

## **Approved Public Minutes**

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

21 November 2017

Meeting held Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

#### **Present:**

Councillor: J Harrison(Chair)

Councillors: J McCarty and M Mordey

#### **23 APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Hobson (South Tyneside) and Cllr McElroy (Gateshead)

#### **24 DECLARATIONS OF INTEREST**

None

#### **25 MINUTES OF THE PREVIOUS MEETING HELD ON 14 SEPTEMBER 2017**

The minutes of the meeting held on 14 September 2017 were agreed as a correct record and signed by the Chair.

#### **26 MONITORING NEXUS' PERFORMANCE AND METRO PERFORMANCE UPDATE 2017/18**

Submitted: Reports of the Managing Director (Transport Operations) (previously circulated and copies attached to the Official Minutes).

Members agreed that they would consider agenda items 4 and 5 together.

The Sub Committee received a presentation which detailed the events of the incident which occurred on 29 October 2017. An interim review into the incident had subsequently been undertaken with findings on:

- The initial cause
- Factors that determined the longevity of the incident
- Operational contingency plans
- Service Recovery

- Ticketing
- Depot arrangements and outstabling

Members' questions/comments following the presentation included:

Will or has a detailed investigation taken place

Were compensation claims expected?

Possible risks during the time of the incident

What would happen if a similar incident happened tomorrow and is there a way to prevent it happening again.

Questions were raised regarding the battery packs, methods to move trains out of the depot and lessons learnt.

Moving to the two main reports Members were informed that Nexus was on target to deliver the majority of objectives set out in the Corporate Business Plan for 2017/18; customer service continued on a positive track and Metro's average punctuality was 90.3% exceeding the target of 87.2% and plans for the Metro extension were still in progress.

During discussion Members referred to the progress with the Ashington/Blyth and Tyne Line; were there any plans to halt the decline in metro patronage; persuading travellers to change from car use to bus/Metro use and was there any evidence to suggest an increase in the number of vehicles using the network around the Silverlink Interchange i.e. the Holystone roundabout and the Coast Road.

**RESOLVED** that –

The Monitoring Nexus' Performance report and the Metro Performance Update report be received and noted.

## 27 **METRO PERFORMANCE UPDATE**

## 28 **UPDATE ON NEXUS' CORPORATE RISKS**

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes).

Consideration was given to the report which demonstrated that Nexus continued to apply adequate and appropriate controls to its Corporate Risks as a result of which the status of risks has remained stable since the previous report in September and therefore remain contained within the risk appetite of the organisation.

Regarding the risk area 'Replacement of the Metrocar fleet and putting a new contract in place' it was noted that the risk status will change from Amber to Red if the funding request to Government is not successful.

**RESOLVED** – that the Sub Committee noted the report and the attached appendix providing an update on Nexus' Corporate Risk Register.

## 29 **REVISION TO METRO FARES AND FERRY FARES 2018**

Submitted: Report of the Managing Director (Transport Operations) (previously circulated and a copy attached to the Official Minutes.

Consideration was given to the report which proposed new affordable fares for young people plus a freeze in the price of Metro single and Daysaver fares bought with Pop smart cards, as a package that minimises the impact of price rises whilst generating additional revenue to offset increases in Metro's operating costs.

### Questions/Comments

Members welcomed the proposals for young people under the age of 19 which brought Metro's fares into line with those offered by some bus operators.

Concerns were voiced regarding the limitations placed on fare changes by the need to re-programme ticket machines, leading to a proposed 10p increase in the cost of a standard adult day single and Transfares. Members recognised that there is a reluctance to swap to a pop card but were conscious of the need to move to a cashless system. A future report on smart ticketing was requested.

Increased use of park & ride sites and the provision of new sites for example in the vicinity of the Regent Centre.

A comment was made that tickets are good value especially as they are the cheapest in the UK however low-income families still find the cost expensive.

Further points:

It was noted that work had already commenced on the possibility of increasing the number of park and ride sites.

Members were informed that pop cards are a cheaper option when compared to the price of day tickets and seasonal tickets were competitive and compared well with fuel costs.

The Sub Committee briefly discussed the costs of various tickets and how some low income families find them to be costly thereby prohibiting use of the Metro as a form of public transport. It was also acknowledged that more work needs to be undertaken in relation to the costs of pop cards compared to tickets.

**RESOLVED** – That:

- (i) The proposed Metro and Ferry fares as set out in the main body of the report be effective from 2 January 2018.

- (ii) The introduction of under 19 PAYG fares on Metro and Ferry £1 single and £2 capped all (day travel), to be introduced from 2 January 2018 be approved.
- (iii) Endorse Nexus' intention to freeze the price of the annual Gold Card at £12 as part of Nexus' annual budget proposals.

### 30 **NEXUS ANNUAL ACTIVITY AND EXPENDITURE ANALYSIS**

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

Consideration was given to the report which provided members with financial and statistical information relating to Nexus' services as part of its annual reporting processes.

The main highlights to note included the operational surplus; Nexus Levy funded expenditure - Concessionary Fares the expenditure of which amounted to £37.2m; child patronage had increased by 1.3%; Concessionary Travel – the proportion of journeys has decreased across the 5 Tyne and Wear districts and, the number of Metro passengers also demonstrated a decline in performance when compared with 2015/16.

Comments/questions from Members included the following:-

Changes to bus timetables and the additional cost incurred by passengers when routes are taken out of service, most noticeable in the Sunderland area where Go North East had introduced significant service changes. It was felt that the costs should be met by bus operators. Members requested that a report be brought back to a future meeting.

Referring to bus infrastructure reference was made to the bus routes which provided access to hospitals but were then changed or withdrawn causing stress and numerous problems especially for those with out-patient appointments. Members were informed that the taxi card service was used by a small number of travellers and discussions were to take place which could reshape the services provided by the bus operators.

**RESOLVED** – that the report be noted

### 31 **NEXUS BUDGET PREPARATION 2018/19 TO 2020/21**

Submitted: Report of the Managing Director (Transport Operations), Nexus

The purpose of the report was to provide the Sub Committee with the timetable for the preparation, consultation and approval of the North East Combined Authority's 2018/19 budget and indicative medium term financial strategy for consideration and approval by the Leadership Board on 16 January 2018 where the Tyne and Wear transport levy for 2018/19 will be agreed. The timetable is appended to this report.

The report also set out for the Sub Committee's approval, Nexus' approach to the development of its 2018/19 budget and indicative medium term financial forecast (MTFF), an element of which is funded by the Tyne and Wear transport levy.

It was noted that Nexus' was not able to set a balanced budget in 2018/19 without placing reliance on reserves, however, it was possible to set a budget for 2018/19 that will allow for the preservation of service outcomes. A table summarising the anticipated pressures on next year's budget as provided in section 4.4 of this report.

It was further noted the position of the reserves including the £15.0m earmarked to provide a local contribution for the new Metrocar fleet; possible future reductions in frontline serves, possible challenging decisions facing the Sub Committee and previous outstanding pensions issues pertaining to DBTW, NEMOL and Nexus which have now been resolved.

**RESOLVED** that –

The Sub Committee agreed to the budget and service planning approach for nexus as set out in the report, which will need to be reflected within the North East Combined Authority's 2018/19 budget and indicative medium term financial strategy.

**32 DATE AND TIME OF NEXT MEETING**

25 January 2018, 2.00pm at Gateshead Civic Centre

**33 EXCLUSION OF PRESS AND PUBLIC**