

North East Combined Authority

Transport North East (Tyne and Wear) Sub-Committee

3 November 2016

Meeting held Committee Room, County Hall, Durham, DH1 5UQ

Present:

Councillor: J Harrison (Chair)

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

A LETTER FROM SOUTH TYNESIDE COUNCIL AND SUNDERLAND CITY COUNCIL

The Chair referred to a copy of the letter to the Managing Director (Transport Operations) from the Leaders of South Tyneside Council and Sunderland City Council asking that consideration should be given to putting arrangements in place for a new secured express bus services from Hebburn and Jarrow bus stations through Harton Lane to Sunderland City Hospitals and from Houghton, Hetton and Washington to the Harton Lane site via Sunderland City Hospitals in order to respond to the new healthcare arrangements - South Tyne and Sunderland Healthcare Group (a copy of the letter is attached to Official Minutes), and asked that a response be reported to a future meeting of the Sub-Committee.

106 **APOLOGIES FOR ABSENCE**

None.

107 **DECLARATIONS OF INTEREST**

None.

108 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 15 September 2016 were approved as a correct record and signed by the Chair.

109 **MONITORING NEXUS' PERFORMANCE: 1 APRIL TO 17 SEPTEMBER 2016**

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

Members considered the report which provided an update on Nexus' performance against its Corporate Business Plan (CBP) targets and objectives for 2016/17 for the period from 1 April to 17 September 2016.

In discussion, Members commented on the following:

- the good progress achieved and the importance of sustaining the direction of travel and achieving and maintaining targets;
- the amount of work that was and had already been undertaken to drive improvements, and the continuous work of the Sub-Committee to challenge and encourage progress;
- the challenges associated with the ageing fleet and their impact on the reliability and punctuality of Metro;
- the need for a more in-depth discussion on progress at a policy seminar;
- when working to modernise technology and related infrastructure, specifically in relation to the Pop Card, the importance of being a step ahead. Members asked for a discussion on this at a policy seminar;
- the need for technology that would enable the use of contactless bank cards as a way of payment for travel;
- the need for a further update at a future meeting, inclusive of information on performance for the full year and how it rolled into the next year; and
- the importance of considering whether a future CBP could be devised for a period of three years.

It was also noted that:

- the report focused on Nexus' performance against its CBP;
- it was important for the targets to remain unchanged to enable a consistent approach to monitoring year on year progress;
- there had been measures introduced to help to arrest the decline in patronage associated with leisure trips, although there were socio-demographic and economic factors that impacted on trends;
- also in relation to patronage from leisure trips, the Snowdogs programme had resulted in a 7% uplift in patronage against the target and this would be included in the report for the next period;
- the number of season ticket customers remained steady;
- the decline in the take up of the Network One tickets was an issue for all operators; and
- good progress had been achieved to ensure that all major bus operators were working towards accepting the Pop Card and offered a more consistent set of fares.

On invitation from the Chair, the Sub-Committee was addressed by C Carson, the Metro Operations Director of DB Regio Tyne and Wear, who explained the level of work that had been undertaken to achieve improvements and offered assurances that this work would continue, although challenges associated with the ageing fleet remained.

RESOLVED – That the report be noted.

110 **REVISION TO METRO AND FERRY FARES 2017**

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

Members considered the report which sought approval for proposed changes to Metro and Ferry fares for 2017.

In discussion, Members considered matters such as patronage; the unavoidable but fair nature of the proposals; the good mitigation measures proposed; the welcomed freeze in fares for children and young people; the importance of investment in smart ticketing technology; the cost of travel by Metro being a good value for money; and the importance of clear communication with the public about the proposals.

RESOLVED – That:

- i. The proposed Metro and Ferry fares as set out in section 2 of the report, for a weighted average increase in Metro fares of 1.4% which would represent an increase of 0.5% below RPI (1.9% as at July 2016) together with a weighted average increase in Ferry fares of 1.9% i.e. in line with RPI, both to be effective from 2nd January 2017, be agreed.
- ii. The Sub-Committee noted the proposed work to consider changes to 16-18 fares and ticketing offers on Metro and agreed to receive a report on this subject at a later date.

111 **NEXUS BUDGET PREPARATION 2017/18 TO 2019/20**

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

Members considered the report which sought their agreement to the draft budget proposal for 2017/18.

In discussion, Members considered matters such as the importance of long-term forward planning, including 2020 onwards; the importance of achieving a balance between the provision of services and the funding available; the importance of engaging all stakeholders in helping to shape future services; the impact of efficiency savings on staff; and the approach to the use of reserves. Members asked that their concern be communicated to the Leadership Board.

Members received advice from the Chief Finance Officer on the position and options with regard to the use of reserves. Members noted that, as a result of further efficiency savings, the report to the Leadership Board could set out a slightly different position. Members would be kept informed.

Members also received information from the Director of Finance and Resources of Nexus on the work to plan for efficiency savings at Nexus, including in relation to the potential loss of posts and the associated engagement with staff and trade unions.

RESOLVED – That:

- i. The Sub-Committee would advise the Leadership Board of its preference that the Tyne and Wear levy be agreed on a multi-year basis, between 2017/18 and 2019/20 and that the levy be based upon the change in core spending power relating to the average of the five Tyne and Wear districts throughout this period; and

- ii. Agreement be given to the budget and service planning approach for Nexus as set out in the report, which would need to be reflected within the North East Combined Authority's 2017/18 budget and indicative medium term financial strategy.

112 NEXUS ANNUAL EXPENDITURE AND ACTIVITY ANALYSIS REPORT 2015/16

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

Members considered the report which provided financial and statistical information relating to Nexus' services.

The ensuing discussion focused on the position with regard to the Gold Card; the need for a discussion as part of the task and finish group on the low take up of the Under 16 Concessionary Travel on Metro; and the possible reasons for the increase in fraudulent travel on Metro, including in the areas that were not gated.

RESOLVED – That the report be noted.

113 UPDATE ON NEXUS' CORPORATE RISKS 2016/17

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

Members considered the report which provided information on the up-to-date position with regard to Nexus' Corporate Risk Register.

RESOLVED – That the report be noted.

114 DATE AND TIME OF NEXT MEETING

Thursday, 26 January 2017 at 2pm.

115 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – That by virtue of paragraphs 3, 4 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 11, 12 and 13 (Confidential Minutes of the Previous Meeting, Tyne Tunnels Update and Metro Transition Project Update) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.