of the project agreement; the Officer Group considered a summary of TT2 Ltd’s Annual Report from the New Tyne Crossing Project Director. The Officer Group will consider the most appropriate form of summary assurance to be provided by the governance structure in future years and agree this with relevant officers.
 - (e) **Nexus:** consideration of their draft Annual Governance Statement. It was originally envisaged that Nexus would be asked to submit an assurance statement however, the Officer Group has satisfied itself that the Nexus Annual Governance Statement provides the ITA with an appropriate level of assurance since:
 - (i) There is external auditing of Nexus accounts; and
 - (ii) There is senior ITA officer representation within Nexus.
 - (f) **Newcastle City Council’s Draft Annual Governance Statement:** the ITA uses and relies upon the governance and internal control arrangements of the lead authority and therefore, if there are material issues within this framework, it is relevant for the ITA to take these into account.
 - (g) **ITA Strategic Risk Register:** officers considered risks assessed with “poor” or “limited” control.
 - (h) **Views of Members:** members of the ITA, ITA Standards and Audit Committee and ITA Scrutiny Advisory Committee were invited to a risk and governance training session on 15 May 09. This provided an opportunity for members to provide direct input into the annual review and their views have been taken into account.
 - (i) **Views of the Officer Group:** the group is represented by policy and management, finance, legal, internal audit, risk management, project management and democratic / member services, all working on behalf of the ITA.
- 4.5 Committee is asked to note that Paragraph 9.3 of its Terms of Reference require it to carry out an annual self-assessment of its effectiveness. This would be one of the sources of assurance relevant to the review. The Officer Group suggests that this may be more helpful next year, given that the refreshed Terms of Reference were not

adopted until September 08.

4. Conclusions of the Review

4.1 The annual review has highlighted two areas which are included in the AGS :

- (a) Significant weaknesses (Section 5 of the AGS): where there are or have been significant gaps, where we have experienced a serious incident from a failure in our arrangements or where there was a systemic weakness in our arrangements during the majority of the year under review.
- (b) Significant improvements needed (Section 6 of the AGS): where there are essential parts of our arrangements which, whilst not 'weaknesses', need significant improvement and/or have not been working as they should during the year under review.

4.2 There are criteria provided by CIPFA which guide us on what to include as a "significant weakness". These are provided in **Appendix C** for information. The "significant improvement" section is not mandatory – we do this to ensure transparency, focus and continuous improvement in our arrangements, even though they fall below the materiality thresholds recommended by CIPFA.

4.3 Significant weaknesses:

Information Governance: this has been highlighted in the lead authority's AGS and since the ITA relies upon these systems, this will be disclosed as a significant weakness in the ITA's governance and internal control arrangements during 2008/09.

4.4 Significant improvements needed:

Continuous improvements in the Standards and Audit Committee to include greater involvement in the work of Internal Audit: good progress has been made with revisions to the Terms of Reference and a Work Programme having been adopted. Both have provided increased focus on governance and internal control issues and appropriate training was also provided to support members during the year. The Officer Group felt it appropriate to close this item and this was reported to Committee in December 08 however, during the member training session held on 15 May 09, it was felt appropriate to include this to ensure focus is maintained on embedding the revised Terms of Reference during 2009/10.

Scrutiny Processes: the member training session on 15 May 09 articulated that issues around the role of Scrutiny Advisory Committee should be included in the AGS. Democratic Services and Scrutiny Advisory Committee will work together during 2009/10 to strengthen the work programme, and align it closely with key national and local priorities in order to ensure that the ITA benefits from a robust scrutiny process.

Action Planning: this is linked to the lead authority's arrangements - good progress has been made in improving service planning guidelines and checking this is robustly followed however action planning requires further attention to ensure all of our action plans meet the required standard.

Business Continuity, Planning and Testing: this is linked to the lead authority's arrangements - good progress is being made with embedding business continuity with a Corporate Continuity Strategy being implemented, critical services identified and continuity plans in place at various levels. Further work is required during

2009/10 to achieve the level of embedding needed including senior level endorsement of strategies and plans, further testing and regular reporting on progress and issues to an appropriately senior level.

4.5 Items Removed

The following items were included in last year's AGS and have now been resolved or are no longer considered relevant for inclusion:

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| <p>Arrangements for Significant Partnerships</p> | <p>This was previously included as a significant weakness. This has now been removed from the lead authority's AGS on the basis of improvements in corporate arrangements that have taken place during 2008/09. The LTP Partnership is the ITA's sole significant partnership and no items of major concern were highlighted in their assurance statement. Activities are required to ensure continual improvement and development in their arrangements and to ensure that any current issues in governance and internal control are addressed. These are recorded in the partnership assurance statement and will be addressed in the context of the Tyne and Wear governance review.</p> |
| <p>Internal Audit to cover all activities to the Authority, the development of a new SLA for Audit services and an Internal Audit plan.</p> | <p>This was previously included as an area requiring significant improvement. This was reported to Committee in December 08 as having been addressed. An internal audit plan was in place during 2008/09 and approved by Standards and Audit Committee. The Service Level Agreement was also revised during the year.</p> |
| <p>Annual Governance Statement processes to be embedded</p> | <p>This was previously included as an area requiring significant improvement. The process and timetable for compiling the Annual Governance Statement was considered by the Officer Group and reported to this Committee with relevant training provided. The Officer Group has led and co-ordinated the review using assurances from relevant elements of the ITA's activities.</p> |
| <p>Management of the transition from Passenger to Integrated Transport Authority</p> | <p>This was previously included as an area requiring significant improvement. This was reported to Committee in December 08 as an area not relevant to be included in the AGS since it does not relate to issues in governance or internal control which existed during 2008/09.</p> |
| <p>Multi-Area Agreements</p> | <p>This was previously included as an area requiring significant improvement. This was reported to Committee in December 08 as an area not relevant to be included in the AGS since it does not relate to issues in governance or internal control which existed during 2008/09.</p> |
| <p>Member training to be improved</p> | <p>This was previously included as an area requiring significant improvement. New members were inducted in June 08 and additional training provided on risk management, governance and internal control, accounts, the annual governance</p> |

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| | statement and the operation of effective audit committees during 2008/09. |
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5. **Monitoring**

The ITA Officer Co-ordination Group will monitor progress in addressing the issues highlighted in Paragraph 4 and provide a monitoring report to this committee in December 09.

6. **Next Steps**

- 6.1 The ITA will consider and approve the AGS on 29 June 09, as recommended by this Committee.
- 6.2 The AGS will be signed by the Chair of the ITA, Acting Clerk and Deputy Clerk (Section 151 Officer) before being published with the Draft Accounts.
- 6.3 The AGS must be up to date when the Final Accounts are published – this does not take place until September 09, following external auditing of the Draft Accounts. In addition, the AGS is subject to relevant assurance sources not available at drafting, such as the Annual Value for Money Conclusion. The AGS will therefore be reviewed at that time to ensure that any relevant issues highlighted during that period are taken into account.
- 6.4 The final AGS will then need to be considered and approved by this Committee before it receives final approval from the ITA in September 09.

7. **Further comments by the:**

- **Clerk** (none);
- **Treasurer** – the Treasurer has seen this report and is satisfied with its contents
- **Legal Advisor** (none);
- **Director General** (none).

8. **Background Papers**

- 8.1 (a) Report to ITA Standards and Audit Committee “Annual Governance Review 2008/09” dated 19 December 2008.

9. **Contact Officer (s):**

Strategic Risk Manager – Farah Hussain – Telephone 0191 2116642

ANNUAL GOVERNANCE STATEMENT 2008/09

SECTION 1: SCOPE OF RESPONSIBILITY

The Tyne and Wear Integrated Transport Authority (ITA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The ITA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the ITA is responsible for putting in place proper arrangements (known as a Governance Framework) for:

- (i) the governance of our affairs and
- (ii) facilitating the effective exercise of our functions, including arrangements for the management of risk.

In relation to (i) we have adopted a Local Code of Corporate Governance (“Local Code”), which is consistent with the principles of the *CIPFA/SOLACE Framework Delivering Good Governance in Local Government*. A copy is available on our website at www.twpta.gov.uk.

The Local Code evidences our commitment to achieving good governance and demonstrates how we comply with the governance standards recommended by CIPFA. It has been updated and approved as part of this review.

In relation to (ii) the ITA has put in place a system of internal control designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- (a) identify and prioritise the risks to the achievement of our policies, aims and objectives; and
- (b) to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

SECTION 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

In addition to the above, the ITA’s Governance Framework comprises the systems and processes, culture and values, through which the ITA is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the ITA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The governance framework has been in place at the ITA for the year ended 31 March 2009 and up to the date of approval of the Annual Report and Accounts.

This Annual Governance Statement explains how we have complied with the Local Code and also meets the requirements of Regulation 4(2) of the Accounts and Audit

Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a “statement on internal control”.

SECTION 3: THE GOVERNANCE FRAMEWORK

The main features our Governance Framework are described in our Local Code and are summarised below.

CORE PRINCIPLE 1: FOCUSING ON OUR PURPOSE AND OUTCOMES FOR CITIZENS

Identifying and communicating the ITA’s vision of its purpose and intended outcomes for citizens and service users

The ITA’s priorities are set out in the Passenger Transport Policy Statement, published every three years. This sets out the ITA’s priorities and targets for action in the coming years and records its key achievements in the preceding year providing the context for service delivery throughout the period.

The Passenger Transport Policy Statement is reviewed every three years, with ongoing monitoring provided to members twice a year.

There is a policy work programme enabling us to secure effective and forward looking decision making.

The ITA has produced a short summary outlining its vision and new direction of travel.

Reviewing the ITA’s vision and the implications for its governance arrangements

We are assisted by the work of our internal and external auditors, in helping to identify strengths and weaknesses in our performance, governance and internal control.

The Passenger Transport Policy Statement is reviewed every three years, with ongoing monitoring provided to members twice a year. We have recently aligned our key output measures closely to the National Indicators used for Local Area Agreements.

We are working with colleagues in Nexus and across Tyne and Wear to discuss the opportunities presented by the Local Transport Act 2008 and the transition to an Integrated Transport Authority.

We are also closely involved in the current review of transport governance across the Tyne and Wear City Region which could have implications for the ITA in the future.

Stakeholder consultations, the Community Engagement Strategy, the Corporate Communications Plan and close working relations with key partners also ensure that the ITA continues to reflect upon its priorities and governance arrangements. We have undertaken a partnership governance review of the Local Transport Plan.

Measuring the quality of services for users, for ensuring they are delivered in accordance with the ITA’s objectives and for ensuring that they represent the best use of resources

We measure value for money through the annual financial plan process which reviews services and identifies specific actions required to improve value for money which are then built into our budget.

We measure value for money by an annual self-assessment that we submit to the Audit Commission (value for money self-assessment and action plan). We also submit a broader self-assessment that looks at non-financial elements – the Audit Commission reviews our performance and reports back to us so that we can feed improvement areas into the policy plan.

Service level agreements with the Lead Authority (Newcastle City Council) are in place, and regularly monitored, to ensure best value is being achieved.

Performance measurement and management information includes our key output measures linking to the set of National Indicators and local performance indicators. Targeting for all indicators includes analysis of past performance, comparative performance, priorities identified through consultation and financial plans, and checks on achievability.

Performance is reported to the ITA.

Performance against the capital programme is also monitored on a regular basis, with quarterly reports taken to the ITA. There is also regular monitoring of the Financial Strategy.

CORE PRINCIPLE 2: MEMBERS AND OFFICERS HAVE CLEARLY DEFINED ROLES AND RESPONSIBILITIES

Defining and documenting the roles and responsibilities of the ITA, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The roles and responsibilities of members are clearly set out in the ITA's constitution, and are reviewed annually.

There is a clear scheme of delegation to officers.

The roles of Scrutiny and Standards and Audit Committees are set out within their Terms of Reference. The role of Standards and Audit Committee has been reviewed within the last 12 months.

CORE PRINCIPLE 3: WE PROMOTE HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

There is a Code of Conduct for Members and Code of Conduct for Employees.

The Standards and Audit Committee deals with issues of conduct and promotes high standards among officers and members.

There is a Register of Interests and Registers of Gifts and Hospitality for both members and officers

CORE PRINCIPLE 4: TRANSPARENT DECISION MAKING SUBJECT TO SCRUTINY AND RISK MANAGEMENT

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly

define how decisions are taken and the processes and controls required to manage risks

The ITA's constitution and scheme of delegation are reviewed annually in May.

Standing Orders were reviewed in May 2008, Financial Regulations have been reviewed and considered by members in May 2009.

Policy and decision making is undertaken by the ITA (the ITA effectively acts as a scrutiny committee).

The ITA has developed and maintains an effective scrutiny function which encourages constructive challenge and enhances overall performance.

The ITA has a Risk Management Framework in place and maintains a register of its strategic risks as well as project risks related to the New Tyne Crossing Project. The ITA uses the risk management resources available within the Lead Authority as required.

The ITA purchases appropriate levels of insurance to minimise financial risks, and self-insures wherever possible.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

We have established a Standards and Audit Committee which is independent of the ITA and scrutiny functions. It includes an independent chair and independent members to whom training is provided.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Clerk, Deputy Clerk & Treasurer (S73 of the 1985 Act), Monitoring Officer and other senior managers are responsible for advising the ITA and associated committees on legal, financial and other policy considerations.

The ITA is subject to internal and external audit and inspection regimes. The ITA has an internal audit service provided by the Lead Authority.

The ITA also has a Standards & Audit Committee, whose terms of reference ensure probity and further scrutiny of ITA activities.

Whistle-blowing and for receiving and investigating complaints from the public

The ITA has an agreed whistle-blowing policy.

There is a corporate complaints procedure in place via the Lead Authority, with Nexus having separate procedures in place for managing complaints.

CORE PRINCIPLE 5: DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS TO BE EFFECTIVE

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The ITA provides members with training and there is induction training for new members.

The ITA also holds a number of policy seminars with Nexus throughout the year to enhance member training and understanding.

CORE PRINCIPLE 6: ENGAGING WITH LOCAL PEOPLE AND STAKEHOLDERS

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

Meetings are held in public

The consultation and involvement strategy sets out how Nexus on behalf of the ITA are engaging with their partners and stakeholders.

There is also a communications plan.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships (Governing Partnerships: Bridging the Accountability Gap, Audit Commission, 2005.) and reflecting these in the Authority's overall governance arrangements

The ITA works closely with other districts as part of the LTP Core Team which includes the distribution of the Local Transport Plan funding

We are developing partnerships with city region colleagues and also individual Local Strategic Partnerships in the districts to raise the profile of the ITA.

Nexus establishes and monitors its objectives and performance through the Passenger Transport Policy Statement and its Annual Performance Plan and 3 year business plan.

The ITA has a partnership with TT2 Ltd to operate the existing Tyne Tunnel and the construction of a New Tyne Crossing

SECTION 4: ANNUAL REVIEW OF EFFECTIVENESS OF GOVERNANCE FRAMEWORK

The ITA has responsibility for conducting, at least annually, a review of the effectiveness of the Governance Framework including the system of internal control. The review is led by the ITA Officer Co-ordination Group and the outcomes are reviewed by the Standards and Audit Committee before being considered and approved by the ITA.

The review is informed by :

- (a) The executive managers within the ITA who have responsibility for the development and maintenance of the governance environment
- (b) The views of our internal auditors which are regularly reported to Standards and Audit Committee through regular progress reports and through the Annual Internal Audit Opinion.
- (c) An annual review of the effectiveness of our Internal Audit arrangements (as required by Regulation 6 of the Accounts and Audit (Amendment) (England) Regulations 2006).

- (d) The views of our external auditors, regularly reported to Standards and Audit Committee through regular progress reports and through the Annual Audit and Inspection Letter, Annual Governance Report and through regular meetings with officers.
- (e) The independent views of inspection agencies.
- (f) The governance and internal control arrangements of our significant partnerships, contractors and group arrangements:
 - The Local Transport Plan Partnership (responsible for delivering the Local Transport Plan)
 - Nexus (the passenger transport executive responsible for the planning, provision and promotion of public transport). The ITA has appropriate representation within Nexus which provides an ongoing source of assurance
 - TT2 Ltd (responsible for the construction and effective operation of the Tyne Tunnels and New Tyne Crossing) and internal arrangements in place to support and monitor the contract.
- (g) The Value for Money Self-Assessment which assesses our performance and the services we provide
- (h) The ITA's Strategic Risk Register, which captures the most significant risks associated with delivery of the ITA's objectives
- (i) The Lead Authority's own annual review of its Governance Framework
- (j) The views of members through the ongoing work of the Standards and Audit Committee and the ITA
- (k) The work of the ITA Officer Co-Ordination Group – this group consists of Lead Authority officers who meet monthly to monitor ongoing performance issues and governance arrangements

SECTION 5: SIGNIFICANT GOVERNANCE ISSUES

The system of governance (including the system of internal control) can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the ITA's objectives have been mitigated.

The following were identified as significant within the 2007/08 Annual Governance Statement and have been successfully resolved or have undergone improvements to the extent that they did not constitute significant weaknesses during 2008/09:

| | |
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| Arrangements for Significant Partnerships | Internal Audit reviewed the Lead Authority's arrangements for managing significant partnerships and found the framework satisfactory. An ongoing assurance mechanism has been implemented to ensure that the governance arrangements of significant partnerships are annually reviewed and to ensure that they provide an annual assurance of their effectiveness. |
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This review has highlighted the following issues as significant during 2008/09:

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| Information | This refers to the Lead Authority's framework for handling |
|-------------|--|

| | |
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| Governance | information in an effective, appropriately confidential and secure manner in line with ethical, quality and legal obligations and responsibilities. In 2008/09, progress was made in improving awareness of information governance, in training key officers in both legal requirements and good practice (in particular on the requirements of the Data Protection Act) and in strengthening the organisational management of the issue. Good progress has also been made in improving information security, secure disposal of waste, and an interim encryption solution is now in place however, these improvements were only recently implemented. |
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The findings of this review are subject to completion of the 2008/09 external audit plan.

SECTION 6: SIGNIFICANT IMPROVEMENTS NEEDED TO GOVERNANCE AND INTERNAL CONTROL

The review also identifies:

- (a) Issues that may need significant improvement but which do not constitute “significant weaknesses” in our governance and internal control arrangements. These are:
- (i) **Standards and Audit Committee:** continued focus is needed to embed the recently revised Terms of Reference and Work Programme.
 - (ii) **Scrutiny Processes:** Democratic Services and Scrutiny Advisory Committee will work closely together during 2009/10 to strengthen the work programme, and align it closely with key national and local priorities in order to ensure that the ITA benefits from a robust scrutiny process
 - (iii) **Action Planning:** this is linked to the Lead Authority’s arrangements - good progress has been made in improving service planning guidelines and checking this is robustly followed however action planning requires further attention to ensure all of our action plans meet the required standard.
 - (iv) **Business Continuity, Planning and Testing:** this is linked to the Lead Authority’s arrangements - good progress is being made with embedding business continuity with a Corporate Continuity Strategy being implemented, critical services identified and continuity plans in place at various levels. Further work is required during 2009/10 to achieve the level of embedding needed including senior level endorsement of strategies and plans, further testing and regular reporting on progress and issues to an appropriately senior level.
- (b) Issues that have improved during 2008/09 and no longer represent significant improvements needed to our governance and internal control arrangements. These are:
- (i) Improvements to the Internal Audit Plan and Service Level Agreement for Audit Services.

- (ii) Increased focus on governance and internal control within the Standards and Audit Committee through revised Terms of Reference, a Work Programme and relevant training.
- (iii) The embedding of processes to produce the Annual Governance Statement.
- (iv) A number of member induction and training sessions held during 2008/09.

SECTION 7: CONCLUSION

We consider the governance and internal control environment operating during 2008/09 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. A number of weaknesses and issues have been identified and these are set out in Section 5 above. Implementing the action plans is a priority.

Systems are in place to continually review and improve the governance and internal control environment. A number of additional mid-year checks will be undertaken to provide assurance that improvements are being implemented and that the assessment is improving.

The annual review has shown that, with the exception of those items listed in Section 5, the arrangements are in place and operating as planned.

We have been advised on the implications of the review by the ITA Officer Co-ordination Group. We propose over the coming year to improve our governance and internal control arrangements as noted in this statement and are satisfied that this will address the need for the required level of improvement. We will monitor the implementation and operation of the improvements, as part of our next annual review.

Barry Rowland
Acting Clerk

Councillor David Wood
Chair of the ITA

Paul Woods
Treasurer and Deputy Clerk

Date:

Date:

Date:



**LOCAL CODE
OF
CORPORATE GOVERNANCE**

TYNE and WEAR INTEGRATED TRANSPORT AUTHORITY

LOCAL CODE OF CORPORATE GOVERNANCE

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Tyne and Wear Integrated Transport Authority

LOCAL CODE OF CORPORATE GOVERNANCE

INTRODUCTION

1. The Tyne and Wear Integrated Transport Authority (ITA) recognises that in order to fulfil its purpose and deliver the intended outcomes for its citizens and service users it needs to have in place comprehensive arrangements for corporate governance and accountability designed to ensure that it operates in an effective, efficient and ethical manner.
2. The Cadbury Report (1992) defined corporate governance as “the systems by which organisations are directed and controlled”. It identified three fundamental principles of corporate governance:-
 - *Openness*: This ensures that all interested parties are confident in the organisation itself. It leads to effective and timely action and lends itself to necessary scrutiny.
 - *Integrity*: This is straightforward dealing reflected in the honesty of the annual report in portraying a balanced view. It depends on the integrity of those who prepare the report which is a reflection of the professional standards within the organisation.
 - *Accountability*: This is the process whereby individuals are responsible for their actions. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure.
3. The Chartered Institute of Public Finance and Accountancy (CIPFA) adapted the Cadbury definition for the local government sector. It defines corporate governance as “the systems and processes, the cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.
4. The Nolan Committee (1995) identified seven general principles of conduct which should underpin public life and which all holders of public office should practise:-
 - Selflessness
 - Honesty
 - Objectivity
 - Leadership
 - Openness
 - Integrity
 - Accountability
5. The Relevant Authorities (General Principles) Order 2001 added four additional principles to those identified by the Nolan Committee:-
 - Respect for others
 - Duty to uphold the law

- Stewardship (using resources prudently)
 - Personal judgement
6. Building on these principles the Good Governance Standard for Public Services (2004) set out six core principles that should underpin the governance arrangements of all public bodies.
 7. In 2007 CIPFA published a Framework for Delivering Corporate Governance in Local Government to assist Authorities to review their governance arrangements and to highlight any gaps. It adapts the six core principles of good governance for the local government sector and recommends that all Authorities should comply with them.
 8. The ITA believes that effective corporate governance is achieved by:-
 - putting in place sound control systems and processes
 - regular checking to make sure those systems and processes are working in practice
 - reviewing those control systems and processes at least annually
 9. This Code demonstrates how the ITA does this in practice and how it complies with each of the six principles. These are:-
 - i) Focusing on the ITA's purpose and on outcomes for its Tyne and Wear residents and service users
 - ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles
 - iii) Promoting high standards of conduct and behaviour across the ITA
 - iv) Making transparent decisions which are subject to scrutiny and risk management
 - v) Developing the capacity of members and officers to be effective
 - vi) Engaging with local people and stakeholders
 10. The Code brings together in one document all the governance and accountability arrangements which the ITA currently has in place.
 11. The Code will be reviewed and updated annually.
 12. As part of the annual accounts process, the ITA is required to conduct an annual review of its governance arrangements, including its system of internal controls, and to publish a statement of that review known as the Annual Governance Statement (AGS), within the Annual Report and Accounts. The purpose of the AGS is to represent how the governance arrangements operated in each financial year, and to highlight significant improvements needed. The Code will facilitate the ITA's review of its corporate governance arrangements for the purposes of the AGS.

This Local Code of Corporate Governance was approved by the ITA on 29 June 2009.

CORE PRINCIPLE 1 – Purpose and Outcomes

Core Principle 1 – Focusing on the purpose of the Tyne and Wear Integrated Transport Authority and on outcomes for the community and implementing a vision for the area

Summary: Good governance helps to ensure that we fulfill our purpose and achieve the intended outcomes for our citizens and service users and that we operate in an effective, efficient, economic and ethical manner. We have therefore developed a clear vision of our purpose and intended outcomes which are communicated both within the ITA and to external stakeholders. Our Passenger Transport Policy Statement sets out our vision and values and the intended outcomes for local people. It is used as a basis for corporate and service planning.

Exercising strategic leadership by developing and clearly communicating the ITA's purpose and vision and its intended outcome for citizens and service users

Evidence of compliance

- Passenger Transport Policy Statement - published three yearly and reviewed annually by Members - sets out ITA priorities and targets for action in the coming year and records its key achievements in the preceding year providing the context for service delivery throughout the year and the following two years
- ITA Vision Statement March 2009
- Annual Review and Update of ITA constitutional documents
- ITA Key Output Measures aligned with Multi-Area Agreement and Local Area Agreement Indicators
- Consultation Panel on the Duty to Involve
- Annual Performance Plan
- Community Engagement Strategy
- Corporate Communications Plan
- Policy seminars
- Market research reports
- Consultation and Involvement Policy/Strategy
- Annual Performance Plan
- Annual Report and Accounts
- Annual Governance Statement

Areas for Further Improvement

- Update and refresh the ITA website (October 09)

- Produce ITA Officer Statement (July 09)

Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning

Evidence of compliance

- Passenger Transport Policy Statement
- Annual Investment Strategy
- Annual Governance Statement
- Annual Performance Plan
- Policy seminars
- Market research reports
- Household survey
- Bus Strategy consultations
- Consultation and Involvement Policy/Strategy
- Community Engagement Strategy
- Local Transport Plan
- Super routes Agreement
- Annual audits - internal and external
- Nexus Metro Passenger Charter
- Stakeholder workshops
- Nexus, Tyne Tunnels and ITA complaints procedures
- Access For all
- Policy work programme
- Policy briefings
- Response to consultations
- Benchmarking against other Passenger Transport Authorities and Passenger Transport Executives
- Performance Reports to ITA on Metro performance
- Equality and Diversity Policy

Areas for Further Improvement

- Develop and improve partnership and project management arrangements
- Developing relationships with district local strategic plans

Ensuring that the ITA makes best use of resources and that tax payers and service users receive excellent value for money

Evidence of compliance

- Annual Performance Plan
- Annual audits - internal and external
- PTEG and Nova International Business Improvement Groups
- Major project and cross-cutting business cases

- Efficiency statements (forward and backward looking)
- Annual Treasury and Investment Strategy Statement
- Newcastle City Council procurement documents
- Nexus business reviews
- Capital financing records, indicating sources of external funding
- Risk Management Framework
- Scrutiny and ITA Scrutiny Advisory Committees
- Use of Resources Value for Money Self Assessment
- Annual Financial Strategy for the next 3 years
- Medium Term Plan
- Regular monitoring against plan
- Annual budget process
- Key output measures

Areas for Further Improvement

- Stakeholder workshops

CORE PRINCIPLE 2 – Members and officers working together

Core Principle 2 – Members and officers working together to achieve a common purpose with clearly defined functions and roles

Summary: Elected members are collectively responsible for the governance of the ITA. The ITA is a joint authority and comprises sixteen representatives of the five local authorities in the (former) metropolitan county of Tyne and Wear. Those representatives must be members of those five authorities and Schedule 10 of the Local Government Act 1985 (as amended from 1 April 2006) specifies the numbers to be as follows:

- Newcastle 4
- Sunderland 4
- Gateshead 3
- North Tyneside 3
- South Tyneside 2

The Local Government Act 2000 introduced a number of changes to the way in which local authorities carry out their work. While major innovations, such as the change to cabinet-style government, do not apply to the ITA, a number of improvements, such as dispensing with the committees such as those that formerly dealt with the Tyne Tunnel and Passenger Services, and replacing them with leading members acting as spokespersons for various portfolios, have been made. These changes bring the operating procedures of the ITA more closely in line with those of its five constituent councils.

The ITA has a Scrutiny Advisory Committee; the purpose of this body is to help ensure the ITA delivers its objectives. Scrutiny can do this by providing a mechanism for the ITA decisions and policies to be reviewed and examined in order to contribute to service improvement and ensuring value for money.

The ITA also has a Standards and Audit Committee, whose terms of reference ensure probity and further scrutiny of ITA activities. The Committee consists of 5 members from the ITA, and a further 4 independent members ensuring greater objectivity.

The Clerk, Deputy Clerk / Treasurer (S73 of the 1985 Act), Monitoring Officer and other senior managers of the Lead Authority (Newcastle City Council) are responsible for advising the ITA and associated committees on legal, financial and other policy considerations.

Ensuring effective leadership throughout the ITA and being clear about the roles and responsibilities of its members and officers and of the scrutiny function

Evidence of compliance

- Annual Review and Update of the ITA constitutional documents (particularly terms of reference of each committee and delegations to officers) reported to Annual General Meeting
- Delegations to Officers
- Job Descriptions and Person Specifications (Director General of Nexus), Clerk and Deputy, etc)
- Standing Orders
- Scrutiny Advisory Committee Terms of Reference, Annual Report to the ITA and Work Programme
- Standards and Audit Committee Terms of Reference, Annual Report to the ITA and Work Programme
- Member Code of Conduct
- Employee Code of Conduct (inc. Lead Authority Code)
- Service Level Agreement between the ITA and the Lead Authority
- Independent Review of Corporate Governance

Areas for Further Improvement

- Update Employee Code of Conduct when a statutory code is published

Ensuring that a constructive working relationship exists between ITA Members and Officers and that the responsibilities of members and officers are carried out to a high standard

Evidence of compliance

- Member Code of Conduct
- Employee Code of Conduct (inc. Lead Authority Code)
- ITA meetings
- ITA Scrutiny Advisory Committee meetings
- ITA Standards and Audit Committee meetings
- ITA Policy Seminars
- Consultation and Involvement Strategy
- Member induction process
- Member training and briefing sessions
- Policy Work Programme

Areas for Further Improvement

- Update Employee Code of Conduct when a statutory code is published

- Consider role of ITA, sub committees or lead portfolio roles.

Ensuring relationships between the ITA, its partners and the public are clear so that each knows what to expect of the other

Evidence of compliance

- ITA Vision Statement March 2009
- ITA Policy Statement
- Complaints System
- Nexus Metro Passenger Charter
- Passenger Transport Policy statement
- Community Engagement Strategy
- ITA meetings
- New Tyne Crossing communication strategy
- Stakeholder consultations
- ITA Policy Seminars
- Member and Employee Codes of Conduct
- Independent Remuneration Panel / Members Allowance Scheme
- Service Level Agreements with Lead Authority
- New Tyne Crossing Project Agreement
- Tyne and Wear Leaders / Treasurers groups
- ITA Officer & Nexus Liaison groups

Areas for Further Improvement

- LSP engagement
- Update and refresh the ITA website (October 09)
- ITA Officer Statement (July 2009)

CORE PRINCIPLE 3 – Conduct and Behaviour

Core Principle 3 – Promoting values for the ITA and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Summary: We recognise that good governance is underpinned by shared values and demonstrated in the behaviour of our members and staff. Our values (the way in which we will work for the community in pursuing our aims) are set out in our Policy Statement. The standards of conduct and behaviour we expect of members and officers are clearly set out in the Member and Employee Codes of Conduct. This is supported by training programmes for both members and staff.

Ensuring ITA members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

Evidence of compliance

- Performance Plan
- Members Handbook
- Employee Contracts of Employment
- Member and Employee Codes of Conduct (inc. Lead Authority Codes)
- Protocol for Dealing with Complaints Against Councillors
- Policy for the Confidential Reporting of Concerns (“Whistleblowing Policy”)
- Standing Orders and Officer Delegations
- Members Training Programme
- Freedom of Information Procedures
- Standards and Audit Committee Terms of Reference include responsibility for promoting high standards of conduct across the ITA
- Standards and Audit Committee Annual Report to the ITA and inclusion within Annual Report and Accounts
- Financial Regulations

Ensuring that organisational values are put into practice and are effective

Evidence of compliance

- Member Training Programme
- Standing Orders and Officer Delegations
- Financial Regulations
- Standards and Audit Committee Terms of Reference and agendas
- Standards and Audit Committee Terms of Reference include responsibility for promoting high standards of conduct across the ITA

- Standards and Audit Committee Annual Report to the ITA and inclusion within Annual Report and Accounts
- Procedures in place for dealing with complaints against members - ITA Protocol
- Register of interests and register of gifts and hospitality for both members and employees (inc. lead authority)
- Member Training Programme
- Nexus Metro Passenger Charter
- Internal Audit work programme
- Monitoring Officer role
- Member Code of Conduct
- Employee Code of Conduct (inc. Lead Authority Code)
- Nexus Strategy
- Strengthening the Audit function of the Standards and Audit Committee by increased relevant membership

CORE PRINCIPLE 4 – Decision Making

Core Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Summary: We recognise that all ITA decisions are potentially subject to legal challenge and that we need to be able to successfully defend such challenges. In order to do so we must be able to demonstrate that decision makers followed a proper process, the decision was properly documented and was taken having regard to all relevant considerations whilst ignoring any irrelevant considerations. Members and officers must therefore have all relevant information before them, including the outcome of any constructive scrutiny and a detailed assessment of the risks to ensure that ITA resources are used legally and efficiently.

Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny

Evidence of compliance

- ITA meetings
- ITA Policy Seminars
- Policy Work Programme
- The ITA has appointed a Scrutiny Advisory Committee – it was first appointed by the ITA on 2 October 2003. Establishing the new committee of the ITA was a response to the requests of councillors who wished to extend the scrutiny arrangements for the ITA
- Agendas and minutes of Scrutiny Advisory Committee
- Scrutiny Advisory Committee Annual Work Programme
- Scrutiny Annual Report to ITA
- Standards and Audit Committee Terms of Reference include responsibility for promoting high standards of conduct across the ITA
- Standards and Audit Committee Annual Report to the ITA and inclusion within Annual Report and Accounts

Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs

Evidence of compliance

- Reports to ITA / Scrutiny Advisory / Standards and Audit committees
- Delegation to Officers / Officer Co-ordination Group meetings
- Lead Authority policies and procedures
- ITA Policy Seminars
- Complaints procedures

- Communication strategies (Nexus and New Tyne Crossing)
- Stakeholder consultations
- Specific legal and financial input sections to ITA reports

Ensuring that an effective risk management system is in place

Evidence of compliance

- Risk Management Framework
- Strategic Risk Register
- Performance and Risk Monitoring report to ITA
- Standards and Audit Committee Terms of Reference
- Standards and Audit Committee Annual Report to the ITA and inclusion within Annual Report and Accounts
- Member training sessions

Using their legal powers to the full benefit of the citizens and communities in their area

Evidence of compliance

- S73 responsibilities
- Role of Monitoring Officer and Head of Legal Services
- Stakeholder consultations
- Nexus Metro Passenger Charter
- Complaints against members Protocol
- Members induction
- Member training
- ITA Work Programme
- Delegation to Officers
- Ongoing monitoring of policy
- ITA Report Template

CORE PRINCIPLE 5 – Effective members and officers

Core Principle 5 – Developing the capacity of members and officers to be effective

Summary: Authorities need people with the right skills to direct and control them. The ITA is serviced by officers from the Lead Authority. In addition, Nexus officers work closely with the Lead Authority.

Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles

Evidence of compliance

- Members Induction and Training
- Lead Authority and Nexus training programmes
- Officer job descriptions and person specifications
- Regular finance training for members
- Member and officer attendance at conferences, etc

Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group

Evidence of compliance

- Member training
- Lead Authority / Nexus personal development plans
- Internal and external audit processes
- Benchmarking and knowledge sharing with other ITAs

Encouraging new talent for membership of the ITA so that best use can be made of individuals' skills and resources in balancing continuity and renewal

Evidence of compliance

- Member and officer training
- ITA, ITA Standards and Audit Committee and ITA Scrutiny Advisory Committees – increases in membership
- Complaints and comments procedures
- ITA Policy Seminars
- Lead Authority officer pool
- Equality and Diversity Review Group

- Consultation and Involvement strategy
- Work with Access For All

CORE PRINCIPLE 6 – Local Engagement

Core Principle 6 – Engaging with local people and stakeholders to ensure robust public accountability

Summary: Nexus has arrangements in place for consulting with service users, key stakeholders and partners this is set out in the Consultation and Involvement Policy Strategy to help ensure that key messages about services are taken into account. There is a separate communications plan to ensure that key messages are communicated to stakeholders and other target audiences.

Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships

Evidence of compliance

- ITA agendas and minutes
- Scrutiny Advisory Committee
- Standards and Audit Committee
- Annual Performance Plan
- Annual Governance Statement
- Relationship with internal and external auditors
- ITA Policy Seminars
- Consultation and Involvement Strategy
- Communications Plan
- Complaints and comments systems
- Scrutiny Committee Annual reports to ITA on scrutiny function - included in Annual Report and Accounts
- Reports on scrutiny work programme
- Reports to the ITA on outcome of call-in of decisions under the scrutiny process
- Lead Authority delegated decisions system
- Household Survey
- Focus Groups as necessary
- Citizen Panel
- Links with local strategic partnerships

Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning

Evidence of compliance

- Positive relationship with the Audit Commission
- Positive Relationship with the Tyne and Wear Districts through the Local Transport Plan group
- Positive relationship with central government departments e.g. Department for Communities and Local Government and the Treasury
- Website
- Publication of agendas and minutes of meetings
- Annual Performance Plan
- Consultation And Involvement Strategy
- Communications Plan
- Work with Access for All
- Equality and Diversity Review Sub group
- Annual Report and Accounts
- Compliance with Freedom of Information Act 2000 – information requests are monitored to ensure that requests are responded to within the statutory timescales

Making best use of human resources by taking an active and planned approach to meet responsibility to staff

Evidence of compliance

- Lead Authority / Nexus HR policies and procedures

CIPFA CRITERIA FOR SIGNIFICANT INTERNAL CONTROL ISSUES

A single definition of a significant internal control issue is not possible. Authorities will need to exercise judgement in deciding whether or not a particular issue should be regarded as falling into this category.

Factors which may be helpful in exercising that judgement include:

1. The issue has seriously prejudiced or prevented achievement of a principal objective;
2. The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in a significant diversion of resources from another aspect of the business;
3. The issue has led to a material impact on the accounts;
4. The audit committee, or equivalent, has advised that it should be significant for this purpose;
5. The Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
6. The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
7. The issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.



Tyne and Wear Integrated Transport Authority

Date: 29 June 2009

KICKSTART BUS CHALLENGE 2009

REPORT OF DIRECTOR GENERAL OF NEXUS

Reasons for confidentiality: Not confidential

District Implications: None

1. **Summary / Purpose of Report**

1.1 To provide a summary of the bids which Nexus proposes to enter into the 2009 Department for Transport (DfT) Kickstart challenge, in partnership with bus operators Go North East and Arriva.

2. **Recommendations**

2.1 Approval to submit these bids to the DfT in advance of the 3 July closing date is sought from the ITA.

3. **Summary of Key issues**

3.1 £25 million is being made available by the DfT in the 2009 Kickstart challenge for bids for new and improved local bus services, as was described in more detail in the report to the full ITA meeting held on 28 May.

3.2 Three bids have been worked up in partnership with bus companies as follows:

Team Valley Links: new and revised services providing all-day access to the Team Valley.

Washington to Sunderland: better express services between these centres calling at Sunderland Enterprise Park.

Route 335 North Shields to Freeman Hospital/Quorum Business Park: a new route via Cobalt, Battle Hill and Four Lane Ends.

3.3 The results of the competition will be announced in autumn 2009.

4. Information

4.1 A number of opportunities have been identified by Nexus and bus operators to seek government funding for better bus services through the medium of the Kickstart bus challenge. The main criteria for a successful bid are that the services will provide better links to jobs, education, retail and healthcare, and that the proposals can demonstrate a good chance of becoming commercially self-supporting at the end of the three-year revenue funding period.

4.2 Three bids have been prepared which meet these criteria.

Team Valley links

Go North East has suggested a package of services providing all-day access to the Team Valley. These will complement and in some cases subsume the existing peak-hour services. Two basic service patterns are proposed; from Chester-le-Street and Birtley to MetroCentre via Team Valley, and from Washington to MetroCentre via Blaydon. At peak times, certain services will be extended to and from Blaydon, Winlaton and Blackhall Mill.

These proposals meet the key Kickstart requirements of providing improved access to jobs and services from deprived areas, as defined by the Department for Communities and Local Government (DCLG). They also add to the network by providing all-day through journeys to the Team Valley from places where there are no services other than at conventional works start and finish times.

Washington to Sunderland service improvements

Nexus and Sunderland Council have identified a need for faster bus links between Wearside's largest centres, and for better links to the Sunderland Enterprise Park from the Washington area. This will place job and retail opportunities within reach of a wider population, and will improve connections with local services at both Washington Galleries and Park Lane Interchange.

Go North East has responded with a package of proposals which will address several of the Kickstart bidding criteria. Details were being finalised at the time of producing this report, and will be made available at the meeting.

Route 335 North Shields to Freeman Hospital/Quorum Business Park

Arriva has proposed submitting a Kickstart bid for a new service between North Shields Ferry Landing and the Freeman Hospital between peak hours, and Quorum Business Park at peak times. The route via North Shields town centre, Cobalt, Battle Hill, Tyneview Park and Four Lane Ends allows many through trips to be made by people living in North Tyneside who currently would have

to change services in Newcastle city centre. This would particularly benefit visitors to Freeman Hospital.

- 4.3 In South Tyneside, improvements to route 18 – currently operating between South Shields and Brockley Whins – were considered for a Kickstart bid, but will now be pursued via other avenues as a key output of the Bus Network Design Project in the South Tyneside area..

5. **Next Steps**

- 5.1 Bids will be sent to DfT by 3 July. Following an announcement of which bids have been successful during the autumn, Kickstart services should be in operation in early-2010.

6. **Further comments by the:**

- **Clerk** (if any);
- **Treasurer** (if any);
- **Legal Advisor** (if any);
- **Director General** (if any).

7 **Background Papers**

- 7.1 Kickstart Bus Funding Competition 2009. Department for Transport.

8 **Contact Officer (s)**

- 8.1 Gordon Harrison, Nexus 0191 203 3662

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