

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

28 January 2016

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

Present:

Councillor: J Harrison (Chair)

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

51 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

52 DECLARATIONS OF INTEREST

There were no declarations of interest.

53 MINUTES OF THE PREVIOUS MEETING

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

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

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

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

Members considered the update report, including the addendum report.

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

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

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

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

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

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

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

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

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

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

RESOLVED – That:

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

55 UPDATE ON NEXUS' STRATEGIC RISKS

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

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

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

RESOLVED – That:

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

56 NEXUS CORPORATE BUSINESS PLAN

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

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

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

RESOLVED – That:

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

57 GO SMARTER UPDATE

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

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

The ensuing discussion included the following matters:

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

RESOLVED – That:

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

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

58 **DATE AND TIME OF NEXT MEETING**

26 February 2016 at 2pm at Gateshead Civic Centre.

59 **EXCLUSION OF PRESS AND PUBLIC**

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