

north east combined authority

North East Combined Authority, Transport North East (Tyne and Wear) Sub-Committee

Thursday 20th April, 2017 at 3.00 pm

Meeting to be held in a Committee Room, County Hall, Morpeth, NE61 2EF (Meeting to be held following the conclusion of the Transport North East Committee)

www.northeastca.gov.uk

SUPPLEMENTAL AGENDA

		Page No
_		
5.	Completion of Metro Transition	1 - 8
8.	Tyne Tunnels Update	9 - 30
10.	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.	
12.	Tyne Tunnels Update	31 - 40
13.	Metro Transition Project Settlement Agreement	41 - 44

Contact Officer: Lynn Camsell Tel: 0191 211 6146 E-mail: lynn.camsell@northeastca.gov.uk **To All Members**

This page is intentionally left blank

Agenda Item 5

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

Date:	20 April 2017
Subject:	Metro Transition Project Completion Report
Report of:	Managing Director (Transport Operations)

Executive Summary

This report provides detail to the Committee of the work undertaken to date on the various work streams initiated by Nexus in respect of the Metro Transition project following the decision to allow the current Metro Concession with DB Regio Tyne and Wear Limited to expire on 31 March 2017.

Recommendations

It is recommended that the Committee:

- i. notes the content of this report; and
- ii. seeks a further assurance report from Nexus Metro Transition Assurance Committee.

Transport North East (Tyne and Wear) Sub-Committee

1 Background Information

1.1 In preparation for the expiry of the DB Regio Tyne and Wear Limited Concession Agreement for the operation of Tyne and Wear Metro 'Passenger Services' on 31 March 2017, Nexus initiated a Metro Transition project to manage the process. This report provides an update of the work undertaken to date on the various work streams of the project which culminated in the return of Metro 'Passenger Services' to Nexus on 1 April 2017.

2 Transition Arrangements

2.1 Seven work streams were identified and work commenced in relation to each of the work streams which are identified below:-

Work Stream 1 – structure of delivery of Metro passenger services

- 2.2 To continue the delivery of Metro passenger services from 1 April 2017, a proposal to set up a wholly owned in-house subsidiary company in order to comply with European Public Procurement Directive 13/70 was endorsed by this Committee at its meeting in July 2016 and subsequently approved by Nexus Corporate Management Team. Registration of the in-house subsidiary was completed in January 2017. It is wholly owned by Nexus with the Executive Directors forming the Board, and the company replicates the current governance arrangements undertaken by Nexus in relation to its Standing Orders and financial regulations.
- 2.3 The governance, structure and reporting arrangements of the in-house subsidiary have been agreed with Metro Passenger Services reporting into Nexus via the Nexus Director of Rail and Infrastructure. A review of those services is underway following the return of services to Nexus.

Work Stream 2 – HR/Staffing

2.4 Nexus undertook an extensive consultation process with both its own Joint Negotiating Committee and that of DBTW. Separately Nexus Transition team delivered face-toface briefings with DBTW staff at a number of different locations over a number of months. More than half of the DBTW staff attended these sessions and were informed about the Transition process and Nexus' long term plans.

- 2.5 Nexus undertook an Employee Engagement Survey which was completed by circa 250 DBTW employees and the results allowed Nexus to review engagement and satisfaction levels within DBTW in advance of the TUPE transfer.
- 2.6 Information relating to DBTW staffing of Metro Passenger Services was reviewed extensively ahead of transfer on 1 April 2017. Given that staffing costs account for 60% of overall expenditure the transfer of appropriately trained and skilled staff was essential for continued operation. Nexus has already implemented actions to address concerns in specific departments such as financing five engineering apprentices and scheduling a driver training school before Concession expiry.
- 2.7 As well as staff transferring on their current terms and conditions, pension rights were also transferred with appropriate agreements finalised prior to Concession expiry with the Tyne and Wear Pension Fund. Final actuarial valuations are being assessed.

Work Stream 3 – Regulatory

- 2.8 It is a pre-requisite to Nexus managing the Metro as an in-house operation that appropriate regulatory certificates and licences were obtained, including the necessary health and safety permissions having been granted by the Office of Road and Rail (ORR). Following extensive dialogue with regulatory bodies Nexus completed appropriate arrangements prior to 1 April 2017 in the following areas:
 - i. Track Access;
 - ii. Station Access (for Sunderland Station);
 - iii. ROGS certificate
 - iv. Passenger and Station Licences.

Work Stream 4 – Contractual

2.9 DBTW had an extensive set of contracts in place with third parties. A contract matrix was prepared identifying contracts which were necessary to ensure continued operation of Passenger Services post April 2017. An extensive set of 'novation' arrangements were completed prior to 1 April. This included major contracts with the British Transport Police, Northumbria Police, Local Authorities in relation to CCTV monitoring and a major cleaning contract.

Work Stream 5 – Financial

- 2.10 Work is continuing to assess and monitor the true underlying base budget of DBTW and to inform post April 2017 costings. A budget for 2017/18 was agreed in relation to Metro Passenger Services at Nexus Corporate Management Team on 27 March 2017.
- 2.11 Appropriate audits of stock, plant and machinery, furniture and ICT hardware were undertaken prior to Concession expiry in order for Nexus to be able to enter a Transfer Agreement with DBTW for return of those items.

Work Stream 6 – ICT

2.12 An extensive ICT migration programme was undertaken on the weekend of 11/12 March 2017 to enable ICT systems to transfer from their base in London to Nexus. All systems transferred to Nexus successfully to enable Nexus to undertake work to facilitate a 'go live' environment on 1 April 2017.

Work Stream 7 – Improvement of 'Passenger Services'

2.13 Nexus engaged a consultant with a wide range of experience of the rail industry to lead this work stream which resulted in a mobilisation and improvement programme to be prepared. Those plans have now been activated.

Project governance

2.14 In addition to the work streams above, Nexus has put in place appropriate Project Governance arrangements which, as well as including internal periodic reporting, included the creation of a Metro Transition Assurance Committee (MTAC). This was a committee of external members drawn from Nexus' present Audit Committee, external experts from the rail industry and a NECA Officer in order that the Transition Project could be "audited" against its aims and objectives and project plan. Should members find it of use, Nexus will request that MTAC provide a separate assurance report to the next meeting of the Sub-Committee.

3 Potential Impact on Objectives

3.1 The proposals outlined in this paper will ensure that Metro operations will continue in the interim period between 2017 and 2019 with appropriate revenue support from central government. This will ensure that appropriate plans can be implemented to

Transport North East (Tyne and Wear) Sub-Committee

improve the performance of Metro and create a smooth transition to a new contract or revised governance arrangement to deliver a replacement fleet for Metro.

4 Finance and Other Resources

- 4.1 When the Leadership Board set the Nexus budget for 2017/18 in January 2017, it was anticipated that the cost of Metro Passenger Services operations would be £0.689m less than the payment that Nexus would have been contractually obliged to pay to DBTW. The Metro Passenger Services budget has been set within these parameters and the net cost of delivering Metro services this year, once fare revenues, government grant, infrastructure maintenance and other costs are also taken into account is therefore expected to be £4.2m which was reported to and agreed by the Leadership Board in January 2017.
- 4.2 Metro transition cost £0.295m during 2016/17 and was funded from within Nexus' major projects budget.
- 5 Legal
- 5.1 The key legal implications are set out in the body of the report.

6 Other Considerations

6.1 **Consultation/Community Engagement**

There are no specific consultation requirements arising from this report; however Metro customers, employees and key stakeholders will continue to be informed throughout the process.

6.2 Human Rights

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

6.3 Equalities and Diversity

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

Transport North East (Tyne and Wear) Sub-Committee

6.4 Risk Management

The Metro Transition Director developed and managed a detailed risk register throughout the mobilisation period and this register is now transferring to business as usual state following the completion of the actual Transition back to Nexus.

6.5 Crime and Disorder

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

6.6 Environment and Sustainability

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

7 Background Documents

7.1 The report of the Transport Lead Executive Officer and Managing Director (Transport Operations) to the NECA Leadership Board on 24 March 2016.

8 Links to the Local Transport Plans

8.1 The proposal supports the continued delivery and enhancement of Metro services going forward as set out in the Transport Manifesto.

9 Appendices

9.1 N/A.

10 Contact Officers

10.1 Tobyn Hughes, Managing Director (Transport Operations) tobyn.hughes@nexus.org.uk Tel: 0191 203 3236

11 Sign off

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

Transport North East (Tyne and Wear) Sub-Committee

Please use ✓

12 Glossary

This page is intentionally left blank

Agenda Item 8

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

Date: 20 APRIL 2017

Subject: TYNE TUNNELS - UPDATE

Report of: LEAD CHIEF EXECUTIVE FOR TRANSPORT

Executive Summary

The purpose of this report is to provide Members with an update on issues at the Tyne Tunnels relating to:

- 1. the operation of the New Tyne Crossing vehicle tunnels.
- 2. the refurbishment of the Tyne Pedestrian and Cyclist Tunnels;

Recommendations

The Sub-Committee is recommended to:

- 1 Note the contents of the report relating to the operation of the New Tyne Crossing vehicle tunnels.
- 2 Note the contents of the report relating to the refurbishment of the Tyne Pedestrian and Cyclist tunnels.

1 Background Information

New Tyne Crossing

1.1 The Project Agreement (PA) for the New Tyne Crossing (NTC) was signed on 23 November 2007. Full operational commissioning was achieved on 21 November 2011. TT2 Ltd are responsible for the day to day management and operation of the New Tyne Crossing.

Tyne Pedestrian and Cyclist Tunnels

1.2 The major maintenance liability for the Tyne Pedestrian and Cyclist Tunnels (TPCT) was retained by the NECA (formerly the Tyne and Wear Integrated Transport Authority) in the Project Agreement entered into with TT2 Ltd on 23 November 2007. The TPCT is currently undergoing Improvement Works.

In April 2015, following the original contractor entering Administration, the NECA took over the role of Main Contractor on the refurbishment of the Tyne Pedestrian and Cyclist Tunnels.

2 Information

New Tyne Crossing

- 2.1 TT2 are responsible for the day to day management and operation of the tunnels. As part of their duties they are required to provide a Monthly Service Report to the NECA on operational issues, including inspections, and any Health and Safety incidents which have occurred during the period. In addition TT2 submit a claim as part of the payment mechanism for the tunnels which identifies the number and type of vehicles using the tunnels.
- 2.2 TT2 and the NECA constantly review the traffic flows through the Tyne Tunnels. A review of the traffic flow levels through the tunnels over recent months has identified a marked decrease. The current flows are approximately 9% lower than the expected levels. This can be directly attributed to the works being carried on the Silverlink Junction Improvement works being undertaken by Highways England. See Appendix A. It can be seen that the greatest reduction is in the number of Class 3, Heavy Goods Vehicles, using the Tunnels.
- 2.3 This reduction in traffic levels using the tunnels will have an impact on the revenue generated for the NECA. A review of the impact on the revenue generated in 2016/17 will be assessed and reported to as a financial matter to members at a future meeting.

Tyne Pedestrian and Cyclist Tunnels

- 2.4 Since June 2016 the only significant works being undertaken in the tunnels has been an Environmental Clean by specialist contractors to remove or encapsulate asbestos contain materials which had been used during the original construction of the tunnels. These works were essential to ensure the safety of both construction operatives and the public who will be using the tunnels in the future. During these works no other construction works were permitted to take place within the tunnels.
- 2.5 The Environmental Clean was successfully completed in January 2017 and verified by independent consultants SGS MIS Environmental Limited.
- 2.6 The refurbishment works have now recommenced and include:
 - Construction of reinforced concrete plinths to take the rails for the new inclined glass elevations;
 - Installation of new support steelwork to replace corroded steelwork to the lower landing areas;
 - Installation of scaffolding to allow the installation of the support framework and cladding panels in the inclined shafts;
 - Fabrication of bespoke concrete and steel paving and deck plates;

This work will be followed by the installation of mechanical and electrical equipment prior to the installation of the inclined glass elevators which is due to commence in September.

- 2.7 At this time it is envisaged that the works will be completed in the Spring of 2018. Until that time a shuttle bus will continue to operate between Howdon and Jarrow.
- 2.8 A progress booklet showing recent photographs of the tunnels is included in Appendix B.

3 Next Steps

New Tyne Crossing

- 3.1 NECA officers will continue to monitor the operation of the New Tyne Crossing to protect the interest of the NECA.
- 3.2 NECA Officers will liaise with Highways England and TT2 to try and minimise the impact of Silverlink works on road users and the use of the Tyne Tunnels.

Tyne Pedestrian and Cyclist Tunnels

3.3 The refurbishment works will continue to be overseen by the NTC team based in TT2 Ltd's offices. The contract management of the refurbishment works are

being undertaken by the NECA. Specialist sub-contractors are being engaged to complete the project.

The Chief Executive Officer For Transport will report regularly on progress to the Sub-Committee.

3.4 The NTC communication team continue to action and maintain the Communication Plan, including continuing a dialogue with the adjacent communities, their representatives, pedestrian and cyclist groups and adjacent local authorities.

4 Potential Impact on Objectives

New Tyne Crossing

4.1 The monitoring and administration of the operation of the New Tyne Crossing ensures that the interests and objectives of the NECA are being delivered.

Tyne Pedestrian and Cyclist Tunnels

4.2 The refurbishment of the TPCT will secure the future operation of this important transport link across the River Tyne. It provides specifically for pedestrians and cyclists and as such contributes positively to addressing climate change by encouraging non-motorised modes of travel. It also has the benefit of helping to reduce the number of motor vehicles on the roads – particularly on residential roads – to the benefit of local communities. The TPCT is also positive in terms of economic development and regeneration because it aids access to jobs in the A19 corridor for those who do not own a car.

5 Finance and Other Resources

New Tyne Crossing

5.1 The Tyne Tunnel costs are fully funded by toll income. The assumptions and the financial model assumed a continuing increase in traffic usage with additional toll income. The current identified reduction in traffic flows will have an impact on the revenue generated by the Tunnels. This will be monitored by the Chief Finance Officer.

Tyne Pedestrian and Cyclist Tunnels

5.2 The adopted approach of carrying out the project management in house is expected to minimise the delay in the completion of the project which is

Transport North East (Tyne and Wear) Sub-Committee

currently scheduled to be spring 2018.

6 Legal

New Tyne Crossing

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

6.2 Tyne Pedestrian and Cyclist Tunnels

The Order creating the NECA provides that the NECA will be substituted in all contracts (and other legal documents) for the TWITA.

7 Other Considerations

7.1 Consultation/Community Engagement

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

7.2 Human Rights

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

7.3 Equalities and Diversity

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

7.4 Risk Management

The risks of uncertain income generation and any other uncertain risks is to be the responsibility of TT2 under the proposal, which means that there are no specific risk management implications arising from this report for NECA.

7.5 Crime and Disorder

There are no implications for Crime and Disorder arising directly from this report.

7.6 Environment and Sustainability

Transport North East (Tyne and Wear) Sub-Committee

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

8 Background Documents

8.1 River Tyne (Tunnels) Order 2005

Report dated 2 February 2010 - TPCT Lift Modernisation and Investigatory works – Confidential

Report dated 22 July 2010 - TPCT - Investment Proposals

River Tyne (Tunnels) (Modification) Order 2011

Transport North East (Tyne and Wear) Sub-Committee

9 Links to the Local Transport Plans

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

10 Appendices

Appendix A: Traffic Figures for the New Tyne Crossing

Appendix B: Tyne Pedestrian and Cyclist Tunnel Progress Booklet

11 Contact Officers

11.1

Paul Woods, <u>paul.woods@northtyneside.gov.uk</u>, Tel: 07446936840 John Softly, <u>john.softly@newcastle.gov.uk</u>, Tel: 0191 277 7047 Alastair Swan, <u>alastair.swan@newcastle.gov.uk</u>, Tel: 0191 211 5931

12 Sign off

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

Use ✓

13 Glossary

TPCT – Tyne Pedestrian and Cyclist Tunnel NTC – New Tyne Crossing TWITA – Tyne and Wear Integrated Transport Authority PA – Project Agreement (relating to the contract for the provision of the New Tyne Crossing) RPI – Retail Price Index NELB – North East Leadership Board TNE – Transport North East TWSC – Tyne and Wear Sub Committee

Transport North East (Tyne and Wear) Sub-Committee

Appendix A – Traffic Figures for the New Tyne Crossing

1 Background Information

The Tyne Tunnels operation transferred to the Concessionaire, TT2 Ltd, on 1 February 2008. Their operational performance is monitored by the Engineer to the Tunnels.

2 Operational Performance

2.1 The following graphs give a breakdown of the traffic flows through the Tyne Vehicle tunnels for the last financial year.

2.1.1 Table 1: TT2 Monthly Traffic Statistics. Contains the data used to create the Graphs A to C inclusive.

2.1.2 Graph A: TT2 Monthly Traffic Figures. Illustrates the total monthly traffic flows through the Tunnels, for the period 1 April 2016 to 31 March 2017.

2.1.3 Graph B: TT2 Monthly Traffic Figures by Vehicle Type. Illustrates the monthly traffic flows by Vehicle Type, for the period 1 April 2016 to 31 March 2017.

Class 1 – motorbikes, Class 2 Cars and Light Goods Vehicles under 3500kgs, Class 3 Heavy Goods Vehicles and Exempts

2.1.4 Graph C: TT2 Monthly Traffic Figures by Payment Type. Shows how customers met the toll requirements. Cash or Permit.

2.1.5 Table 2: Presents Environmental Data for the Tunnels.

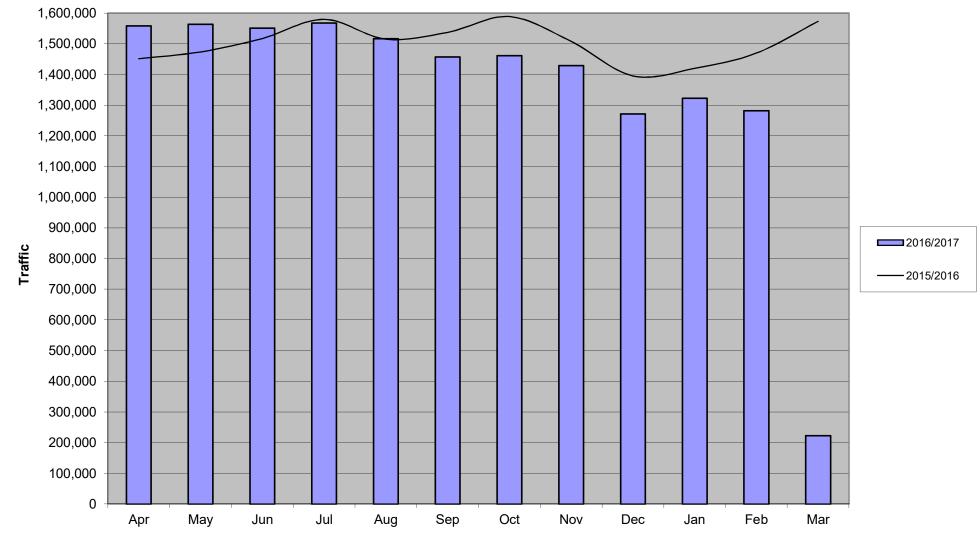
Transport North East (Tyne and Wear) Sub-Committee

Appendix B – Tyne Pedestrian and Cyclist Tunnel Progress Booklet

Table 1: TT2 Monthly Traffic Statistics

Monthly	2016/2017													
			_		_	_	_							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		Total Vehicles
2016/2017	1,558,122	1,563,097	1,551,438	1,567,605	1,516,502	1,457,122	1,461,583	1,429,020	1,271,255	1,322,420	1,281,275	222,841	forecast	17,552,504
2015/2016	1,451,386	1,473,500	1,517,368	1,579,742	1,515,025	1,537,404	1,588,745	1,507,624	1,395,391	1,419,737	1,469,708	1,573,065		
Capacity	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,184,000	2,418,000		28,470,000
														1
Traffic by Class						2016	2017							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2016/2017	1,558,122	1,563,097	1,551,438	1,567,605		1,457,122	1,461,583	1,429,020	1,271,255	1,322,420	1,281,275	222,841		
2015/2016	1,451,386	1,473,500	1,517,368	1,579,742	1,515,025	1,537,404	1,588,745	1,507,624	1,395,391	1,419,737	1,469,708	1,573,065		
Capacity	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,340,000	2,418,000	2,340,000	2,418,000	2,418,000	2,184,000	2,418,000		% ETC 2013/14
Class 1	16,763	22,597	23,464	22,981	21,107	20,862	16,403	10,785	8,360	8,449	9,766	2,225	CI1 % ETC	0.00
Class 2	1,400,107	1,401,345	1,386,027	1,405,523	1,359,003	1,306,883	1,317,764	1,288,188	1,152,068	1,197,800	1,157,085		CI2 % ETC	46.21
Class 3	89,511	85,983	89,581	84,989	81,841	79,301	76,279	80,354	64,024	69,432	70,723		CI3 % ETC	80.24
Exempts	51,741	53,172	52,366	54,112	54,551	50,076	51,137	49,693	46,803	46,739	43,701	7,717	Ex % ETC	80.38
													Total %	48.73

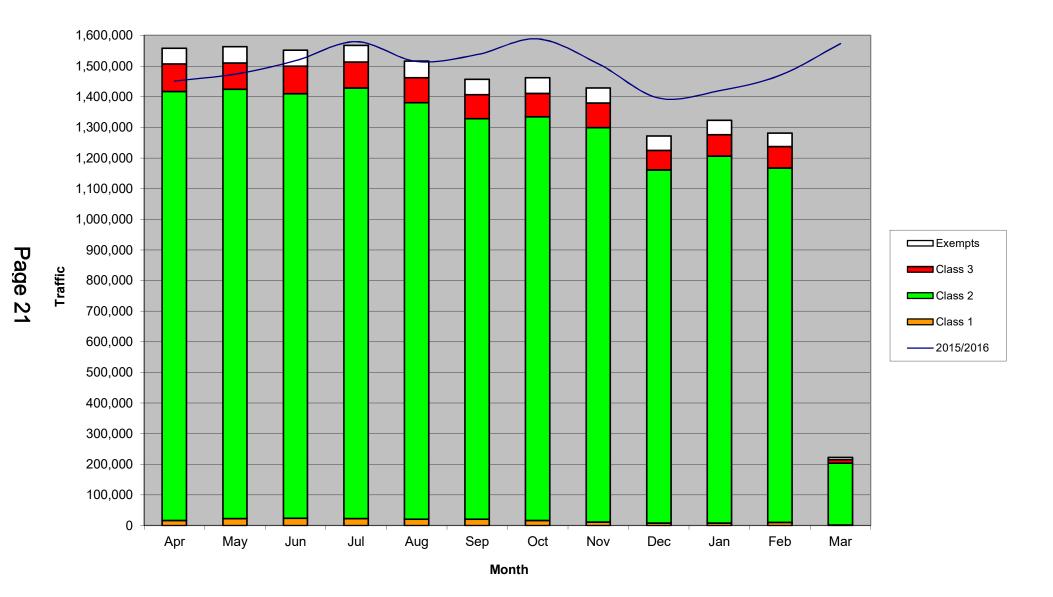
	2015/2016 Traffic by Class													% ETC	
	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	CI1 % ETC	0.00	
Class 1 total	19,559	20,156	24,014	22,751	22,606	22,471	17,640	12,705	9,747	8,313	10,096	14,988	CI2 % ETC	44.11	
Class 2 total	1,308,278	1,329,742	1,361,614	1,421,286	1,365,371	1,384,771	1,434,010	1,360,443	1,261,733	1,284,785	1,326,789	1,411,676	CI3 % ETC	77.07	
Class 3 total	77,452	76,099	83,972	86,007	76,474	82,286	85,626	85,876	76,205	80,577	85,616	94,208	Ex % ETC	84.87	
Exempts total	46,097	47,503	47,768	49,698	50,574	47,876	51,469	48,600	47,706	46,062	47,207	52,193			
	2015/2016 Class,Cash,Permit												TOTAL % ETC		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
Class 1 Cash	19559	20156	24014	22751	22606	22471	17640	12705	9747	8313	10096	14988		46.74	
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0			
Class 2 Cash	743792	770365	751188	814230	837089	768768	800462	730367	714859	674285	702711	773702			
Class 2 Permit	564486	559377	610426	607056	528282	616003	633548	630076	546874	610500	624078	637974			
Class 3 Cash	17993	17940	19583	20860	18356	19717	20043	19366	16725	16317	18577	21661			
Class 3 Permit	59459	58159	64389	65147	58118	62569	65583	66510	59480	64260	67039	72547			
Exempts	6059	6696	6678	7355	8660	7657	7749	7054	7216	6639	7402	8998			
Exempts Permit	40038	40807	41090	42343	41914	40219	43720	41546	40490	39423	39805	43195]		



Graph A: TT2 Monthly Traffic Figures

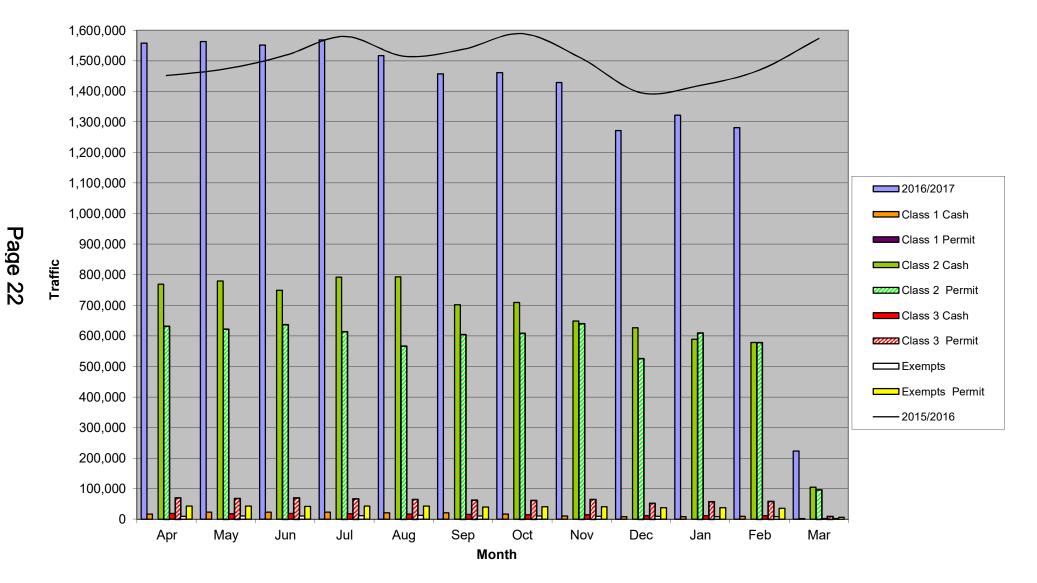
Page 20

Month



Graph B: TT2 Monthly Traffic Figures by Vehicle Type

Class 1 – motorbikes, Class 2 Cars and Light Goods Vehicles under 3500kgs, Class 3 Heavy Goods Vehicles and Exempts



Graph C: TT2 Monthly Traffic Figures by Payment Type Class, Cash, Permit

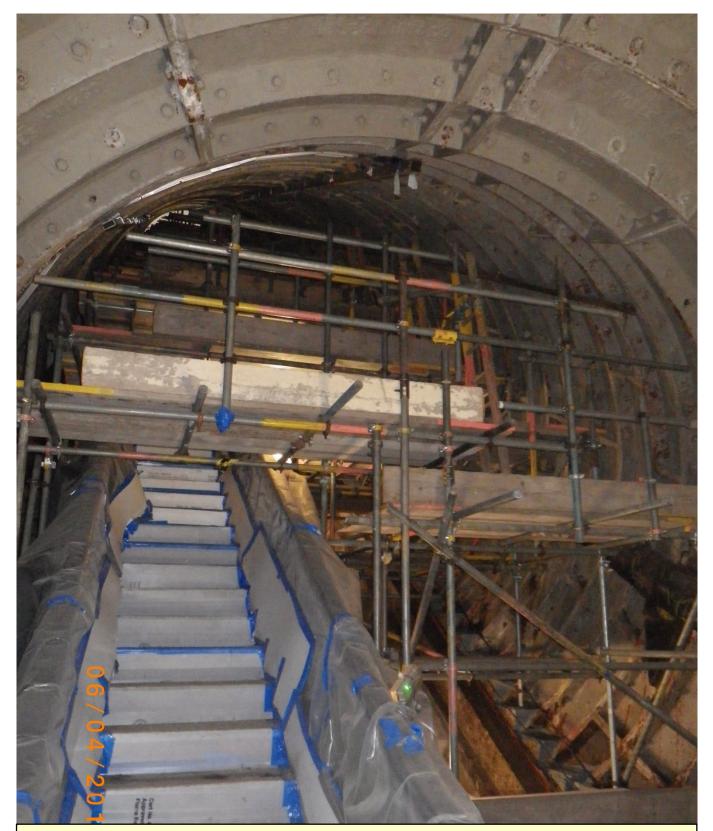
Class 1 – motorbikes, Class 2 Cars and Light Goods Vehicles under 3500kgs, Class 3 Heavy Goods Vehicles and Exempts

U TYNE Pedestrian & Cyclist Tunnels

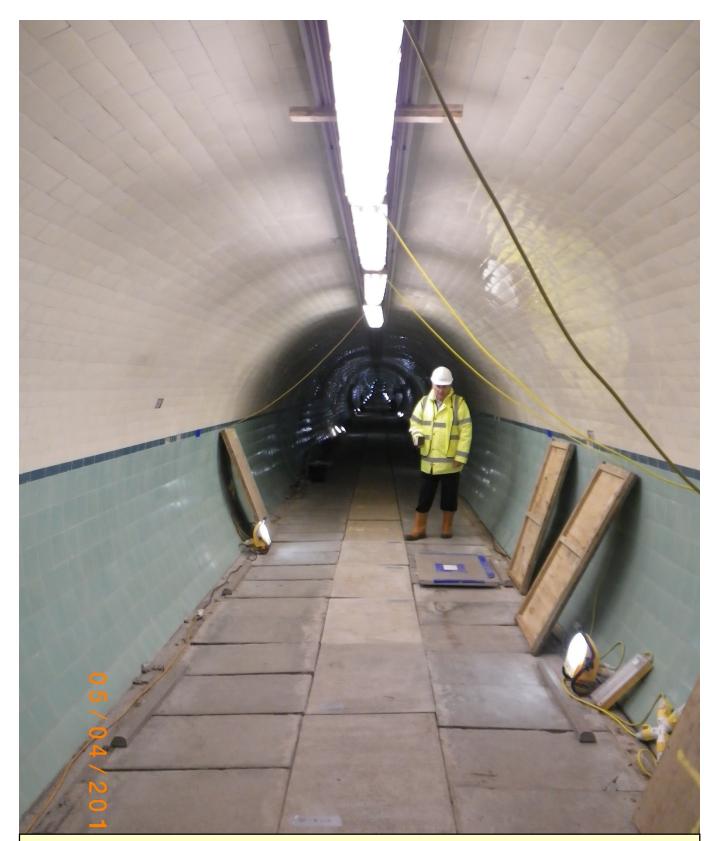


Refurbishment Progress April 2017

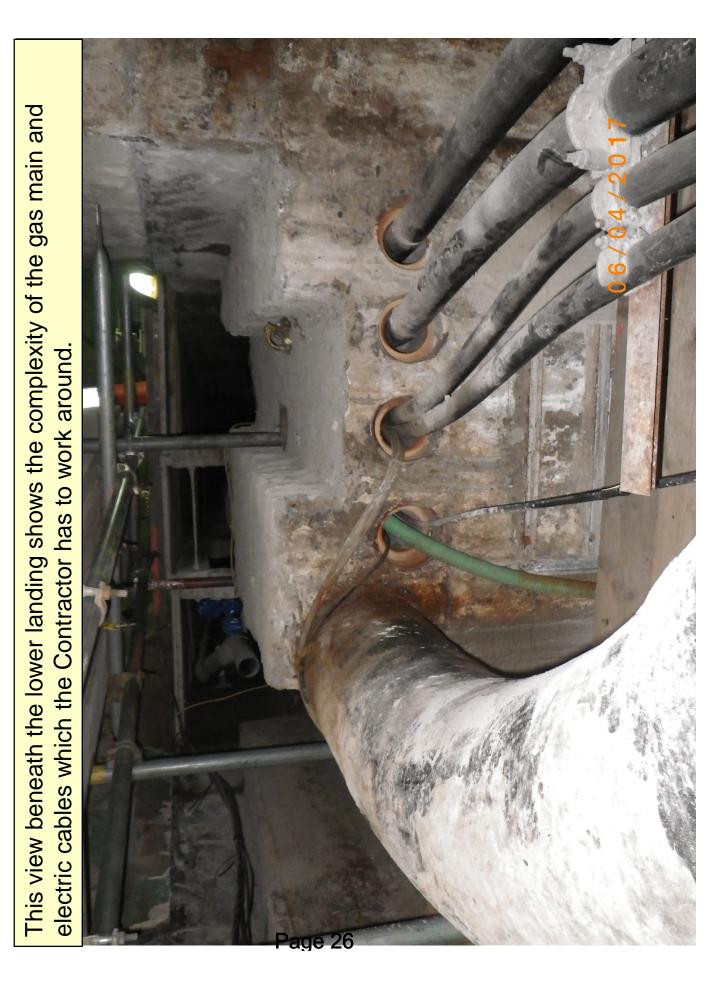


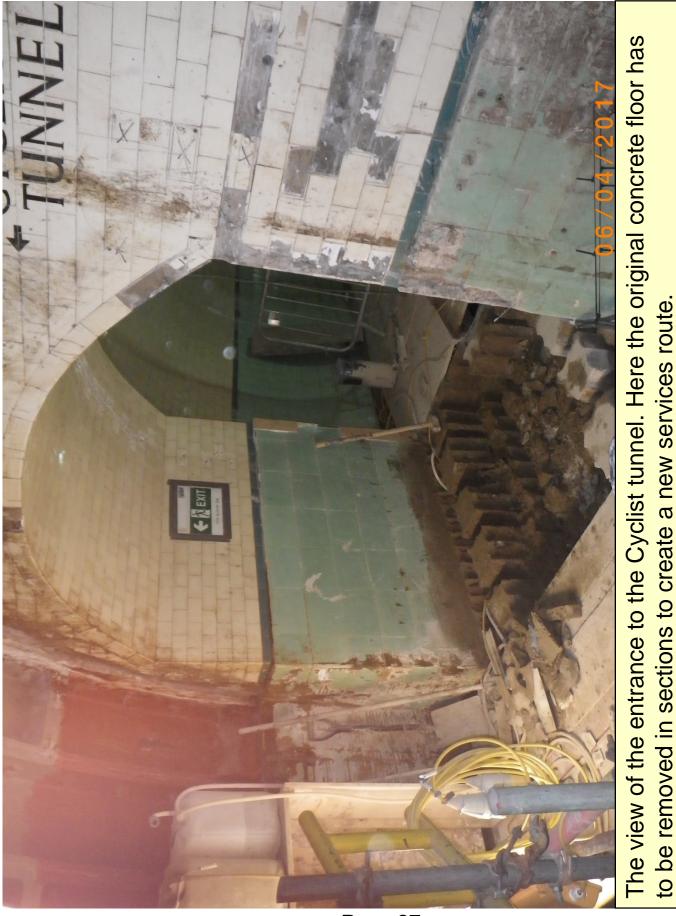


Scaffolding can now be erected up the full height of the inclined shafts to allow the installation of the mechanical and electrical equipment before the cladding is installed.



The Conservation Architect can be seen inspecting newly constructed paving flags to ensure they match the original paving flags used in the tunnels.





Page 27



Page 28



Page 29



Produced by Andy Gibson, Project Monitoring Officer - New Tyne Crossing North East Combined Authority c/o TT2 Limited, Tyne View Terrace Wallsend NE28 0PD

FOR MORE INFORMATION VISIT

www.tynepedestrianandcyclisttunnels.co.uk/



Page 30

Agenda Item 12

Document is Restricted

This page is intentionally left blank

Agenda Item 13

Document is Restricted

This page is intentionally left blank