

## **Joint Transport Committee Tyne and Wear Sub-Committee**

Thursday, 4th July, 2019 at 2.00 pm

Meeting to be held in a Lamesley - Civic Centre, Regent Street, Gateshead, NE8 1HH

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## **AGENDA**

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	<b>Page No</b>
1. <b>Apologies for Absence</b>	
2. <b>Declarations of Interest</b>	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.	
3. <b>Minutes of previous meeting on 4 April 2019</b>	<b>3 - 12</b>
4. <b>Monitoring Nexus' Performance 2018/19</b>	<b>13 - 20</b>
5. <b>Monitoring Nexus' Performance 2019/20</b>	<b>21 - 26</b>
6. <b>Metro Disruption - Overhead Line Equipment (Presentation)</b>	
7. <b>Nexus' Corporate Risk Register 2019/20 - Update</b>	<b>27 - 48</b>
8. <b>Spending Review 2019 Metro Submission</b>	<b>49 - 54</b>
9. <b>Anti-Social Behaviour and Crime Management</b>	<b>55 - 62</b>
10. <b>Tyne Tunnels Update</b>	<b>63 - 84</b>

**11. Exclusion of the Press and Public**

The Tyne and Wear Sub-Committee may wish to exclude the press and public from the meeting during the consideration of the following item on the grounds indicated:

Item Local	Paragraph of Schedule 12A to the Government Act 1972
12	3

**12. Brexit Risk Management**

**85 - 90**

Contact Officer: Tel: E-mail:

**To All Members**



**NORTH EAST JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE**

**DRAFT MINUTES FOR APPROVAL**

4 April 2019

Meeting held in the Lamesley Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

**Present:**

Councillor: G Hobson (Chair)

Councillors: J McElroy, J McCarty and A Wilson

**26 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Carl Johnson.

**27 DECLARATIONS OF INTEREST**

No declarations of interest were received.

**28 MINUTES OF THE PREVIOUS MEETING HELD ON 31 JANUARY 2019**

The minutes of the previous meeting were agreed as a correct record.

Matters Arising from the Minutes:

- (i) Clarification was sought on driver retention. The sub-committee were assured that Nexus currently has a full complement of drivers and a full roster for everyday core services. It is only on rare occasions when there is a short-fall. Work is ongoing regarding absence management and backfilling of drivers currently on secondment. The sub-committee were also advised that work is ongoing with the drivers regarding work-life balance to assist with driver retention.
- (ii) Sub-committee members took the opportunity to thank staff from Nexus for the work that is being carried out regarding anti-social

behaviour. Toby Hughes (Managing Director, Transport North East) advised the sub-committee that the Northumbria Police and Crime Commissioner visited the Metro system and discussed various joint initiatives to tackle anti-social behaviour on the system. Members requested more information on Metro's activities to tackle anti-social behaviour at the next meeting.

## 29 **MONITORING NEXUS' PERFORMANCE AND METRO PERFORMANCE UPDATE**

Consideration was given to a report presented by Toby Hughes (Managing Director, Transport North East) providing a summary update on Nexus' performance in delivering the key priorities of its Corporate Plan for 2018/19 over the forty-four weeks from 1 April 2018 – 2 February 2019.

The report summarised three themes and twelve key priority workstreams within the Corporate Plan.

It was reported that Metro punctuality had improved to 83%. This has been contributed to by fourteen new fleet engineering staff that had recently been recruited, as part of the fleet investment plan discussed at a previous meeting. Customer satisfaction has improved slightly but passengers continue to be dissatisfied with reliability.

Performance of ticket machines continues to improve. Interaction with passengers is continuing via social media and help points.

Patronage has grown very slightly in the past year, but there has been a 10% increase in young people/students using the service. Metro fare revenues have also grown slightly, although they are behind target.

Clarification was sought by one of the Members regarding the figures quoted in paragraph 1.6, Metro patronage which was ahead of target and paragraph 1.7, Metro farebox revenue which was reported as a 1.5% shortfall.

Officers advised that the patronage target assumed a continued decline which has not been the case, whereas the revenue target assumed a modest growth in income which has not been achieved to the extent of the target, partly because some passengers may now be paying less because of the ticket type they have purchased.

It was noted that the patronage was holding up and that under 19s are using public transport more, which reflects the introduction of the 'Pop Blue' card.

Members suggested that a report could be presented to a future meeting of the sub-committee on local bus services, which could also look at low-emission buses and air quality issues. The Chair also suggested that the bus operators could be invited to attend a future meeting.

Members welcomed the simplified report format, but one member emphasised the need to have the correct information available to be able to hold Nexus to account for Metro's performance.

**RESOLVED:** that the North East Joint Transport Committee Tyne and Wear Sub-Committee:

- (i) Note the report;
- (ii) Agree that future performance reporting will follow the same format as this report;
- (iii) Invite local bus operators to attend a future meeting;
- (iv) Request that reports on local bus services and anti-social behaviour are presented to future meetings.

### 30 **METRO ASSET RENEWAL PLAN UPDATE**

The sub-committee were shown a video summarising the investment in the Metro over the last nine years.

Consideration was given to the report, presented by Michael Ellison (Acting Director of Rail and Infrastructure, Nexus) which provided an update of the Metro Asset Renewal Plan having passed the £300million investment milestone since 2010.

At the beginning of April 2019, Nexus will enter the tenth year of its eleven-year renewal programme to upgrade many of the assets across the Tyne and Wear Metro system.

This has been possible due to the multi-year funding agreement with the Department for Transport (DfT) where 90% of the agreed investment has been provided by capital grant.

Since April 2010, Nexus has undertaken a wide range of works including the refurbishment of 35 stations, renewal or refurbishment of 59km of track, the removal of five bridges and structurally repairing or replacing twenty other bridges and the refurbishment of 86 Metrocars.

A lot of this work has been carried out at weekends or overnight and its success is testament to the staff carrying out the work.

Over the past nine years, Nexus' delivery arrangements have been externally verified on three separate occasions by auditors appointed by the DfT.

In order to give an overall assessment of the benefits of the investment programme, an Asset Stewardship Index (ASI) was established at the beginning of 2010 and has been calculated every quarter ever since. The index is based on a combination of asset performance and the risk of asset failures, giving an indication of the overall condition of the Metro infrastructure.

The ASI has shown a 25% increase since April 2010 to March 2019.

Nexus is also preparing a submission to the DfT and Treasury as part of the Spending Review 2019 in order to attract further Government grant through to 2025.

The Chair suggested that the video should be shown to local authorities to explain the investment programme. Members also suggested it should also be shared on social media.

Members requested sight of the submission to DfT which is being prepared for the upcoming Spending Review. It was also felt that the case for future investment could be strengthened by including issues around air quality and sustainable public transport.

The Chair said she would write to the Engineering teams on behalf of the sub-committee to thank them for their continuing hard work.

Tobyn Hughes advised the sub-committee that although the focus would inevitably be on the new assets, every trip taken on the Metro contributes economic benefits of £8.50 to the local economy, emphasising the need for the Government to continue funding the maintenance and renewal of this asset.

The sub-committee were also advised that there has been a transformational effect on Nexus over the last nine years due to the long-term funding provision, including the development of capabilities in project and programme management, contract management, asset stewardship and neighbourhood engagement. Half of the workforce are engaged with this project and Nexus has become a better organisation because of it.

It was acknowledged however that the upcoming works over Easter that would lead to disruption in Gateshead, South Tyneside and Sunderland could have been better communicated and an apology was offered in this regard.

Nexus will continue to work on engaging with local authorities, businesses and residents to ensure the work can be carried out as effectively as possible.

**RESOLVED:** that the North East Joint Transport Committee Tyne and Wear Sub-Committee note the content of the report.

## 31 **INVESTMENT IN THE EXISTING METRO FLEET**

Consideration was given to the report presented by Chris Carson (Metro Services Director, Nexus) which provided information on additional investment in the existing Metro fleet.

From April 2018 – February 2019, the Metrocar fleet has accounted for just over 32% of all delays to the Metro Service.

Nexus is investing an additional £0.9million in modifications to the fleet and around £0.4million in extra core fleet staffing. The fleet investment programme is being delivered by an additional 14 employees comprising of five working on modifications/overhauls of Metrocar components; one Fleet Performance Technician and eight people working in the heavy lifting shop.

Implementation of all equipment modifications and replacement are scheduled for completion by early 2020. A 10% improvement in fleet reliability is predicted this year.

Members of the sub-committee commented that the report was helpful and welcomed the investment in the existing fleet. It was suggested that members of both Committees are invited to visit the depot.

**RESOLVED:** that the North East Joint Transport Committee Tyne and Wear Sub-Committee:

- (i) note the report;
- (ii) Members of the North East Joint Transport Committee and the Tyne and Wear Sub-Committee are invited to visit the depot.

## 32 **NEXUS' CORPORATE RISKS 2019/20**

Consideration was given to the report presented by Toby Hughes which introduced Nexus' Corporate Risk Register for 2019/20 based on the Corporate Plan. Nexus defines its corporate risks as those matters, which if the risk occurred, could have diverse consequences for the achievement of its Corporate Plan. The Plan was reported to the sub-committee at its meeting on 29 January 2019.

The Risk Register has two Corporate Risks, ten of which 'roll over' from last year, with two risks added to reflect new and emerging priorities within the plan:

- (i) That the Learning Centre is not constructed to time/cost/quality standards and that, upon opening, optimum use is not made of the facilities;
- (ii) That bids to secure improvements to the local public transport network through the DfT's Transforming Cities Fund, and achieving Future Mobility Zone status, are not successful.

There is one risk where the status has changed and is identified as worsening. This is due to the current uncertainties surrounding Brexit potentially impacting the procurement of the new fleet, related maintenance arrangements and provision of a new depot.

The sub-committee were assured that risk assessment and preparatory work has taken place on the impact of Brexit on the on-going operation of Metro, especially with regard to supply chains with Europe. Officers said while there will be a potential impact they are confident that mitigation is in place for both Metro and the Shields Ferry.

A member of the sub-committee requested that reports are included within the Plan on the possible extension to the Metro network.

**RESOLVED:** that the North East Joint Transport Committee Tyne and Wear Sub-Committee note the report.

### 33 MAJOR SUMMER EVENTS PLAN

Consideration was given to a report presented by Huw Lewis (Customer Services Director, Nexus) which provided an overview of Nexus' plans to support major events during Summer 2019.

Nexus strives to deliver the best possible service through providing additional and, when necessary, later Metro trains and increased customer services staff presence to support major events in the region.

This work has been recognised as among the best in the country. The summer 2018 events programme recently won a prestigious UK Rail Business Award for 'Accessibility and Integrated Transport Excellence' as a result of widespread positive feedback from Metro passengers. Nexus staff were fundamental to this success, working almost 6,000 additional hours in frontline roles throughout the summer, for events that generated around 500,000 additional journeys.

Nexus is now planning for major events in 2019 including:

- European Rugby Championships (10 – 11 May)
- Spice Girls at the Stadium of Light (6 June)
- South Tyneside Summer Concerts (July-August)
- Mouth of the Tyne Festival (11-14 July)
- Sunderland Air Show (26-28 July)
- World Transplant Games (17-24 August)
- England-Italy Rugby International (6 September)
- Great North Run Weekend (7-8 September)

In addition, Nexus had also provided additional trains for fans travelling to Wembley for Sunderland AFC match in the EFL Cup on 31 March.

Tyne and Wear Metro has also entered into partnership with St Oswald's Hospice to stage 'Elmer the Patchwork Elephant's Great North Parade'. The event is taking place from August to October and aims to raise funds for the charity as well as encouraging people to visit town and city centres and visitor attractions across Tyne and Wear.

Research from the success of the Great North Showdogs trail in 2016 showed 70% of trail-goers went to new places within the region as a result, boosting the economy by an estimated £16million.

The sub-committee were also reminded that the new Interchange at South Shields will be open when the Great North Run takes place, so new plans will be in place to ensure race-goers and spectators are able travel back efficiently.

A member of the sub-committee thanked the Metro staff for their help and assistance in Sunderland City Centre on the day of the cup final and asked whether staff are allocated in advance for events. Officers advised that the additional shifts are offered as overtime with train crew agreement. As an example, the sub-committee were advised that an additional 30 drivers are required for the Great North Run.

**RESOLVED:** that the North East Joint Transport Committee Tyne and Wear Sub-Committee note the report.

### 34 **PROPOSED CHANGES TO COMPANION CARD ELIGIBILITY CRITERIA**

Consideration was given to a report presented by Huw Lewis on proposed changes to the eligibility criteria for new applications for the Companion Card concession.

The Companion Card allows the person to whom the concession is granted to travel with a companion for assistance free of charge. Card holders can also travel independently if they wish. The concession is available during the same off-peak travel periods as the English National Concessionary Travel Scheme. Approximately 3,800 cards are currently in use, and around 250,000 journeys are made using the concession each year, at annual cost to Nexus of £350,000.

Following a recent challenge to the existing criteria, a review has been undertaken and the proposed criteria are as follows:

Eligibility for any of the following benefits:

- Higher-rate care component of the Disability Living Allowance
- Higher rate Attendance Allowance
- Enhanced rate of Mobility component of War Disablement Pension
- A total score of 12 points or more across the following activities within the Mobility component of PIP:
  - Planning and Following a Journey
  - Moving Around

It is proposed that the new criteria will be introduced alongside of the existing criteria until March 2021 to enable the impact of the proposed changes to be monitored.

**RESOLVED:** that the North East Joint Transport Committee, Tyne and Wear Sub-Committee agree the implementation of the revised criteria as outlined in the report.

## 35 TYNE TUNNELS UPDATE

Consideration was given to the report presented by Alastair Swan (Principle Engineer, Newcastle City Council) and Chris Ward (TT2 Customer Operations Manager) which provided an update on the operation of the New Tyne Crossing and the Tyne Pedestrian and Cycle Tunnels phase 3 improvement.

Views were sought on the introduction of a Number Plate Recognition (NPR) toll arrangements and a proposal for the eventual removal of barriers and toll plazas at the north end of the tunnels. The project which has been given the working title 'the Tyne Pass Project' is anticipated to lead smoother traffic flow, reduced congestion and reduced air pollution (through the reduction of queuing traffic) in the area.

A review of the traffic flows this financial year have shown that they have started to recover although the traffic flow levels remain less than the levels in 2016-7. This change in traffic levels using the tunnels has had an impact on the revenue generated and budgets for 2018-19 have been adjusted to reflect this.

The sub-committee were advised that the refurbishment works on the Tyne Pedestrian and Cyclist Tunnels are nearing completion on site. Work around the inclined lift is ongoing and will take around three or four weeks to complete. Following competition there will be some further work around testing, commissioning and certification before a phased reopening of the tunnels can be finalised.

It is proposed that the tunnels will initially be manned during the trial period and opened to the public from 0600 to 2000 hrs. The night shuttle will continue to run between 2000 to 0600 hrs.

A Member of the sub-committee asked officers to ensure that NPR would not impact on those people who are unable to have a bank account. Officers assured the sub-committee that there were other ways in which the toll could be paid including pay points and pay zones. In addition, a phone app is being launched on Monday 8 April which will shortly have the facility to set up direct debit payments for the toll. In addition, the app will provide users with notifications of incidents within the tunnels. Members were reminded that pre-payment provides a 10% discount for users.

**RESOLVED:** that the North East Joint Transport Committee, Tyne and Wear Sub-Committee:

- (i) Note the report
- (ii) Authorise officers to commence discussions regarding the Tyne Pass Project.

36 **DATE OF NEXT MEETING**

The date of the next meeting will be agreed at the Annual Meeting of the North East Joint Transport Committee on 18 June 2019.

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## **North East Joint Transport Committee, Tyne and Wear Sub-Committee**

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**Date:** 4<sup>th</sup> July 2019

**Subject:** Monitoring Nexus' Performance 2018/19

**Report of:** Managing Director, Transport North East

### **Executive Summary**

In 2018/19 Nexus was successful in delivering the majority of its key priorities, as set out in the Corporate Plan approved by the Transport North East (Tyne and Wear) Sub-Committee, in January 2018.

The continuing challenges of maintaining an ageing fleet were addressed by creating headroom in the Nexus revenue budget in order to provide an additional £1.3m of investment in the existing fleet, creating 14 new jobs in the fleet maintenance function.

Average Metro Charter Punctuality declined from 85.1% in 2017/18 to 79.6% in 2018/19, a reduction of 5.5% points, although progress made in returning long-term stopped Metro Cars to service and increasing investment in the fleet contributed to 4 periods of continuous improvement towards the end of the year, with performance reaching 83% at Period 13, but still below the target of 87.2%.

Metro Customer Satisfaction declined year on year (November survey) from a score of 7.7 in 2017/18 to 7.2 in 2018/19. The February 2019 survey however, showed a slight increase to 7.3 but still below the target of 7.8.

Financially, and despite the current climate, Nexus protected frontline services as well as reporting an in year surplus of £2.484m, following transfers to capital reserves and before taxation. This was achieved despite Metro fare revenue being below budget, although compared with the prior year, Metro fare revenue did increase by £0.7m to £45.5m, from £44.8m in 2017/18.

Construction of the new Nexus Learning Centre and South Shields Transport Interchange commenced and will be completed in early 2020.

The Pop blue ticketing initiative, offering savings for young people, was successfully introduced, and the Pay as you Go Pop card achieved 1.5 million journeys in 2018/19.

Half a million extra passengers were carried on more than 200 additional trains in serving a busy summer of major events; including the Great Exhibition of the North, Dacia's Rugby League Magic Weekend, Ed Sheeran's three night Divide tour, the four-day Tall Ships event, Little Mix Stadium tour, Sunderland International Air show weekend, and the Simplyhealth Great North Run.

Looking ahead, Nexus will seek to continue investment in the Metro through the tenth year of the current 11 year Asset Renewal Programme (ARP), and funding is being sought for the next phase of the ARP through to 2025 as part of the government's Spending Review 2019 process.

Nexus has also commenced a major procurement, to introduce our new fleet of Metro trains and the arrangements for fleet maintenance. A bid to the Transforming Cities Fund to add resilience to the existing Metro system and to build the requisite knowledge and capacity needed for potential network extensions has also recently been submitted.

## **Recommendations**

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance and milestones in delivering services and projects over 2018/19.

**1. Background Information**

1.1 This report provides a summary review of Nexus’ performance against its Corporate Plan (CP) targets and objectives for 2018/19.

1.2 The CP 2018/19 had three core themes and twelve workstreams (four per theme) as set out in the following table where a RAG (Red/Amber/Green) status has been assigned to each to indicate progress at the year-end:

<b>Theme:</b>	<b>Workstream:</b>
<b>Deliver public transport today</b>	• Improve the Metro customer journey experience
	• Introduce more affordable fares for the under ‘19s
	• Protect levy funded frontline services
	• Deliver technological improvements
<b>Prepare for the future</b>	• Procure a new fleet of trains and their maintenance
	• Develop devolution proposals for the Northern Rail franchise
	• Develop plans to expand Metro and local rail services
	• Develop plans to improve the local bus network
<b>Focus on organisational effectiveness</b>	• Implement change and pursue continuous improvement
	• Deliver the new Nexus’ Learning Centre in South Shields
	• Continue the planned Asset Renewal Programme
	• Facilitate change in local political governance

1.3 Notable milestones from 2018/19 included:

**New Fleet:**

- Hosting a market industry day, in June 2018, for train manufacturers from across the globe to explain Nexus’ project for the procurement of 42 new trains, the maintenance of the fleet and renewal of the depot facilities.
- Inviting five train manufacturers to tender for contracts to manufacture and supply a new fleet, maintain the new & existing fleet and design & construct a new depot at South Gosforth.
- Holding a supply chain event in conjunction with the NELEP to introduce train manufacturers to potential local suppliers, as part of our desire to harness social value from the procurement.
- Commencing the evaluation of tenders, prior to initiating the Best and Final Offer process.
- Commencing the engagement process for staff wholly or mainly involved in fleet engineering activities to prepare for the transfers of employment that will be necessary when the new contractual arrangements begin.

- Acquiring the land, secured planning permissions and awarded a contract for the design and construction of a new satellite depot in Howdon to facilitate the re-development of the main depot site at Gosforth and the delivery and testing of the new fleet.

### **Metro Asset Renewal Programme:**

- Commencing construction of the new £21m transport interchange, bringing together a modern bus station and relocated Metro station, in the centre of South Shields, which is due to open in August 2019.
- Completing installation of a new £13m radio system, replacing an end-of-life system with modern technology providing reliable coverage of the entire Metro system.
- Investing £12m in a new Rail Traffic Management System, the biggest re-vamp of the Metro Control Room since the opening in 1980, to transform the way Metro trains are controlled with a computerised signalling control system.
- Commencing construction of the new Nexus Learning Centre in South Shields which will provide a training facility for the entire workforce, allowing a step change improvement in how we train and develop our people.
- Investing £2.5m replacing Burnside Road and Beach Road bridges in North Tyneside.
- Completing the station refurbishment of Tyne Dock, and progressing works at Monkseaton, West Monkseaton, Cullercoats, Shiremoor, Palmersville, Benton and Longbenton.
- Passing the £300 million investment milestone in the 11-year, £350 million Asset Renewal Programme.
- Obtaining exemptions from the Rail Vehicle Accessibility Regulations from the DfT, allowing continued use of the current fleet until its replacement by new Metro trains, anticipated in 2024.
- Replacing 13km of Overhead Line power supply equipment.

### **Service delivery**

- Successfully promoting the use and convenience of the new simple and affordable Pop Blue ticketing initiative, offering reduced price travel on Metro for young people aged 18 and under, attracting over 6,000 Pop Blue users to make over 320,000 journeys in 2018/19.
- Reaching a record 1.5 million Metro Pay As You Go Pop card journeys in 2018, confirming the flexibility and convenience of having this easy option to pay for travel. This was complemented by freezing PAYG journeys on Metro.
- Providing later evening services on Christmas Eve and New Year's Eve for the benefit of customers and local businesses.

- Working with partners to hold a live counter-terrorism training exercise in June 2018 to test local emergency services' response on a rail transport network, following an earlier table top exercise, led by Northumbria Police, something that was recognised at a Counter-Terrorism Awards ceremony in March 2019 as part of the efforts being made to reducing the threat of global terrorism.
- Supporting the Great Exhibition of the North, celebrating the region's ingenuity, creativity and culture and a range of summer events including: Dacia's Rugby League Magic Weekend, Ed Sheeran's three night Divide tour, the four-day Tall Ships event, Little Mix Stadium tour, Sunderland International Air show weekend, and the Simplyhealth Great North Run. In serving these major events, Metro carried half a million extra passengers, providing more than 200 extra trains with our employees working thousands of additional hours to drive the trains and to look after visitors and regular customer alike.
- Taking part in the Great North Engineering Experience week, showcasing Metro: Past Present and Future.
- Adopting a Hate Crime Charter for Public Transport to help ensure people can travel with confidence.
- Participating in the Rail Safety and Standards Board's 'Respect the Edge' campaign to promote customer safety at the platform to train interface.
- Receiving recognition at the national Rail Business Awards in the 'Accessibility and Integrated Transport Excellence' and 'Marketing and Communications Excellence' categories
- Testing the Ferry's readiness for a major incident response to a collision with another vessel, in collaboration with the emergency services, Port of Tyne, HM Coastguard and the RNLI. Students from South Shields Marine School were 'actors' who played the role of passengers to make the experience as realistic as possible. The Coastguard Search and Rescue team were joined by the South Shields Voluntary Life Brigade to practice for the recovery of a casualty from the ferry's engine bay.
- Committing to an extra £1.3m investment to help improve Metro's reliability and punctuality through fleet modifications and extra staff in the depot.
- Carrying out a major programme of work to secure the long-term future of the South Shields ferry landing and its 50 meter long bascule bridge.
- Extending the times that Metro's official Twitter page is staffed, with 24 hour cover during the working week for the convenience of its 120,000 followers.
- Launching the Metro 'Part of Everyday Life' brand marketing campaign to attract new customers to the service.

### **Planning for the future**

- Carrying out market engagement with new mobility service providers aimed at extending the reach of public and sustainable transport modes in the area

- Using the North East Expo event to focus on the MetroFutures project and aspirations to expand the Metro and local rail network.
- Undertaking an economic assessment of the current and future value of the Metro and local rail network to support the business case for expansion where the conclusion reached was that each passenger journey on Metro is worth £8.50 to the local economy.
- Exploring ways to improve and expand the Metro and local rail network, working with local authorities to identify new Metro and local rail corridors and potential funding sources.
- Working with Go North East helped to secure funding for the first full electric zero emission buses in the North East.
- Submitting our Spending Review 2019 funding application to DfT in order to attract further government grant through to 2025 and thereby facilitate long-term programme management, capacity and capability.
- Negotiating Concessionary Travel Agreements with each of the three major local bus operators in Tyne and Wear, within overall budget limits, for continued provision of the English National Concessionary Travel Scheme, discretionary add-ons and under-16 concessionary travel in Tyne and Wear, for the two year period 2019/20 and 2020/21.

### **Staffing matters**

- Adopting a new vision and a set of values to be at the core of Nexus' activities, help shape the future culture of the organisation, guide our everyday behaviours and influence how we are regarded by stakeholders.
- Raising over £10k for Mind (Northumberland and Tyneside), Nexus' adopted charity in 2018, and chose the Alzheimer's Society for 2019.
- Appointing a new Head of Learning to spearhead Nexus Learning Centre which is being built in South Shields and will come into use in 2019/20.
- Supporting 57 front line managers to achieve Level 3 Chartered Management Institute Leadership qualifications.
- Organising the first 'Women in Transport' event to be held outside London as part of a wider initiative to encourage more women to work in the transport industry and help support professional development.
- Receiving a North East Better Health at Work Campaign silver award in recognition of the work carried in raising and delivering health and wellbeing campaigns to Nexus employees.
- Being recognised by the Ministry of Defence for our ongoing commitment to offering employment opportunities to former armed forces personnel
- Trialling body-worn CCTV cameras to help deter anti-social behaviour, low-level disorder and fare evasion, giving customers extra assurance.
- Recruiting another ten apprentices for a range of business areas including engineering, transport planning and business development.

## **2. Proposals**

- 2.1 There are no specific proposals for decision arising from this year-end performance monitoring update report.

## **3. Reasons for the Proposals**

- 3.1 The report is being provided for information. There are no proposals for decision arising from this year-end performance monitoring update report.

## **4. Alternative Options Available**

- 4.1 There are no proposals on which to base alternative options arising from this year-end performance monitoring update report.

## **5. Next Steps and Timetable for Implementation**

- 5.1 A report updating on Nexus' performance in 2019/20 will be presented to each scheduled meeting of the Joint Transport Committee's Tyne and Wear Sub-Committee.

## **6. Potential Impact on Objectives**

- 6.1 Monitoring Nexus' performance helps to provide assurance that local transport policies and objectives are being implemented efficiently and effectively in accordance with Nexus' Corporate Plan.

## **7. Financial and Other Resources Implications**

- 7.1 There are no direct financial or resource considerations arising from this summary update report. The report highlights that Nexus achieved an in year surplus of £2.484m in 2018/19, following transfers to capital reserves and before taxation. Capital expenditure of £27.510m was incurred in 2018/19 and details of major capital investment in 2018/19 are disclosed in the report.

## **8. Legal Implications**

- 8.1 There are no direct legal considerations arising from this summary update report.

## **9. Key Risks**

- 9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management. An update on Nexus' Corporate Risk Register for 2019/20 forms a separate agenda item at the meeting.

## **10. Equality and Diversity**

- 10.1 There are no specific equalities and diversity considerations arising from this periodic performance monitoring update report.

## **11. Crime and Disorder**

11.1 There are no specific crime and disorder considerations arising from this periodic performance monitoring update report.

## **12. Consultation/Engagement**

12.1 There are no specific consultation or engagement considerations arising from this periodic performance monitoring update report.

## **13. Other Impact of the Proposals**

13.1 There are no direct proposals arising from this summary update report, and therefore no consequential impacts.

## **14. Appendices**

14.1 None.

## **15. Background Papers**

15.1 Nexus' Corporate Plan 2018/19 to 2020/21 as presented to the former Transport North East (Tyne and Wear) Sub-Committee meeting held in January 2018.

## **16. Contact Officers**

16.1 Tobyn Hughes,  
Managing Director, Transport North East  
Email: [tobyn.hughes@nexus.org.uk](mailto:tobyn.hughes@nexus.org.uk)  
Tel: 0191 203 3236

## **17. Sign off**

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

## **18. Glossary**

The meaning of any abbreviations used is explained in the body of the report.

## **North East Joint Transport Committee, Tyne and Wear Sub-Committee**

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**Date: 4 July 2019**

**Subject: Monitoring Nexus' Performance 2019/20**

**Report of: Managing Director, Transport North East**

### **Executive Summary**

The report provides a summary update on Nexus' performance in delivering the key priorities of its Corporate Plan for 2019/20 over the eight weeks to 25 May 2019 – the end of the second 4-weekly period (Period 2).

Metro Customer Satisfaction improved to a score of 7.5 (May 2019) from the previous score of 7.3 (February 2019). This is still slightly below the target of 7.8. Actions are being taken to improve punctuality and reliability which should further increase the overall satisfaction score.

In the year to 25 May 2019, cumulative Metro patronage was 5.058m, an 8.2% decrease against target of 5.512m. The Moving Annual Total at the end of Period 2 is 35.852m.

Financially, a number of budgetary pressures are emerging. Metro farebox revenue amounted to £6.588m which represents a 6.9% shortfall against the target of £7.048m.

Nexus has progressed to the Best and Final Offer (BAFO) stage of the process to award contracts to design, build and maintain a new train fleet. Three train manufacturers have been shortlisted to provide the new train fleet, new depot facilities and ongoing maintenance.

### **Recommendations**

The Tyne and Wear Sub-Committee is recommended to note Nexus' corporate performance in realising its Corporate Plan for 2019/20, including Metro performance.

**1. Background Information**

- 1.1 The report provides summary information about Nexus’ progress against its Corporate Plan (CP) targets and objectives for 2019/20 over the eight weeks from 1 April to 25 May 2019.
- 1.2 For 2019/20 the CP has three main themes and ten key priority work-streams.
- 1.3 Applying a RAG (Red/Amber/Green) status to each of these workstreams the overall performance is summarised below:

<b>Theme 1: Deliver public transport today.</b>		<b>Status</b>
<b>Key priority</b>	<p>Improve the Metro customer journey experience</p> <ul style="list-style-type: none"> <li>• The most recent Metro Customer Satisfaction Survey in May saw an improvement in the overall score (paras 1.4 &amp; 1.5 below).</li> <li>• Metro ridership and fare income is below target.</li> <li>• Peak fleet availability remains below target in meeting the requirement of 74 Metrocars - Investment in the existing Metro fleet continues.</li> </ul>	Amber
	<p>Protect levy funded frontline services</p> <ul style="list-style-type: none"> <li>• Whilst levy funded frontline services are being protected in 2019/20, there are emerging budget pressures that need to be managed, for example Metro fare box being behind budget and the cost of developing bids for Transforming Cities.</li> </ul>	Green
	<p>Deliver technological improvements</p> <ul style="list-style-type: none"> <li>• Smart Ticketing: Host Card Emulation (your phone becomes your smartcard), complete assurances are required from technology providers regarding use of data gathered through this solution prior to commencing formal trials.</li> <li>• Software upgrades – Ticketing and Gating. The pilot upgraded Bank Card reader has been installed but configuration issues are yet to be resolved.</li> </ul>	Amber

<b>Theme 2: Prepare for the future</b>		<b>Status</b>
<b>Key priority</b>	<p>Award contracts to design, build and maintain a new train fleet</p> <ul style="list-style-type: none"> <li>We have progressed to the Best and Final Offer (BAFO) stage and have three train manufacturers involved in competing to provide our new train fleet, new depot facilities and ongoing maintenance.</li> </ul>	Amber
	<p>Ensure the North East's priorities are reflected in Transport for the North's (TfN) plans</p> <ul style="list-style-type: none"> <li>Engagement with TfN re a proposal to the Williams Rail Review which currently includes potential for local control within the north east as part of a wider devolution plan.</li> </ul>	Green
	<p>Develop plans to expand Metro and local rail services</p> <ul style="list-style-type: none"> <li>Track Dualling - outline business case is in draft and aligned with the wider Transforming Cities Fund programme milestones.</li> </ul>	Green
	<p>Develop plans to improve the local public transport network and the use of new mobility services</p> <ul style="list-style-type: none"> <li>Development of the Nexus elements of the Transforming Cities Fund bids to outline business case is progressing to plan.</li> </ul>	Green

<b>Theme 3: Focus on organisational effectiveness</b>		<b>Status</b>
<b>Key priority</b>	<p>Implement change and pursue continuous improvement</p> <ul style="list-style-type: none"> <li>Work has commenced on developing the new organisation structure aligned with the new Fleet contracts.</li> </ul>	Green
	<p>Deliver the new Nexus' Learning Centre in South Shields</p> <ul style="list-style-type: none"> <li>The revised programme completion date remains scheduled for March 2020.</li> </ul>	Amber
	<p>Continue the planned Asset Renewal Programme</p> <ul style="list-style-type: none"> <li>High priority track renewals between Gateshead Stadium and Felling were completed in May to programme and within budget.</li> </ul>	Green

- 1.4 The overall score in the latest quarterly Metro Customer Satisfaction Survey (CSS) is 7.5 (May 2019), slightly less than the 7.8 target set but showing an improvement on the February 2019 score of 7.3. Actions being taken to improve punctuality and reliability should further increase the overall satisfaction score. The next survey is in August 2019.
- 1.5 Within the CSS 23 areas of Metro service are split into six categories. The level of overall customer satisfaction is also included in the survey. Compared with the Feb'19 results, scores remained static in most categories with a slight decrease in satisfaction with Station equipment, Cleanliness and Staff Availability and a slight increase in satisfaction with Information and Ticketing.
- 1.6 In the year to 25 May 2019, cumulative Metro patronage was 5.058m, an 8.2% decrease against the Period 1/Period 2 Target of 5.512m. The Moving Annual Total at the end of Period 2 is 35.852m.
- 1.7 In the year to 25 May cumulative Metro farebox revenue amounted to £6.588m. This represents a 6.9% shortfall against the target of £7.048m.
- 1.8 Alongside the structural deficit of £0.7m and the projected shortfall in Metro revenue, other budgetary pressures are emerging, for example, the cost of developing Transforming Cities bids.

## **2. Proposals**

- 2.1 There are no proposals arising from this performance monitoring update.

## **3. Reasons for the Proposals**

- 3.1 Not applicable to a performance monitoring update report.

## **4. Alternative Options Available**

- 4.1 No alternatives arise in respect of this performance monitoring update

## **5. Next Steps and Timetable for Implementation**

- 5.1 A concise report updating on Nexus' performance will be presented to each scheduled meeting of the Tyne and Wear Sub-Committee. An outline programme of topical presentations is presented elsewhere on the agenda for information and comment?

## **6. Potential Impact on Objectives**

- 6.1 Monitoring of Nexus' performance helps to provide assurance that local transport policies and objectives are being implemented efficiently and effectively.

## **7. Financial and Other Resources Implications**

- 7.1 There are no direct financial or resource considerations arising from this performance monitoring update report.

## **8. Legal Implications**

8.1 There are no direct legal considerations arising from this performance monitoring update report.

## **9. Key Risks**

9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management. A separate review of Nexus' corporate risk register is provided to each scheduled meeting of the Tyne and Wear Sub-Committee in parallel with this report.

## **10. Equality and Diversity**

10.1 There are no specific equalities and diversity considerations arising from this performance monitoring update report.

## **11. Crime and Disorder**

11.1 There are no specific crime and disorder considerations arising from this performance monitoring update report.

## **12. Consultation/Engagement**

12.1 There are no specific consultation or engagement considerations arising from this performance monitoring update report.

## **13. Other Impact of the Proposals**

13.1 There are no direct proposals arising from this performance monitoring update report, and therefore no consequential impacts.

## **14. Appendices**

14.1 None

## **15. Background Papers**

15.1 Nexus' Corporate Plan 2019/20 as considered and approved at the Sub-Committee's meeting in January 2019.

## **16. Contact Officers**

16.1 Toby Hughes,  
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Tel: 0191 203 3246

**17. Sign off**

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

**18. Glossary**

Any acronyms or technical terms used are explained in the body of the report.

## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 4 July 2019

**Subject:** Nexus' Corporate Risk Register 2019/20: Update

**Report of:** Managing Director, Transport North East

### Executive Summary

The report provides an update on Nexus' Corporate Risk Register for 2019/20, based on the approved Corporate Plan, and demonstrates that these risks are being properly managed and controlled.

Nexus has twelve corporate risks which were previously reported to and noted by the Sub-Committee at its meeting in April 2019.

The appendices to the report provide details on each of the twelve risk areas with links to the themes in the Nexus Corporate Plan for 2019/20. The appendices provide details on the current Red/Amber/Green (RAG) status and the direction of travel where applicable. A detailed explanation of the nature of each risk, together with controls and milestones, is set out in Appendix 2 to the report.

Eleven of the corporate risks have remained stable with no changes reported since the previous update to the Sub-Committee in April 2019. The exception is the risk entitled 'Frontline Services and Discretionary Travel Schemes'. This risk has seen an increased RAG score from 3 to 6 since the previous update. Nexus will continue to monitor this closely in the coming months.

### Recommendations

The North East Joint Transport Committee's Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2019/20.

## **1. Background Information**

- 1.1 Nexus defines its corporate risks as those matters which, if the risk occurred, could have adverse consequences for the achievement of its Corporate Plan (the Plan). The Plan for 2019/20 was reported to and noted by the Sub-Committee at its meeting on 31 January 2019, following which the resulting Corporate Risk Register (CRR) was received and noted at the Sub-Committee's meeting in April 2019. The Sub-Committee receives an update on Nexus' CRR at each subsequent meeting.

## **2. Proposals**

- 2.1 The Register for 2019/20 has twelve Corporate Risks:

- i. That a catastrophic safety or security related event may occur on the Metro,
- ii. That Metro performance deteriorates for an extended period,
- iii. That there is no long term funding arrangement in place to sustain Metro's current operations, replace life expired capital assets and allow future expansion,
- iv. That, in protecting frontline services and discretionary travel schemes in 2019/20, Nexus commits more than the approved £0.700m use of reserves,
- v. That costs escalate, delays arise, challenges occur or negotiations become protracted in the award of contracts to design, build and maintain a new fleet of trains and design and build a new depot for the Tyne and Wear Metro.
- vi. That the planned outcomes from the Asset Renewal Programme, to modernise the Metro, and other key capital projects, are compromised,
- vii. That the Learning Centre is not constructed to time/cost/quality standards and that, upon opening, optimum use is not made of the facilities,
- viii. That a cyber-attack on Nexus' ICT infrastructure is successful,
- ix. That the public transport services we provide or procure lose market share in a competitive environment,
- x. That bids to secure improvements to the local public transport network through the Department for Transport's (DfT) Transforming Cities Fund, and achieving Future Mobility Zone status, are not successful,
- xi. That plans to expand Metro and local rail services do not progress,
- xii. That aspirations for heavy rail initiatives are not sufficiently developed in time to take the opportunity for implementation as and when it arises.

- 2.2 The table at Appendix 1 (attached) identifies each of the twelve risk areas involved in turn, links to the themes in the Plan for 2019/20, the current RAG status and the direction of travel where applicable (comparing the current RAG status with that previously reported). A detailed explanation of the nature of each risk, together with controls and milestones, is set out in Appendix 2 to the report. Appendix 3 shows the risk scoring matrix that has been applied.

## **3. Reasons for the Proposals**

- 3.1 Risk management is an important aspect of overall performance management, and reporting on Nexus' Corporate Risks complements the high-level summary of

Nexus' performance also presented to each scheduled meeting. Together these reports support the Sub-Committee in meeting its delegation under the JTC's Standing Orders (Part 4.1 refers) to monitor and oversee the performance of Nexus.

#### **4. Alternative Options Available**

4.1 The report is for noting: no alternative options are presented.

#### **5. Next Steps and Timetable for Implementation**

5.1 Nexus will continue to manage its CRR to record and monitor any changes, and provide update reports to each subsequent scheduled meeting of the Sub-Committee and to meetings of Nexus' Audit Committee.

#### **6. Potential Impact on Objectives**

6.1 Nexus' CRR will not impact directly on the objectives of the Authority's policies and priorities; however Nexus' approach to risk management will support delivery of aims and ambitions by acknowledging the biggest threats and putting plans in place to manage and mitigate them.

#### **7. Financial and Other Resources Implications**

7.1 There are no direct financial implications for the NECA regarding the management of Nexus' CRR.

#### **8. Legal Implications**

8.1 There are no specific legal implications for the NECA arising directly from this report, other than ensuring compliance with the Constitution and Standing Orders.

#### **9. Key Risks**

9.1 The report identifies what are considered to be the key corporate risks to the achievement of Nexus' Corporate Plan for 2019/20 which was previously reported to and noted by the Sub-Committee at its meeting on 31 January 2019.

#### **10. Equality and Diversity**

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

#### **11. Crime and Disorder**

11.1 There are no crime and disorder implications directly arising from this report.

#### **12. Consultation/Engagement**

12.1 All risk owners and the respective actionees have been consulted in the preparation of this report.

#### **13. Other Impact of the Proposals**

13. There are no other impacts anticipated to arise from the proposal.

## 14. Appendices

- 14.1 Appendix 1 provides a summary table listing Nexus' twelve corporate risks.
- 14.2 Appendix 2 details each of Nexus' twelve corporate risks.
- 14.3 Appendix 3 shows the risk matrix applied.

## 15. Background Papers

- 15.1 Nexus' Corporate Plan 2019/20 as submitted to and noted by the Sub-Committee at its meeting on 31 January 2019.

## 16. Contact Officers

- 16.1 Tobyn Hughes,  
Managing Director, Transport North East  
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0191 2033246

## 17. Sign off ✓

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

## 18. Glossary

### Abbreviations:

**CRR** – Corporate Risk Register

**RAG** – Red/Amber/Green (denoting an assigned performance status)

**Corporate Risk** - relates to those factors that might have a significant effect on the achievement of workstreams in Nexus' Corporate Plan and therefore the successful delivery of the JTC's policies and priorities.

**Risk** - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

**Risk appetite** - The level of risk that an organisation is prepared to accept in pursuit of its objectives, and before action is deemed necessary to reduce the risk.

**Risk Controls or control processes** - are those pre-emptive actions which are specifically identified to be taken to lower the impact of the risk or reduce the likelihood of the risk materialising, or both of these.

**Risk Matrix** - a graphical representation of the Risk Severity and the extent to which the Controls mitigate it.

**Risk Owner** - has overall responsibility for the management and reporting of the risk.

**Risk Actionee(s)** – given delegated responsibility from the Risk Owner to take action and manage the risk through application of the appropriate risk controls and processes.

**Risk Impact** - indicates the potential seriousness should the risk materialise.

**Risk Likelihood** - indicates the chance of a risk materialising in the time period under consideration.

**Risk Score** - the product of the Impact score multiplied by the Likelihood score.

APPENDIX 1

<b>Risk area</b> Corporate Plan Theme	<b>RAG Status</b>	<b>Direction of travel</b>
<b>Catastrophic safety or security event on Metro</b> Deliver public transport today	Amber	↔ (stable)
<b>Metro performance</b> Deliver public transport today	Amber	↔ (stable)
<b>Long term funding for Metro</b> Prepare for the future	Amber	↔ (stable)
<b>Frontline services &amp; discretionary travel schemes</b> Deliver public transport today	Green	↓ (worsening)
<b>Contracts for the new fleet, related maintenance and depot requirements</b> Prepare for the future	Amber	↔ (stable)
<b>Efficiency of delivery</b> Focus on organisational effectiveness	Green	↔ (stable)
<b>Nexus' Learning Centre</b> Focus on organisational effectiveness	Amber	↔ (stable)
<b>Cybersecurity</b> Focus on organisational effectiveness	Amber	↔ (stable)
<b>Customer facing technology</b> Deliver public transport today	Green	↔ (stable)
<b>Plan to improve the public transport network</b> Prepare for the future	Green	↔ (stable)
<b>Plan to expand Metro and local rail services</b> Prepare for the future	Amber	↔ (stable)
<b>Aspirations for heavy rail initiatives</b> Prepare for the Future	Green	↔ (stable)

CP Theme: **Deliver public transport today**

Risk Area: <b>Catastrophic safety or security related event</b>	RAG Status (Amber)	Direction of Travel
Risk Owners: <b>Acting Director of Rail &amp; Infrastructure and the Metro Services Director</b> Risk Actionees: <b>Head of Health, Safety, Quality &amp; Environment, Metro Security Manager</b>	8(2x4)	<b>↔</b> (stable)

**Risk: In running any operational railway there is an inherent risk that a catastrophic safety or security related event may occur.**

Impact/Consequence(s):

The impact/consequences should a catastrophic safety or security related event occur on Metro could potentially be very significant, including the possibility for multiple loss of life, lengthy loss of service, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.

Control(s):

- A safety management system which is independently accredited by the Office of Rail and Road - a legal requirement to operate a railway.
- Robust arrangements for the selection and management of contractors working on Metro infrastructure.
- Maintaining a comprehensive suite of engineering standards in all relevant railway safety disciplines based on industry best practice
- Identification of the top 3 potentially catastrophic safety events we aim to avoid and strive to control: collision, derailment, and fire.
- Continuously monitoring & controlling the precursors of these events with 4-weekly safety reporting to Nexus' Senior Leadership Team.
- Undertaking in-house safety assurance activity as part of everyday safety management practice.
- Participating in joint emergency preparedness exercises with the blue-light services and other interested parties.
- Application of DfT's best practice guidance for security arrangements on light rail systems.
- Receiving regular updates on the current threat from international terrorism.
- Continuing to engender an organisational safety and security culture.

Next Steps/Key Milestones:

- Providing individual security plans for each Metro station: **Individual station security plans have now been completed for all 60 stations in accordance with the Department for Transport requirements.**
- Securing DfT approval to an overall security plan for the Metro: **Security plan is drafted and undergoing checking by Head of Customer Service – Metro**

**Operations prior to submission to DfT Land Transport Security Team.**

- Developing an organisational security manual. This has been drafted and undergoing final checking as above.
- Engagement has been maintained throughout with the DfT to ensure these plans are fully aligned with the new section 7 of the Light Rail Security Recommended Best Practice (expected to be released in December 2019).

CP Theme: <b>Deliver public transport today</b>		
CP Key Priority: <b>Improve our customers' journey experience on Metro</b>		
Risk Area: <b>Metro performance</b> Risk Owners: <b>Acting Director of Rail and Infrastructure &amp; Metro Services Director</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	8(2x4)	↔ (stable)
<b>Risk: That the ageing fleet, or an unexpected and prolonged reduction in infrastructure asset condition, or a sustained reduction in available Train Crew resource could result in a decline in performance.</b>		
Impact/Consequence(s): If Metro's operational performance were to decline for an extended period, with a fall in punctuality and reliability, this could have an adverse impact on customer satisfaction and ridership.		
Control(s): <ul style="list-style-type: none"> <li>• Metro Services embedded into Nexus' Group performance reporting arrangements.</li> <li>• Close monitoring of key business results.</li> <li>• Ensuring appropriate levels of communication and support between Nexus Rail and Metro services.</li> <li>• Applying a set of established quality assurance arrangements.</li> <li>• Implementing better performance management processes.</li> <li>• Investment of £1.3m in the current fleet of Metrocars.</li> <li>• Delivery of the Metro Asset Renewals Programme.</li> <li>• Development of a performance awareness and improvement workstream to heighten awareness across the organisation and promote improvement.</li> <li>• Reorganisation of the Metro Control Room.</li> <li>• Increasing the capability and flexibility to train more drivers per annum, concluding Train Crew Agreement discussions on terms and conditions and other short notice measures to improve Train Crew availability.</li> </ul>		
Key Milestones/Next Steps: <ul style="list-style-type: none"> <li>• Quarterly review of Asset Condition Reliability Improvement Plans where Nexus Rail's Principal Engineers and Maintenance Managers jointly review the performance of Metro assets.</li> <li>• 4-weekly meetings of Metro Services' Performance Leadership Group to review aspects critical to improving service delivery.</li> <li>• Periodic review by Metro Services of progress against its Performance Plans.</li> <li>• Implement actions to improve awareness of performance matters with immediate effect.</li> <li>• Reviewing the Critical Assets/Single Point of Failure Register.</li> <li>• Developing an optimised timetable for application in December 2019.</li> </ul>		

CP Theme: <b>Prepare for the future</b>		
Risk Area: <b>Long term funding for Metro</b> Risk Owner: <b>Director of Finance and Resources</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	9 (3x3)	↔ (stable)
<b>Risk: There is no long-term funding agreement in place to sustain Metro's current operations, replace life expired capital assets and allow future expansion.</b>		
Impact/Consequence(s): Any reduction in Metro external funding will lead to a diminution in service and failing infrastructure.		
Control(s): <ul style="list-style-type: none"> <li>• Effective liaison with DfT including 4-weekly progress reporting on the current Asset Renewal Plan and quarterly reviews.</li> <li>• Procurement strategy &amp; contractual arrangements that minimise risk and deliver Value for Money.</li> <li>• Engaging with national government, local councillors &amp; MPs and building public support.</li> <li>• DfT/Nexus Programme Board met in November 2017 to consider future grant funding for both essential renewals and operational subsidy.</li> <li>• Development of a business case for extensions has commenced, following confirmation of funding for the new fleet.</li> <li>• On 15th October the Chair of the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) wrote to the Secretary of State for Transport seeking an early decision in regards future funding: the response, dated 18th November, indicated that the mechanism for agreeing funding is the forthcoming cross-government Spending Review 2019, and the Secretary of State was confident of being able to present a strong case for ongoing revenue and capital support as part of the Transport Department's submission.</li> </ul>		
Key Milestones/Next Steps: <ul style="list-style-type: none"> <li>• Working with DfT under the guise of the joint DfT/Nexus programme board to develop proposals for DfT submission to HMT for Spending Review 2019: <b>Milestone completed</b> – report submitted to DfT on 29<sup>th</sup> March 2019</li> </ul>		

CP Theme: <b>Deliver public transport today</b>		
CP Key Priority: <b>Protect levy funded frontline services</b>		
Risk Area: <b>Frontline services and discretionary travel schemes</b>	<b>RAG Status (Green)</b>	<b>Direction of Travel</b>
Risk Owner: <b>Director of Finance and Resources</b> Risk Actionee: <b>Head of Finance</b>	6 (2x3)	↓ (worsening)
<b>Risk: That in protecting front-line services and discretionary travel schemes in 2019/20, Nexus commits more than the £0.700m of reserves as approved by the North East Joint Transport Committee (JTC).</b>		
Impact/Consequence(s): Due to unforeseen budget pressures that could arise, Nexus may need to consider implementing some reductions in frontline services and/or curtailment of discretionary travel schemes during 2019/20 to deliver a balanced budget.		
Control(s): <ul style="list-style-type: none"> <li>• Discussions with Chief Executives and Treasurers in August 2018 in order to obtain strategic financial guidance for 2019/20.</li> <li>• The JTC's approval of the 2019/20 transport levy/budget in January 2019.</li> <li>• The JTC Tyne and Wear Sub-Committee's approval of Nexus' Corporate Plan for 2019/20 in January 2019.</li> <li>• The achievement of a range of efficiency savings in 2018/19 has placed Nexus in a good position for 2019/20.</li> <li>• At the time of setting the 2019/20 budget, Nexus would have been able to set a balanced budget without any call on reserves, save for the £0.700m cut to its grant from the JTC, which will be funded from revenue reserves.</li> <li>• In February 2019, Nexus responded to the Ministry of Housing, Communities &amp; Local Government's consultation on needs and resources highlighting the quite serious deficiencies in both the quantum and distribution of funding that government makes available for the English National Concessionary Travel Scheme that applies to local bus services.</li> </ul>		
Next Steps/Key Milestones: <ul style="list-style-type: none"> <li>• 4-weekly periodic financial monitoring by Nexus' Senior Leadership Team.</li> <li>• Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme expenditure reports submitted to the JTC.</li> </ul>		

<p>CP Theme: <b>Prepare for the Future</b></p> <p>CP Key Priority: <b>Award contracts to design, build and maintain a new fleet of trains for the Tyne and Wear Metro and to design and build a new depot.</b></p>		
<p>Risk Area: <b>Procurement of the new design, build, maintain and provide contract for the fleet/depot.</b></p> <p>Risk Owner: <b>Director of Finance and Resources</b></p> <p>Risk Actionee: <b>Metro Development Director</b></p>	<p><b>RAG Status (Amber)</b></p> <p><b>9 (3x3)</b></p>	<p><b>Direction of Travel</b></p> <p><b>↔</b> (stable)</p>
<p><b>Risk: The possibility of costs escalating, the potential for delays, the opportunity for challenge, and the prospect of protracted negotiations to obtain technical approvals could combine to adversely impact on affordability and deliverability of the project. In this respect continuing uncertainty about Brexit outcomes poses a significant threat.</b></p>		
<p>Impact/Consequence(s):</p> <p>Delays to obtaining the new fleet or having to find additional funding could place reliance on extending operation of the old deteriorating fleet or else funding being diverted from other areas of need. Such affordability issues could result in Nexus having to reconsider the scale of the procurement.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> <li>• Metro Business Development team established with external support commissioned.</li> <li>• Ministerial decision to provide £337m government funding obtained.</li> <li>• Ongoing dialogue with the Departments for Transport and Business, Energy and Industrial Strategy.</li> <li>• Keeping key stakeholders informed regarding progress of the procurement.</li> <li>• Panning permission requirements have been satisfied for both the main and satellite depots.</li> <li>• Stage 1, Stage 2 and Stage 3 individual meetings have taken place with the bidders as part of the first phase of the agreed procurement process.</li> <li>• Monitoring the progress of the Brexit discussions.</li> </ul>		
<p>Key Milestones/Next Steps:</p> <ul style="list-style-type: none"> <li>• Impact that the UK exiting the European Union will have on this procurement.</li> <li>• Regular meetings of the joint Nexus/DfT Programme Board.</li> <li>• Periodic progress reporting to Nexus' Senior Leadership Team and JTC.</li> <li>• Bids were received in March 2019 and evaluated by June 2019 and 3 tenderers have been invited to submit 'Best and Final Offers' (BaFOs).</li> <li>• Submission of draft final business case to DfT in June 2019 with approval decision expected in December 2019.</li> <li>• BaFOs submitted in August 2019 for final evaluation and contract award by the start of 2020.</li> </ul>		

<p>CP Theme: <b>Focus on organisational effectiveness</b></p> <p>CP Key Priority: <b>Continue the programme to modernise the Metro with track renewal, replacement of overhead power lines and the opening of a new Transport Interchange in South Shields.</b></p>		
<p>Risk Area: <b>Efficiency of delivery</b></p> <p>Risk Owner: <b>Director of Finance and Resources</b></p> <p>Risk Actionee: <b>Head of Programme Assurance</b></p>	<p><b>RAG Status (Green)</b></p> <p><b>6 (2x3)</b></p>	<p><b>Direction of Travel</b></p> <p><b>↔</b> (stable)</p>
<p><b>Risk: That the outcomes being sought from capital investment are compromised.</b></p>		
<p>Impact/Consequence(s):</p> <p>Increased pressure on the funding for and affordability of the final years of this phase of the Metro Asset Renewal Programme (ARP), and other significant capital projects, could mean a further scaling back of the work programme through to 2020/21 and potentially compromise delivery of key elements.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> <li>• Bidding for additional funding in relation to the current investment programme.</li> <li>• Effective programme management, project prioritisation, delivery and budget control processes.</li> <li>• Value engineering, technology choice, option analysis, specification and scope.</li> <li>• Active stakeholder engagement to obtain involvement and co-operation of third/interested parties e.g. Metro Services, Network Rail, highway authorities, utility companies etc.</li> <li>• Providing sufficient programme/project management resource.</li> <li>• Close and proficient management of all contracts relating to ARP and other works in the capital programme.</li> <li>• Re-phasing of capital grant funding to 2020/21 agreed by DfT.</li> </ul>		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> <li>• Periodic project reviews, analysis and reporting – presentation to Nexus' Capital Steering Group, Senior Leadership Team, the JTC and the joint Nexus/DfT Programme Board</li> <li>• Continued engagement with DfT and HMT regarding future Metro funding arrangements, both capital and revenue, in preparation for the Spending Review 2019: <b>Report submitted to DfT on 29<sup>th</sup> March 2019.</b></li> <li>• ARP 2019/20-2020/21 Capital Programme approval by JTC in January 2019, as part of the budget formulation process.</li> </ul> <p>Periodic Affordability Review meetings:</p> <ul style="list-style-type: none"> <li>• July 2019</li> <li>• October 2019</li> <li>• January 2020</li> </ul>		

CP Theme: **Focus on organisational effectiveness**

CP Key Priority: **Open our new Learning Centre in South Shields, to provide a step change in how we develop our people and make Nexus an employer of choice.**

<p>Risk Area: <b>New Learning Centre</b></p> <p>Risk Owner: <b>Director of Finance and Resources</b></p> <p>Risk Actionees: <b>Head of Renewals (construction works) and the Head of Learning (operations)</b></p>	<p><b>RAG Status (Amber)</b></p>	<p><b>Direction of Travel</b></p>
	<p>9 (3x3)</p>	<p>↔ (stable)</p>

**Risk: Initially that the Learning Centre is not delivered to time/budget/quality requirements, potentially compromising grant funding arrangements. Thereafter, once opened, there is a potential for failure to make best use of the facility.**

Impact/Consequence(s):

That completion of the Learning Centre is unduly delayed, costs escalate or delivery is compromised, with a resulting increase in cost pressures due to loss of grant funding. Once opened, failure to make optimal use of the facility will result in the investment failing to provide optimum value.

Control(s)

- Contract awarded for the design and construction of a new Learning Centre in South Shields.
- Ensuring provision of the appropriate level of project management and supporting disciplines.
- Having appropriate project controls, governance structures and assurance arrangements in place.
- Financial controls and close monitoring in place to ensure compliance with Local Growth Fund eligibility arrangements
- Appointment made to the new Head of Learning post to develop proposals for making optimal use of the facility.

Next Steps/Key Milestones:

Construction:

- Periodic project management and control meetings

Operations:

- Development of an implementation plan for Learning Centre operations including fit out, logistical requirements concerning personnel working from/attending the new facility as well as managing IR related matters
- Equipping the Learning Centre with appropriate training facilities and materials for courses.
- Development of proposals for Nexus new approach to education, training and development across the organisation

CP Theme: <b>Focus on organisational effectiveness</b>		
Risk Area: <b>Cybersecurity</b> Risk Owner: <b>Director of Finance and Resources</b> Risk Actionee: <b>Head of Business Change &amp; Technology</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	8(2x4)	↔ (stable)
<b>Risk: A successful cyber-attack on Nexus ICT infrastructure.</b>		
Impact/Consequence(s): Nexus' ICT infrastructure is key to all the functions and activities we carry out. Failure to adequately secure and protect this from a cyber-attack could have a severe adverse impact on the delivery of services and potentially preventing critical actions and day-to-day work from being carried out.		
Control(s): <ul style="list-style-type: none"> <li>Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats.</li> <li>We subscribe to governmental cyber-threat awareness bulletins and are active members of local security working groups.</li> <li>We participated in a local multi-party cyber-resilience event with local authorities and the emergency services to test the systems in place.</li> <li>Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up of all essential systems and data so service can be returned safely and efficiently.</li> <li>Nexus employs security specialists to implement governance and controls.</li> <li>A cyber-security training standard has been implemented to train all Nexus staff in the basic requirements.</li> <li>Nexus raises awareness of security threats through the use of internal communications such as Nexus Times &amp; global emails.</li> <li>Nexus measure awareness through different mediums such as fake Phishing attacks.</li> <li>All changes to Nexus security assets are subject to tight control.</li> <li>We have a suite of policies on security controls and an acceptable use.</li> <li>A security incident response policy is in place.</li> <li>We utilise segregation to protect critical systems particularly rail based systems.</li> <li>We manage security risks within Business Change and Technology using a specific risk management process.</li> <li>Provision of second internet connection to help withstand a cyber-attack.</li> </ul>		
Next Steps/Key Milestones: <ul style="list-style-type: none"> <li>A staff training module for delivery via Nexus know-how has been developed and will be rolled-out to staff through 2019.</li> <li>Annual phishing exercises will continue, with additional exercises as deemed appropriate to the level of threat being experienced.</li> </ul>		

<p>CP Theme: <b>Deliver public transport today</b></p> <p>CP Key Priority: <b>Deliver technological improvements, which will benefit our customers and encourage wider use of public transport.</b></p>		
<p>Risk Area: <b>Customer facing technology</b></p> <p>Risk Owner: <b>Customer Services Director</b></p> <p>Risk Actionees: <b>Head of Business Change and Technology, Fares and Revenue Manager</b></p>	<p><b>RAG Status (Green)</b></p>	<p><b>Direction of Travel</b></p>
	<p>6(3x2)</p>	<p>↔ (stable)</p>
<p><b>Risk: That the public transport services we provide or procure lose market share in a competitive environment.</b></p>		
<p>Impact/Consequence(s):</p> <p>Customer facing technologies being implemented by Nexus could be overtaken by technological developments and customer experience elsewhere leading to the offer being perceived as inadequate or outdated and unable to deliver the intended benefits for customers and stakeholders, leading to a decline in market share.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> <li>• Approval given by DfT to Transport for the North's (TfN) Outline Business Case for the delivery of multi-modal price capping across its area.</li> <li>• Providing input to the development of TfN's procurement process.</li> <li>• Heads of Terms agreed between TfN and the operators – including Nexus for Metro.</li> <li>• 5 year Contract awarded to local developer (Nebula) to provide a customer facing mobile app.</li> <li>• Continuous review of retail trends with market research carried out to establish product development proposals.</li> <li>• Annual review of fares and sales channels.</li> <li>• Provision made in the Fares and Ticketing budget in order to support research into the development of new products.</li> <li>• Seeking opportunities to work with partners and explore the potential for attracting external funding.</li> </ul>		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> <li>• Having made minor amendments to the app, Nebula is moving from Staging to Production.</li> <li>• The initial pilot trial will commence once remaining legal and commercial issues are resolved.</li> <li>• Subject to funding being sanctioned, carrying out local enabling works (replacing readers on ticket gates to accept contactless smart transactions) that facilitate delivery of the wider TfN project. Confirmation of TfN funding is expected in March.</li> <li>• Development of a Product and Payment Strategy: target – publication by end - June 2019.</li> </ul>		

CP Theme: <b>Prepare for the future</b>		
CP Theme: <b>Develop plans to improve the local public transport network and the use of new mobility services.</b>		
Risk Area: <b>Public transport network improvements</b>	<b>RAG Status</b> <b>Green</b>	<b>Direction of Travel</b>
Risk Owner: <b>Transport Strategy Director</b>	(2x3)	↔
Risk Actionee: <b>Head of Corporate Planning</b>		(stable)
<p><b>Risk:</b> That the bids being developed for the Department for Transport's Transforming Cities Fund (TCF), and to obtain Future Mobility Zone (FMZ) status, are not successful.</p>		
<p><b>Impact/Consequence(s):</b></p> <p>Nexus will rely on TCF funding for a number of schemes. An unsuccessful bid will prevent us from accessing this funding.</p>		
<p><b>Control(s):</b></p> <ul style="list-style-type: none"> <li>• Resources, both people and financial, are allocated to the development of Nexus' schemes to ITT by November 2019 to ensure the best possible chance of their inclusion in the regional Transforming Cities bid.</li> <li>• Resource is identified to allow Nexus to develop Future Mobility Fund schemes on behalf of the region, clarity on timescales and bid requirements are sought from DfT.</li> <li>• Schemes will be developed through the Nexus' Stage-gate control processes.</li> <li>• Internal stakeholders are identified and weekly stakeholder meetings are held.</li> <li>• Regular liaison with the Regional Team to provide project updates and ensure that schemes are developed in line with wider regional objectives.</li> <li>• Regular liaison with other external stakeholders to ensure alignment with other projects and local objectives.</li> <li>• Match funding is available for bids</li> <li>• .</li> </ul>		
<p><b>Next Steps/Key Milestones:</b></p> <ul style="list-style-type: none"> <li>• Stage gate 2 – end March 2019 (Complete)</li> <li>• Stage gate 3 – early May 2019 (Part Complete)</li> <li>• Submission to the Regional team in May 2019 for inclusion in the draft bid prepared for mid-2019</li> <li>• Final bid ready for submission in November 2019</li> <li>• DfT decision of funding expected early 2020</li> <li>• Future Mobility bid to be agreed by July 2019</li> </ul>		

CP Theme: **Prepare for the future**

CP Key Priority: **Develop plans to expand Metro and local rail services, connecting communities not currently served by either Metro or Northern Rail services**

Risk Area: <b>Metro and local rail strategy</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
Risk Owner: <b>Transport Strategy Director</b>	9 (3x3)	↔ (stable)
Risk Actionee: <b>Head of Network Extensions</b>		

**Risk: Expansion of the Metro and local rail services does not progress.**

Impact/Consequence(s):

Should the project be unable to identify suitable options for expansion of the Metro and local rail systems this will have adverse implications for the local economy and the environment. Studies have established that each additional passenger journey generates £8.50 benefits to the local economy. Failure to obtain this benefit may limit the potential for economic growth and prosperity across the NECA area.

Control(s):

- Delivery of a new Metro fleet.
- Embed expansion of the Metro and local rail network within the SEP and the NECA's Transport Plan for the North East.
- Establish strong contacts and working relationships with relevant stakeholders.
- Develop an appropriate communications strategy to ensure key decision makers are kept informed.
- Extensive market consultation has established an understanding of the market appetite for schemes.
- Establish effective programme management disciplines to identify and manage cost and risk.
- Utilise the frameworks that have been established to develop and progress the project including Nexus Stage Gate project control process and the development of an Outline Business Case.
- Identifying and adopting best practice in the delivery of extensions, including the establishment of a peer review advisory framework.
- Established an understanding of the legal and regulatory framework governing light and heavy rail.

Key Milestones/Next Steps:

- Production of a draft OBC for Metro's Flow Project by Q1 2019/20 and a completed OBC by mid-November.
- Production of an initial assessment for Follingsby rail scheme in Q2 2019/20.
- Assessment of Leamside connections to the Wearside Loop in Q2 2019/20

<p>CP Theme: <b>Prepare for the future</b></p> <p>CP Key Priority: <b>Ensure the North East's priorities for transport are properly reflected in Transport for the North's (TfN's) investment plans.</b></p>		
<p>Risk Area: <b>Aspirations for heavy rail initiatives</b></p> <p>Risk Owner: <b>Transport Strategy Director</b></p> <p>Risk Actionee: <b>Head of Heavy Rail</b></p>	<p><b>RAG Status (Green)</b></p> <p>6(2x3)</p>	<p><b>Direction of Travel</b></p> <p>↔ (stable)</p>
<p><b>Risk: That the North East's aspirations for heavy rail initiatives are not sufficiently developed in time to take the opportunity for implementation as and when it arises.</b></p>		
<p>Impact/Consequence(s):</p> <p>Transformational improvements in transport provision for the area are being sought working through TfN. Failure to secure these improvements in respect of heavy rail could reduce transport connectivity and economic prosperity.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> <li>• Active participation in Transport for the North, in particular the following workstreams: <ul style="list-style-type: none"> <li>○ the Strategic Transport Plan and accompanying Long Term Investment Programme,</li> <li>○ the Northern Powerhouse Rail (NPR) project,</li> <li>○ Strategic Development Corridor studies, and</li> <li>○ the Long Term Rail Strategy.</li> </ul> </li> <li>• Ensuring the Joint Transport Committee's (JTC) Lead Member for Transport is fully briefed.</li> <li>• Retaining and developing the North East Rail Management Unit (NERMU).</li> <li>• Approval to the Strategic Outline Business Case for NPR from both the TfN Board and DfT.</li> </ul>		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> <li>• Take an active role in the development of the Outline Business Case for Northern Powerhouse Rail</li> <li>• Take an active role in the development of the strategic corridors business cases as they affect rail in the North East.</li> <li>• To support the TfN Long Term Rail Strategy develop local delivery plans for the North East, through the development of a North East Rail Strategy</li> </ul>		

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### Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

Impact:

		Insignificant	Minor	Significant	Critical
Likelihood	High	4	8	12	16
	Medium	3	6	9	12
	Low	2	4	6	8
	Negligible	1	2	3	4

Assess the likelihood of the risk occurring:

Likelihood:

High	Risk will almost certainly occur or is occurring at present
Medium	Risk is likely to occur in most circumstances
Low	Risk may occur
Negligible	Risk is unlikely to occur

Assess the impact should the risk occur e.g.

	On objectives:	On service delivery:	On finances:	On reputation:
Critical	<ul style="list-style-type: none"> <li>Over half of programmes or objectives affected</li> <li>More than one critical objective impacted</li> <li>Stakeholders do not commit to a shared vision</li> </ul>	<ul style="list-style-type: none"> <li>Significant change in services</li> <li>Relationship breakdown between major stakeholders</li> <li>Serious impact on strategic plans</li> <li>Unplanned major re-prioritisation of resources and/or services</li> <li>Failure of a delivery programme or major project</li> </ul>	<ul style="list-style-type: none"> <li>Unable to secure or loss of significant funding opportunity (£5m)</li> <li>Significant financial loss (£2m)</li> <li>Significant adverse impact on budgets</li> </ul>	<ul style="list-style-type: none"> <li>Adverse national media attention</li> <li>External criticism (in press)</li> <li>Significant loss of confidence or satisfaction from stakeholders</li> <li>Significant loss of community confidence</li> </ul>
Significant	<ul style="list-style-type: none"> <li>One or more objectives or programmes affected</li> <li>One or more stakeholders do not commit to shared vision</li> <li>Significant environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Partner unable to commit to joint arrangements</li> <li>Recoverable impact on service delivery</li> <li>Major project failure</li> </ul>	<ul style="list-style-type: none"> <li>Prosecution</li> <li>Major change in or loss of funding opportunity (£2m)</li> <li>Notable change in an external contribution</li> <li>Notable adverse impact on budget</li> </ul>	<ul style="list-style-type: none"> <li>Notable external criticism</li> <li>Notable reduction in confidence or satisfaction</li> <li>Internal dispute between partners</li> <li>Adverse regional media attention</li> <li>Significant loss of community confidence</li> </ul>
Minor	<ul style="list-style-type: none"> <li>Up to 2 priority outcomes affected</li> <li>Isolated serious injury/ill health</li> <li>Minor environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Threatened loss of partner commitment</li> </ul>	<ul style="list-style-type: none"> <li>Minor financial loss</li> <li>Some loss of funding</li> <li>Funding opportunity threatened</li> </ul>	<ul style="list-style-type: none"> <li>Failure to reach agreement with individual stakeholder organisation</li> <li>Some loss in confidence or satisfaction</li> </ul>
Insignificant	<ul style="list-style-type: none"> <li>Minor effect on priorities/service objectives</li> <li>Isolated minor injury/ill health</li> <li>Insignificant environmental impact</li> </ul>		<ul style="list-style-type: none"> <li>Isolated containable financial impact</li> </ul>	

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## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 4 July 2019

**Subject:** Spending Review 2019 Metro Submission

**Report of:** Director of Finance and Resources

### Executive Summary

The purpose of this report is to provide the Sub-Committee with an overview of the submission for the continuation of revenue and capital grant funding for the operation of the Tyne and Wear Metro and investment in the network infrastructure.

In its draft Spending Review 2019 submission, Nexus set out the case for revenue and capital grant, committed until 31 March 2025.

The revenue grant for operations, amounting to £138.4m in total from 1 April 2020 until 31 March 2025. The capital grant for asset renewals, which excludes the new fleet and maintenance facilities, amounts to £164.0m in total from 1 April 2021 to 31 March 2025.

The submission asks for a commitment from the Department for Transport (DfT) to work towards future multi-year funding agreements outside of the usual Spending Review processes so that Nexus has full surety of government support on a rolling basis.

Nexus will commit a similar amount of funding (£297.4m in total) by either underwriting the cost of operating the Metro or by continuing to procure a 10% local contribution for its capital investment programme.

Without the reliance of an ongoing financial commitment from DfT there will be a gradual decline in the reliability and availability of the infrastructure which will result in a degraded service. Nexus will be unable to maintain services in accordance with the current timetable, negatively affecting passenger numbers and setting off a spiral of decline in the financial sustainability of the Metro.

### Recommendations

The Tyne and Wear Sub-Committee is recommended to note the content of this report.

## 1. Background Information

1.1 Nexus' current funding arrangement with DfT<sup>1</sup>, effective from 1 April 2010, provides:

- Revenue grant, for operations, which is committed until 31 March 2020, at a value of £26.1m in 2019/20; and
- Capital grant for asset renewals, which is committed until 31 March 2021, amounting to £42.7m during 2019/20 and 2020/21<sup>2</sup>.

1.2 In 2019/20 Metro' gross operating budget is estimated at £101.9m. This is shown below:

<b>Metro Operating Budget 2019/20</b>	<b>£m</b>	<b>£m</b>
Gross Expenditure		101.9
Funded By:		
Metro Rail Grant (revenue)	26.1	
Metro Rail Grant (capital grant deferred)	24.5	50.6
Fares / Commercial Revenues		48.6
Tyne & Wear Transport Levy		2.7
		101.9

1.3 The above table demonstrates that half of Metro's overall budget is sourced locally from a combination of fare revenue, commercial income together with a contribution from the Tyne and Wear transport levies provided by the North of Tyne and North East Combined Authorities that pays for concessionary travel. In cash terms, there is additional local funding in the form of a 10% contribution to the capital programme together with a £25.0m contribution towards the cost of the new fleet of Metrocars.

1.4 Clearly, the fact that ongoing financial support from DfT is not guaranteed beyond 31 March 2020 for revenue grant and 31 March 2021 for capital grant is problematic for Nexus, particularly in the context of Nexus having to demonstrate that it can meeting its financial obligations when they fall due.

1.5 DfT are aware of the importance of its financial contribution to Metro and discussions relating to this critical financial support have been ongoing for some time. Encouraged to do so by both DfT and HMT, Nexus recently submitted a draft proposal for consideration as part of the Spending Review 2019 (SR19).

1.6 In its draft SR19 submission, Nexus set out the case for:

- Revenue grant for operations, committed until 31 March 2025, amounting to £138.4m in total from 1 April 2020 until 31 March 2025;

<sup>1</sup> This excludes the £337m of capital grant announced by the Chancellor in the 2017 autumn budget for replacement Metrocars and a new depot, which is subject to a different set of funding conditions.

<sup>2</sup> Following review of the 2018/19 outturn, after the carryover of grant into 2019/20, this is £1.7m in excess of the grant included in the capital programme agreed by the JTC in January 2019

- Capital grant for asset renewals (excluding the new fleet and maintenance facilities), committed until 31 March 2025, amounting to £164.0m in total from 1 April 2021 until 31 March 2025;
- A commitment from DfT to work towards future multi-year funding agreements outside of the usual Spending Review processes so that Nexus has full surety of government support on a rolling basis. This would restore the benefit that Nexus has had since 2010 and militate against what is akin to dropping off a cliff edge when negotiating future funding allocations. This will aid budget planning and better equip Nexus to continue delivering value for money in its use of resources; and
- In return, Nexus will commit a similar amount of funding (£297.4m in total) by either underwriting the cost of operating the Metro or by continuing to procure a 10% local contribution for its capital investment programme.

- 1.7 To date, DfT has offered limited feedback on Nexus' SR19 submission other than the fact it is being considered alongside all of the other spending priorities that the Department has.
- 1.8 At this time, Nexus is awaiting the outcome of SR19 but is in constant dialogue with senior civil servants at DfT and stands ready to respond to any points of clarification concerning its submission.
- 1.9 In terms of timescales, in the Spring Statement 2019, the Chancellor confirmed that the government will hold a Spending Review later in the year, which will conclude alongside the Budget (this will probably be in late November or early December 2019). Importantly, the Spring Statement 2019 referred to three-year budgets for resource spending, if an EU exit deal is agreed.
- 1.10 This timeframe is less than the period over which Nexus has set out in its spending requirements, which for both Nexus and DfT is an important consideration in the context of forward planning and value for money. Nexus has robust arguments in this regard:
- The Metro has similar characteristics to the national rail network and long-term surety of DfT funding since 2010 has allowed Nexus to deliver the Metro service and to properly plan and procure its programme of asset renewals in a cost effective and efficient manner;
  - Uncertainty, both the timing of future approvals, together with the quantum of funding being advanced is reintroducing problems that were apparent prior to 2010; and
  - The position that Nexus currently finds itself in therefore contrasts sharply with Train Operating Companies who have funding commitments for the period of their franchises, and Network Rail whose funding is provided via a regulated asset base (RAB) calculation and reviewed every five years.
- 1.11 Further, the Spending Review seems dependent on 'Brexit', which remains very uncertain. For members' consideration, it is worth highlighting what Nexus has said

in regards the likely consequences of being unable to place reliance on an ongoing financial commitment from DfT:

- There will be a gradual decline in the reliability and availability of the infrastructure will result in a degraded service and the imposition of speed restrictions in order to avoid putting passengers and employees in danger. This will further extend journey times, increasing failure of assets which will take longer to fix, resulting in increased delays and cancellation of services. This will give rise to customer dissatisfaction, leading to declining patronage and revenue loss;
- There will be a reduction in the number of people using Metro which will inevitably lead to a significant increase in road-based travel, adding to existing congestion, reducing productivity and increasing harmful emissions;
- There will be a continuing and growing risk of catastrophic failure of key assets or obsolescence, which will result in parts of the network being taken out of passenger service;
- Many people may not be able to travel at all, either because alternative forms of transport are not available to them or because the road-based journey time would be unattractive; and
- This will mean reductions in accessibility, reducing peoples' access to education and employment opportunities, as well as to a broad range of social and healthcare options.

1.12 In summary, Nexus will be unable to maintain services in accordance with the current timetable, negatively affecting passenger numbers and setting off a spiral of decline in the financial sustainability of the Metro. Further, the benefits of the £350m invested in new and upgraded infrastructure since 2010 plus the £362m shortly to be invested in a new fleet (and depot facilities) will be severely compromised and lead to a sub-optimal outcome and poor value for money if this funding commitment cannot be secured, risking severe economic damage being done to the north east.

## **2. Proposals**

2.1 This report is for information only. There are no specific proposals being put to the Sub- Committee.

## **3. Reasons for the Proposals**

3.1 This report is for information only. There are no specific proposals being put to the Sub- Committee.

## **4. Alternative Options Available**

4.1 This report is for information only. There are no specific proposals being put to the Sub- Committee.

## **5. Next Steps and Timetable for Implementation**

5.1 Nexus is awaiting the outcome of SR19 and is in constant dialogue with senior civil servants at DfT and stands ready to respond to any points of clarification concerning its submission.

## **6. Potential Impact on Objectives**

6.1 Nexus has attracted a considerable amount of funding to deliver the Metro Asset Renewal Plan. A modern Metro system will help increase the amount of public and sustainable transport journeys and help reduce the amount of journeys made by private cars. This will have a positive impact on the economic, social and environmental objectives set out in the Strategic Economic Plan, the North East Transport Manifesto and Local Transport Plans. There will also be a positive impact on air quality.

6.2 Conversely, this report sets out the negative impact on objectives should long-term surety of DfT funding not be secured

## **7. Financial and Other Resources Implications**

7.1 Financial and other resource implications are set out within the main body of this report.

## **8. Legal Implications**

8.1 There are no specific legal implications arising from this report.

## **9. Key Risks**

9.1 Key risks are set out within the main body of this report.

## **10. Equality and Diversity**

10.1 Equality and diversity implications are addressed in service delivery standards and capital project designs.

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 A number areas relating to Metro service delivery and capital projects delivered in the Metro Asset Renewal Plan are subject to consultation with various user groups, the business community and local residents where applicable.

## **13. Other Impact of the Proposals**

13.1 There are no specific impacts.

## **14. Appendices**

14.1 None.

**15. Background Papers**

15.1 None.

**16. Contact Officers**

16.1 John Fenwick, Director of Finance and Resources, Nexus

Email: [John.fenwick@nexus.org.uk](mailto:John.fenwick@nexus.org.uk)

Tel: 0191 203 3248

**17. Sign off**

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

**18. Glossary**

DfT – Department for Transport

HMT – Her Majesty's Treasury

SR19 – Spending Review 2019

## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 4 July 2019

**Subject:** Anti-Social Behaviour and Crime Management on Metro

**Report of:** Managing Director, Transport North East

### Executive Summary

The purpose of this report is to provide an update on anti-social behaviour and crime management on the Tyne and Wear Metro; it sets out action being taken by Nexus, in partnership with police forces and other agencies, to make sure we provide an environment in which people may travel with confidence.

The number of incidents reported to police followed a downward trend in the last 14 months. Recorded crime on Metro in 2018/19 was 10% lower than in the previous year, with 989 crimes recorded. These offences include assaults on Metro staff and the travelling public, hate crimes and robbery/theft.

Anti-social behaviour can lower the perception of personal safety on Metro which in turn has a negative impact on overall satisfaction with Metro. Nexus manages personal security across the system through a combination of staffing at busier stations, mobile patrols by customer service staff, two dedicated police force units paid for by Nexus and a network of CCTV cameras on stations and trains.

A new Security Manager for Metro was appointed in 2017 which has helped to drive improvement in both fixed assets such as cameras and the training and deployment of staff. Actions over the last two years include the introduction of body-worn CCTV cameras, renewed staff training, an increase in frontline customer service staff on Metro and the use of Withdrawal of Implied Permission (WIP) orders, alongside Anti-Social Behaviour orders, to ban persistent troublemakers from Metro.

### Recommendations

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to note the content of this report.

## 1. Background Information

- 1.1 Nexus aims to provide an environment in which people feel confident using Metro throughout the day and night. Metro is a safe way to get around, and we carry out ongoing research and engagement with passengers to understand their concerns, and seek to address these ourselves and by working with partners in the community and police forces.
- 1.2 Nexus pays around £1 million a year for dedicated police units provided by Northumbria Police (on Tyneside) and British Transport Police (for the line through Sunderland). On top of this we have this year increased customer service staff numbers to record levels and rolled out body-worn cameras as part of a strategic action plan for safety and personal security.

### Levels of crime and anti-social behaviour

- 1.3 Crime fell sharply in the first decade of this century following an upgrade of CCTV at stations, the introduction of CCTV on trains and the imposition of an alcohol ban across the system, and has remained low since. The number of incidents reported to the police (not all of them crimes) has followed a downward trend over the last 14 months, with seasonal variation including a spike at Christmas (Appendix 1:1)
- 1.4 Recorded crime on Metro in 2018/19 was 10% lower than the previous year, but 1.7% above 2016/17. A summary of all recorded crimes for the full financial year 2018/19 is included at Appendix 1:2. There were 989 recorded crimes, of which one third were crimes against the person, equivalent to one every 109,000 journeys. These offences included: 31 assaults on Metro staff; 219 assaults involving members of the public; 28 incidents of robbery/theft from a person; 17 sexual offences, and 35 hate crimes.
- 1.5 While recorded crime is low, anti-social behaviour, such as people being drunk, shouting and swearing or hanging around stations, can lower people's perceptions of personal safety and overall satisfaction with Metro. Many of the issues our staff must deal with reflect trends in society as whole, such as the impact of drug use, vagrancy and begging, and young people congregating in public spaces.
- 1.6 Passenger perception of personal safety has an impact on overall satisfaction with Metro. While this is reported as a less significant factor than punctuality, reliability and the availability of information, it will have some bearing on whether people choose to travel by Metro. Satisfaction with personal safety has changed little in the last decade according to our ongoing customer satisfaction survey, ranging between 6.8 and 7.7 out of 10 (App 1:3).
- 1.7 A Nexus Insights panel survey in June 2018 showed passengers' most significant personal security concern on Metro was anti-social behaviour (App 1:4). They were also asked what forms of anti-social behaviour they had observed in the previous three months (App 1.5). The same survey found that 59% of respondents felt anti-social behaviour in society as a whole had worsened in the previous year while a smaller number, 39, thought that to be the case on Metro.

- 1.8 Metro staff and police challenge anti-social behaviour wherever they see it or it is reported to them, including by using public address systems on platforms and trains. We deploy mobile staff and police where we anticipate issues, particularly during the evening, but it is much less possible to deal with random and individual acts of anti-social behaviour or criminality.

### **Actions to create a safe environment**

- 1.9 Metro was established from 1980 without a permanent staff presence on stations and trains, apart from the train driver, and this has been the case ever since. Personal security across the system is managed through a combination of: Staffing at busier stations through the core of the day; mobile patrols by customer service staff; two dedicated police force units paid for by Nexus, and a comprehensive network of CCTV cameras linked to Help Points at stations and more recently introduced on trains.
- 1.10 The deployment of mobile patrols and police units around the system is intelligence-led based on incidents and reports from the public, agreed through a Nexus-led planning meeting involving both police forces and reviewed constantly.
- 1.11 As well as working with police forces we increasingly partner with local authority agencies and voluntary organisations to address underlying causes. Where a repeated problem is reported, particularly with youth disorder or vandalism, it will often have its roots in the wider community and the most effective solutions come from identifying this.
- 1.12 In 2017 Nexus appointed a new Security Manager for Metro, a role which had ceased to exist as a dedicated post under the previous operating concession. As well as leading the planning meeting the Security Manager drives continual improvement in both fixed assets such as cameras and the training and deployment of staff. Actions over the last two years include:
- Increasing to 104 the number of frontline customer service staff on Metro, with more mobile patrols and evening work duties.
  - Securing £1m new policing agreements with two dedicated units patrolling Metro.
  - Successful trial of body-worn CCTV cameras with roll out of 40 cameras this year, which staff will wear as part of their duties to manage and reduce conflict situations.
  - Introducing a new staff radio system to improve communications for mobile patrols.
  - Extra staff monitoring CCTV, passenger help points and social media to respond quickly to calls for assistance.
  - Renewed staff training in conflict management and Leisure Watch and related initiatives to recognise predatory behaviour and vulnerable people.
  - The use of Withdrawal of Implied Permission (WIP) orders for the first time, alongside Anti-Social Behaviour orders, to ban persistent troublemakers from Metro.

- Closer working with tenancy teams and other local authority departments, with eviction from social housing an option for persistent troublemakers.
- Visits to schools and parents where young people are at risk of drifting into trouble.
- New high-profile security operations across groups of stations, including Metro staff, police and community partners.
- Individual security plans written and updated for all 59 stations on Metro managed by Nexus.
- Publishing a Hate Crime Charter, alongside bus operators, backed by awareness raising and training for hate crime champions in the workforce.
- Investment in improved lighting plus renewed and updated CCTV through the ongoing Metro Asset Renewal Programme.

1.13 In addition to the above we are engaged with new initiatives with Northumbria Police around early intervention with young offenders around knife crime, pro-active operations around preventing graffiti vandalism, and discussions to introduce new patrols by special constables. In the wider public transport field we have set up a new joint security forum with bus operators.

## **2. Proposals**

2.1 There are no proposals arising from this report.

## **3. Reasons for the Proposals**

3.1 Not applicable

## **4. Alternative Options Available**

4.1 Not applicable

## **5. Next Steps and Timetable for Implementation**

5.1 The delivery of the Security Management Plan for Metro, and ongoing proactive actions to tackle personal security issues, are ongoing.

## **6. Potential Impact on Objectives**

6.1 People must feel confident using public transport in order for it to be a mode of choice. Satisfaction with personal security contributes to overall satisfaction with a journey. Where people have serious concerns about their safety they may be put off travel altogether, reducing opportunity and increasing social exclusion.

## **7. Financial and Other Resources Implications**

7.1 There are no financial implications arising from this paper. The activities described are met from within the Metro operating budget.

## **8. Legal Implications**

8.1 There are no legal implications arising from this paper.

## **9. Key Risks**

9.1 There are no risks arising from this paper.

## **10. Equality and Diversity**

10.1 There are no direct implications from this paper. Our security plans recognise the importance of providing confidence to everyone who uses Metro, and recognising that some may be more vulnerable or have greater concerns about their safety.

## **11. Crime and Disorder**

11.1 Metro is part of everyday life and the communities we serve. The actions we take to provide a safe travelling environment are closely linked to wider crime and disorder strategies.

## **12. Consultation/Engagement**

12.1 Nexus tracks satisfaction with personal security through the Customer Satisfaction survey, four times a year. We carry out further and deeper research through the Insights Panel and engagement with community and special interest groups, some of which is incorporated into this report.

## **13. Other Impact of the Proposals**

13.1 None

## **14. Appendices**

14.1 Appendix 1 – background information.

## **15. Background Papers**

15.1 None

## **16. Contact Officers**

16.1 Huw Lewis, Nexus Customer Services Director Tel: 0191 203 3112

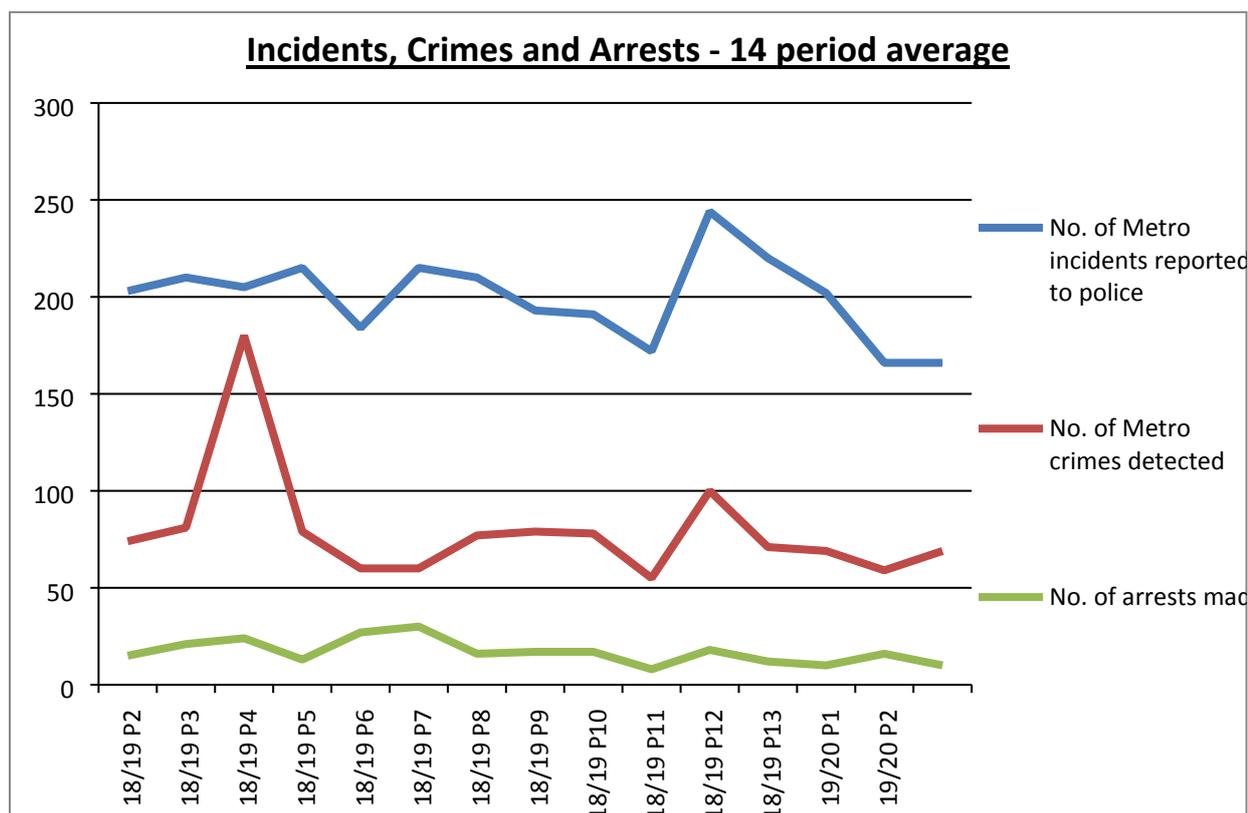
## **17. Sign off**

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

## **18. Glossary**

## Appendix 1 – background information

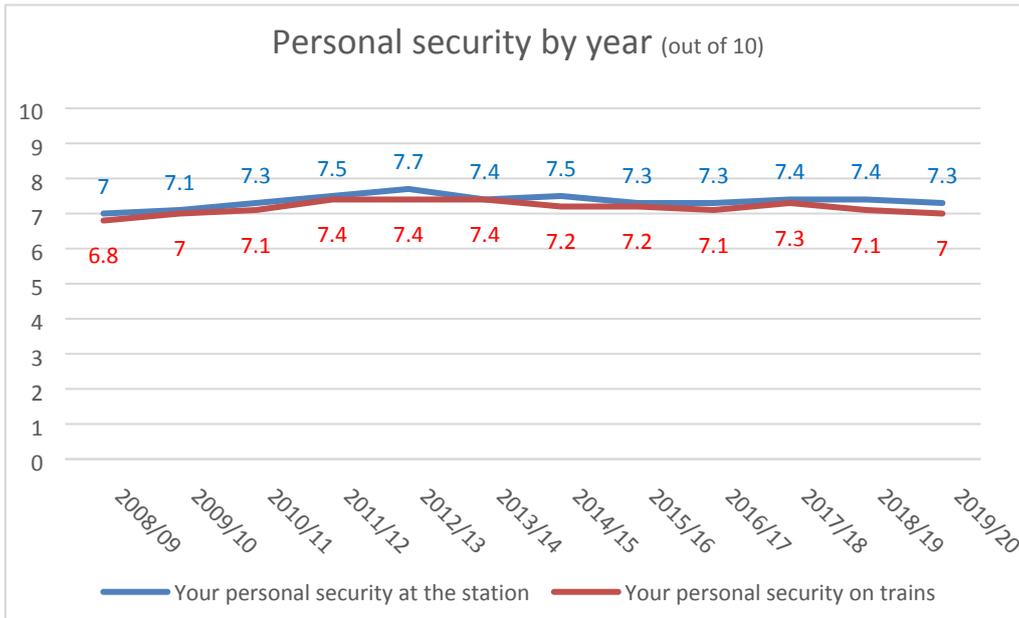
1:1: Moving annual trend of incidents over 14 months



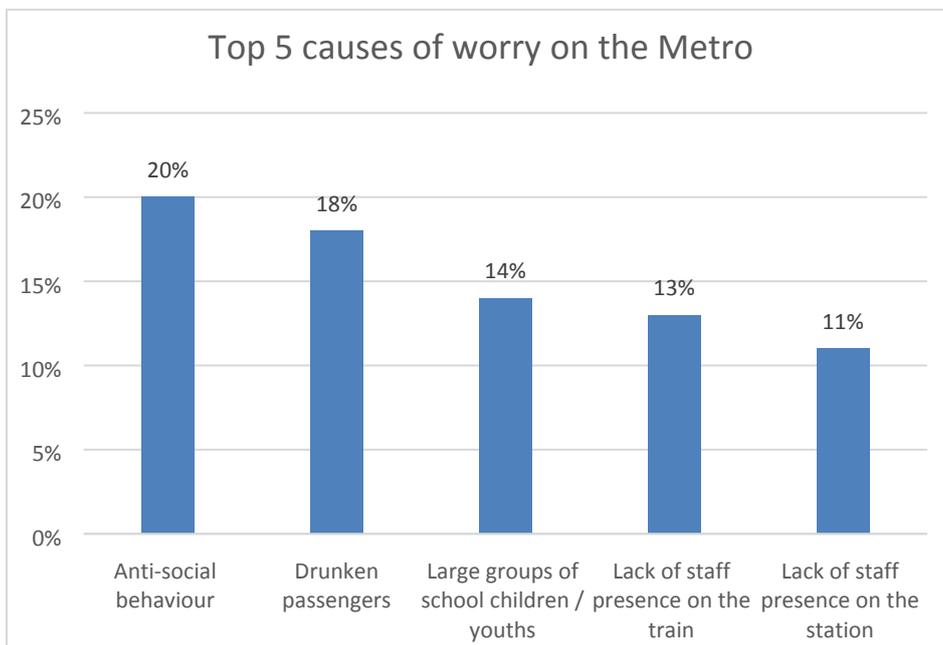
1:2 Summary of police incidents on Metro 2018-19

Category	Incidents	Category	Incidents
Assault (staff)	31	Drunkenness	221
Assaults	219	Drugs offences	4
Public order offences	230	Trespass	95
Disorder (not crimed)	357	Cable thefts	9
Robbery/theft from person	28	Railway byelaw offences (Sunderland line)	15
Theft	156	Other crimed incidents	84
Begging	83	Other crimes	59
Sexual Offences	17	ID checks	104
Hate Crime	35	<b>TOTAL INCIDENTS</b>	<b>3896</b>
Damage station	61	<b>TOTAL CRIMES</b>	<b>989</b>
Damage Train	83	<b>TOTAL ARRESTS</b>	<b>221</b>

1:3: Passenger satisfaction with safety and security (from customer survey)

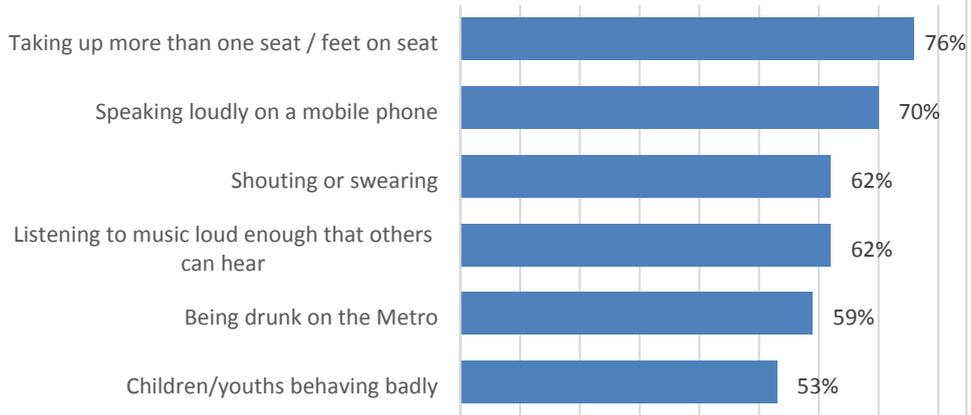


1:4: Main causes of concern around personal security (2018 Insights Panel survey)



1:5: Anti-social behaviour observed by passengers (2018 Insights Panel survey)

Which of the following have you observed in the last 3 months?



## **North East Joint Transport Committee, Tyne and Wear Sub-Committee**

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**Date:** 4 July 2019

**Subject:** Tyne Tunnels Update

**Report of:** Managing Director, Transport North East

### **Executive Summary**

The purpose of the report is to provide Members with an update on activities at the Tyne Tunnels relating to the operation of the New Tyne Crossing and the Tyne Pedestrian and Cycle Tunnels (TPCT) Phase 3 improvement works.

In relation to the New Tyne Crossing, the construction works to the Silverlink Junction being carried out by Highways England are now substantially complete, with the A19 link below the Coast Road now open. Traffic flows remain similar to last financial year but continue to remain less than the levels experienced in 2016-17.

The refurbishment works on the TPCT are now substantially complete. A number of issues have been identified during the commissioning and certification processes however, that need to be resolved before the tunnels can be opened to the public. These issues should be completed in the coming weeks which will allow a phased reopening of the tunnels this summer.

The final cost of the project is being finalised and will be reported to the next meeting in September 2019.

### **Recommendations**

The Transport North East (Tyne and Wear) Sub-Committee is recommended to note the contents of the report and the updates in relation to the New Tyne Crossing and the Tyne Pedestrian and Cycle 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. This is monitored by the North East Combined Authority (NECA) (as Accountable Body for the North East Joint Transport Committee, which operates across the LA7 Area) in accordance with the terms of the Project Agreement.

### **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. The TPCT has been undergoing major refurbishment works since 2013.
- 1.3 In April 2015, following the original contractor entering Administration, the NECA's took over the role of Main Contractor on the refurbishment of the Tyne Pedestrian and Cyclist Tunnels. The refurbishment works had to be suspended until February 2017 to allow asbestos in the tunnels to be removed or encapsulated.

## **2. Proposals/ Review**

### **New Tyne Crossing – Operational Summary**

#### **Traffic Flows**

- 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 Quarterly Service Report to the NECA on operational issues, including inspections and details of any Health and Safety incidents which have occurred during the report 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 during 2018-19 identified that previously reported reductions in traffic using the tunnels compared to previous years had remained constant. This was considered to be a direct consequence of the construction works to the Silverlink Junction being carried out by Highways England and other highway related works being carried out in North Tyneside.
- 2.3 The Silverlink works are now substantially complete with the A19 link below the Coast Road now open, although there are still peripheral and overnight works being carried out.
- 2.4 A review of the traffic flows, so far, this financial year shows that they are similar to last year and that the traffic flow levels remain less than the levels experienced in

2016-17. This continues to be monitored by both the NECA and TT2 Ltd. See Appendix A.

- 2.5 The level of traffic using the tunnels has an impact on the revenue generated for TT2 and the NECA and the budgets for 2019-20 have been amended to reflect this.
- 2.6 The first phase of the introduction of Advanced Number Plate Recognition Cameras to recognise vehicles registered to pre-paid accounts has been completed at the Toll Plazas and is working well for users who have subscribed to pre-payment accounts. TT2 have introduced improvements to their mobile app, including introducing direct debit payments, which has simplified the payment opportunities for tunnel users who subscribe to pre-payment accounts. This not only provides a 10% discount for users but also speeds up the journey time through the toll plazas. The number of pre-payment transactions has increased to 57% in June, and we would encourage more users to sign up to realise the benefits not only for themselves but all users of the tunnels.
- 2.7 At the last meeting of the Committee approval was given to procure Legal support for the NECA to develop the 'Tyne Pass' proposals with TT2, which would also involve consideration of the removal of barriers from the toll plazas altogether in the future. This procurement exercise has now been completed with Ward Hadaway, Newcastle and Daniel Greenberg Ltd., London appointed to provide external legal advice and support for the project.
- 2.8 Members will also recall that permission was granted to TT2 to erect advertising screens at the north portal and southern approach to the tunnels. These are programmed to be in place by the end of July 2019.

### **Health and Safety**

- 2.9 No significant Health and Safety issues have been identified during the last reporting period.

### **Tyne Pedestrian and Cyclist Tunnels**

- 2.10 The refurbishment works on the TPCT are now substantially complete.
- 2.11 There have been issues identified during the commissioning and certification processes however, that need to be resolved before the tunnels can be opened to the public. These issues should be completed in the coming weeks which will allow a phased reopening of the tunnels this summer.
- 2.12 The phased reopening of the pedestrian and cycle tunnels to the public will allow a controlled re-introduction and the facility to be monitored under real working conditions with any changes needed to the functionality of the systems to be carried out in a managed way.
- 2.13 The tunnels will be manned during this trial period and opened to the public between 06:00 to 20:00. The night shuttle will continue to run between 20:00 to 06:00.

2.14 A review of the final project costs is being carried out and will be presented to the next meeting of the sub-committee.

2.15 A progress booklet showing recent photographs of the tunnels is included in Appendix B.

### **3. Reasons for the Proposals**

#### **Tyne Pedestrian and Cyclist Tunnels**

3.1 The completion of the refurbishment works and the reopening of the TPCT is in line with the NECA objectives of providing specifically for pedestrians and cyclists, contributing positively to addressing climate change by encouraging non-motorised modes of travel.

3.2 The completion of the refurbishment works will meet the CA obligations under the Planning (Listed Buildings and Conservation Areas) Act 1990.

### **4. Alternative Options Available**

#### **Tyne Pedestrian and Cyclist Tunnels**

4.1 The option not to reopen the TPCT was considered however, due to the Listed status of the structure, works to address its condition, deal with the asbestos and to maintain it in a safe state would still have been required. This would realise little reduction in cost compared with the completion of the works for reopening.

### **5. Next Steps and Timetable for Implementation**

#### **Tyne Pedestrian and Cyclist Tunnels**

5.1 The reopening of the completed tunnels will continue to be overseen by the NTC team based in TT2 Ltd.'s offices over the coming months before being handed back to TT2 who will operate and monitor the tunnels for the remainder of the Concession period.

The Lead Chief Executive for Transport reports regularly on progress to the Transport North East (Tyne and Wear) Sub-Committee.

5.2 Officers continue to monitor the programme for the project with a view to reopening the tunnels to the public at the earliest opportunity.

5.3 The NTC Communications 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. The website [www.tynepedestrianandcyclisttunnels.co.uk](http://www.tynepedestrianandcyclisttunnels.co.uk) has been updated to better inform stakeholders of progress on the refurbishment works and to promote the tunnels for the future.

5.4 Seven Stories, The National Centre for Children's Books, have been engaged to work with two local primary schools on either side of the Tyne to promote the

reopening of the tunnels. Their work has been interactive, and the schools will be invited to the tunnels for a formal opening event.

5.5 A series of site visits have been arranged with interested groups to support and to publicise the completion of the works and the reopening of the tunnels.

5.6 Proposals are being finalised for the official re-opening of the TPCT which will celebrate the works carried out by the NECA and promote the availability of this asset to the public.

## **6. Potential Impact on Objectives**

6.1 The refurbishment of the TPCT has secured the future operation of this important transport link under 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. The works also protect this Grade II Listed structure for future generations.

## **7. Financial and Other Resources Implications**

### **Tyne Pedestrian and Cyclist Tunnels**

7.1 The cost of the refurbishment works has been funded from the Tyne Tunnel Reserves and from prudential borrowing in line with the original approval for the project. Borrowing repayments are included within the revenue budget for the Tyne Tunnels for 2019/20. It is important to note that this reserve is ring-fenced for use on the tunnels, but it would have an opportunity cost, because once the Tunnel Financing costs are met the reserve can be used for other transport projects. If a source of grant funding for the works can be identified, this will be used and reduce the call on reserves.

7.2 The final cost of the project is being finalised and will be reported to the next meeting. The ongoing operating cost will be reflected in the budget update report for 2019/20.

7.3 The adopted approach of the NECA carrying out the project management helped to minimise the delay in the completion of the project.

## **8. Legal Implications**

### **Tyne Pedestrian and Cyclist Tunnels**

8.1 The legal comments have been incorporated into the report.

## **9. Key Risks**

9.1 The key risks associated with the completion of the project relate to:

Public safety – by addressing the reliability issues associated with the historic apparatus in the tunnels and dealing with the asbestos and other identified safety issues relating to the condition of the structure in the tunnel the CA are ensuring public safety

Time delays – by direct management of the completion of the works the CA are minimising the risk of further project delays which could be anticipated if a further tender process had been undertaken to engage a private Management Contractor.

Cost - by direct management of the completion of the works the CA are minimising the risk of further project cost and claims which could be anticipated from a Management Contractor. This is being borne out by the ongoing identification of additional work as the project progresses which could not have been envisaged at tender stage.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 The Head of Paid Service, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the Transport North East (Tyne and Wear) Sub-Committee. Member visits have been arranged to the site to view the works. Updates are provided to the Howdon MAG and the Jarrow and Boldon CAF. A dedicated website is maintained and provides updates on progress.

## **13. Other Impact of the Proposals**

13.1 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.

## **14. Appendices**

14.1 Appendix A: Traffic Figures for the New Tyne Crossing

Appendix B: Tyne Pedestrian and Cyclist Tunnel Progress Booklet

## **15. Background Papers**

- 15.1 River Tyne (Tunnels) Order 2005  
Report dated 22 July 2010 - TPCT - Investment Proposals  
River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnel Update reports to the scheduled meetings of the Tyne and Wear Sub-committee as listed in the report to the Tyne and Wear Sub-Committee of the 31 January 2019

## **16. Contact Officers**

- 16.1 John Hewitt, Chief Finance Officer, john.hewitt@durham.gov.uk, Tel:0300026194  
John Softly, Assistant Director Legal Services, john.softly@newcastle.gov.uk, Tel: 0191 277 7047  
Alastair Swan, Principal Engineer, alastair.swan@newcastle.gov.uk , Tel: 0191 211 5931

## **17. Sign off**

- 17.1
- Head of Paid Service: ✓
  - Monitoring Officer: ✓
  - Chief Finance Officer: ✓

## **18. Glossary**

- 18.1 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 – Transport North East (Tyne and Wear) Sub-Committee  
BCE - Building and Commercial Enterprise Division  
JTC – Joint Transport 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 this 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: Monthly Traffic Figures. Illustrates the total number of vehicles per month compared with the figures from last year.

2.1.3 Graph B: TT2 Monthly Total Traffic Figures by Vehicle Class. Illustrates the monthly traffic flows by Vehicle Type, for the period April 2019 and May 2019.

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 Vehicle Class. Illustrates the monthly traffic flows by each Vehicle Class, for the period April 2019 and May 2019.

2.1.5 Graph D: TT2 Monthly Traffic Figures by Payment Type. Shows how customers met the toll requirements. Cash, Permit or Exempts.

\*\* the figures for April are only for part of the month

### TT2 Monthly Traffic Statistics

Monthly	2019/2020												Total Vehicles	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2019/2020	1,395,294	1,449,137	399,986	0	0	0	0	0	0	0	0	0	Forecast	16,499,108
2018/2019	1,367,609	1,444,185	1,386,578	1,430,684	1,404,416	1,363,760	1,456,535	1,407,025	1,230,254	1,320,239	1,257,168	1,398,018		
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

Traffic by Class	2019/2020												% ETC 2017/18	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2019/2020	1,395,294	1,449,137	399,986	0	0	0	0	0	0	0	0	0		
2018/2019	1,367,609	1,444,185	1,386,578	1,430,684	1,404,416	1,363,760	1,456,535	1,407,025	1,230,254	1,320,239	1,257,168	1,398,018		
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		
Class 1	15,358	17,334	4,841	0	0	0	0	0	0	0	0	0	0	C1 % ETC 0.00
Class 2	1,258,764	1,304,522	361,443	0	0	0	0	0	0	0	0	0	0	C2 % ETC 53.97
Class 3	66,873	70,749	17,848	0	0	0	0	0	0	0	0	0	0	C3 % ETC 84.99
Exempts	54,299	56,532	15,854	0	0	0	0	0	0	0	0	0	0	Ex % ETC 72.36
														Total % 55.55

Class,Cash,Permit	2019/2020												Tolls to Date £	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
2019/2020	1,395,294	1,449,137	399,986	0	0	0	0	0	0	0	0	0		
2018/2019	1,367,609	1,444,185	1,386,578	1,430,684	1,404,416	1,363,760	1,456,535	1,407,025	1,230,254	1,320,239	1,257,168	1,398,018		
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		
Class 1 Cash	15358	17334	4841	0	0	0	0	0	0	0	0	0	0	C1
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0	0	P1
Class 2 Cash	588839	588519	168859	0	0	0	0	0	0	0	0	0	0	C2
Class 2 Permit	669925	716003	192587	0	0	0	0	0	0	0	0	0	0	P2
Class 3 Cash	9988	10698	2648	0	0	0	0	0	0	0	0	0	0	C3
Class 3 Permit	56885	60051	15200	0	0	0	0	0	0	0	0	0	0	P3
Exempts	14956	15492	4570	0	0	0	0	0	0	0	0	0	0	Ex
Exempts Permit	39343	41040	11284	0	0	0	0	0	0	0	0	0	0	P Ex

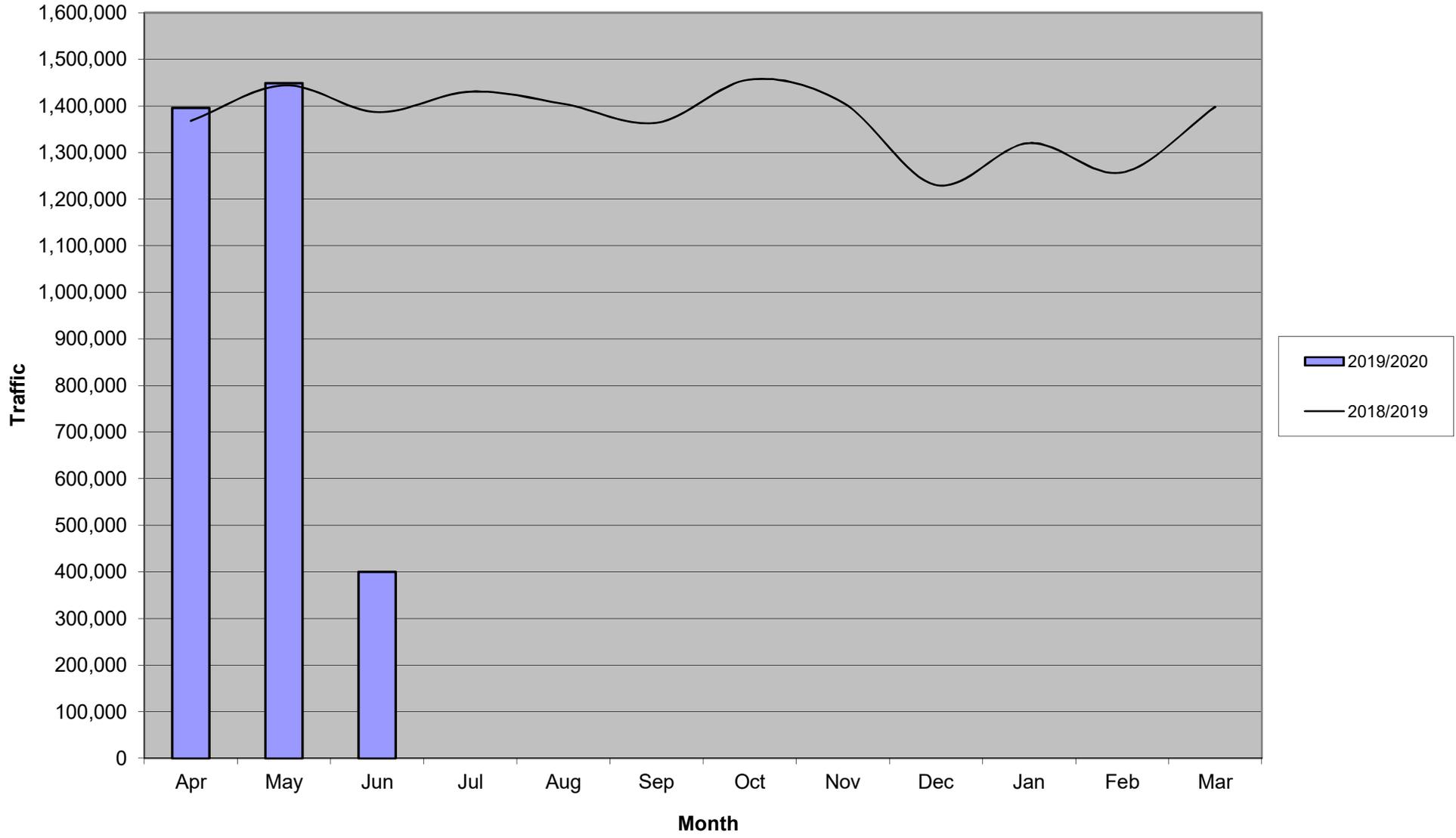
2018/2019 Traffic by Class													% ETC	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	C1 % ETC	C2 % ETC
Class 1 total	15,304	21,156	21,297	20,970	17,673	15,914	14,135	9,737	6,029	7,478	9,685	12,250	0.00	51.10
Class 2 total	1,231,393	1,296,794	1,241,573	1,279,188	1,259,266	1,226,204	1,313,527	1,274,841	1,121,625	1,197,151	1,135,634	1,262,732	83.85	83.85
Class 3 total	70,605	72,407	71,145	74,149	71,645	67,966	73,579	69,901	53,892	65,346	64,153	68,681	75.62	75.62
Exempts total	50,307	53,828	52,563	56,377	55,832	53,676	55,294	52,546	48,708	50,264	47,696	54,355		

2018/2019 Class,Cash,Permit													TOTAL % ETC	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Class 1 Cash	15304	21156	21297	20970	17673	15914	14135	9737	6029	7478	9685	12250		53.15
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0		
Class 2 Cash	626808	654675	620615	656538	680853	625891	637513	603025	563513	523279	503145	560318		
Class 2 Permit	604585	642119	620958	622650	578413	600313	676014	671816	558112	673872	632489	702414		
Class 3 Cash	11488	12279	11895	12654	12194	11107	12178	11781	8591	9533	9168	10095		
Class 3 Permit	59117	60128	59250	61495	59451	56859	61401	58120	45301	55813	54985	58586		
Exempts	12136	13813	13161	14214	15027	13312	13507	11953	11629	10636	11346	13207		
Exempts Permit	38171	40015	39402	42163	40805	40364	41787	40593	37079	39628	36350	41148		

Table 1: TT2 Monthly Traffic Statistics

# TT2 TRAFFIC FIGURES

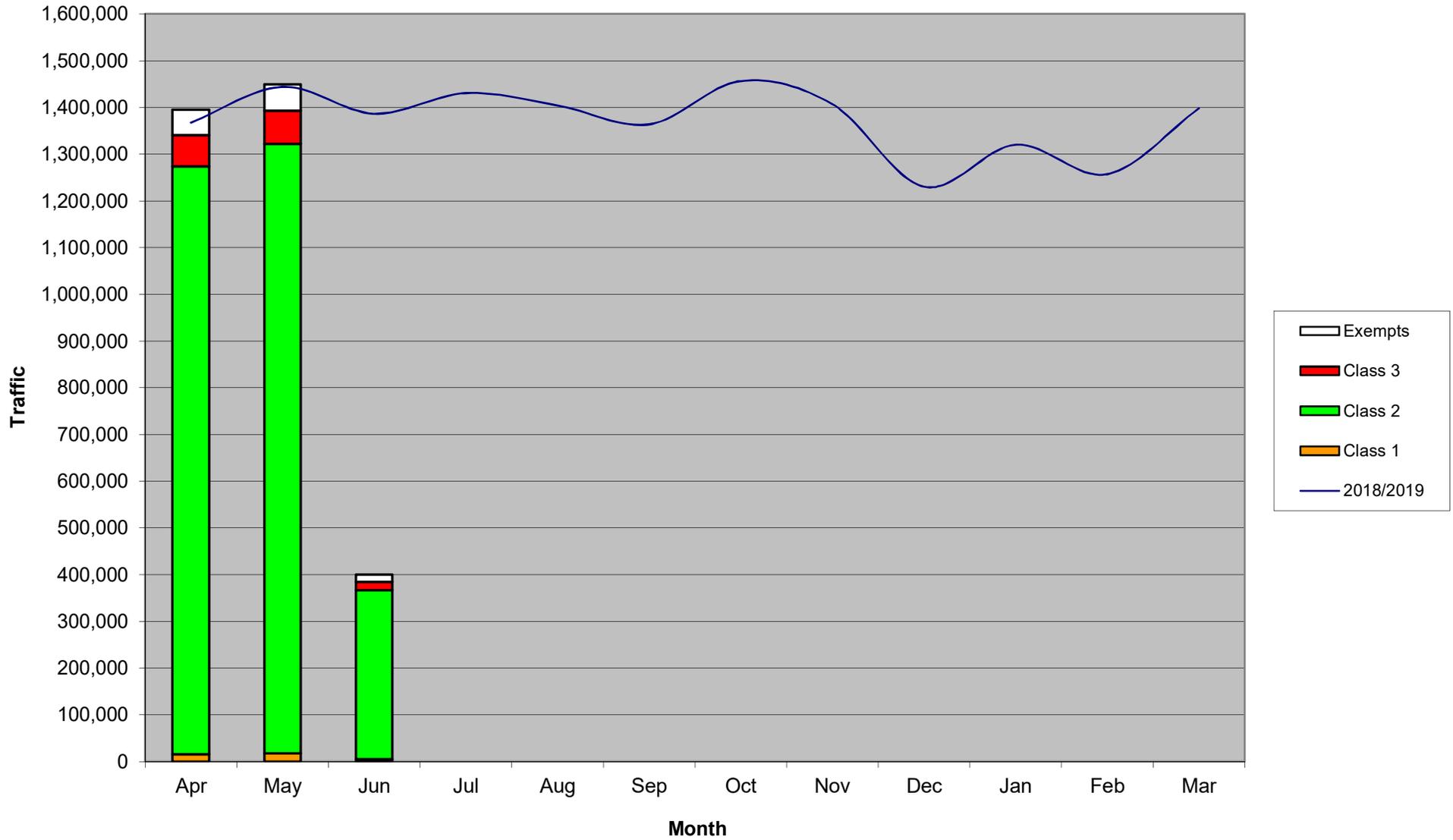
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Graph A: TT2 Monthly Traffic Figures

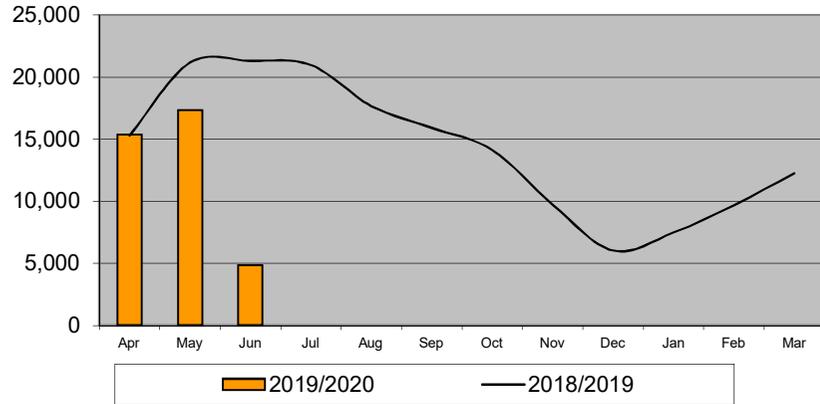
# TT2 TRAFFIC FIGURES

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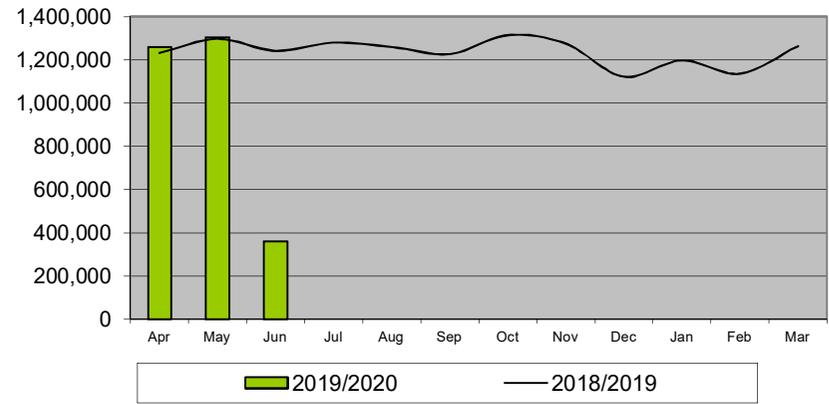


Graph B: TT2 Monthly Total Traffic Figures by Vehicle Class

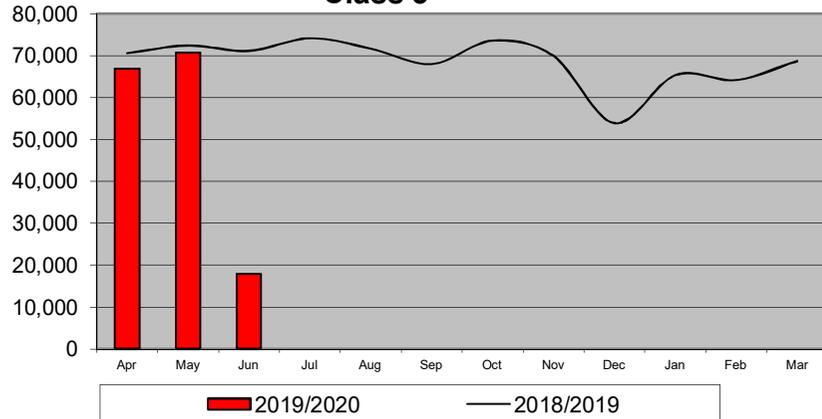
**TT2 Monthly Traffic Class 1**



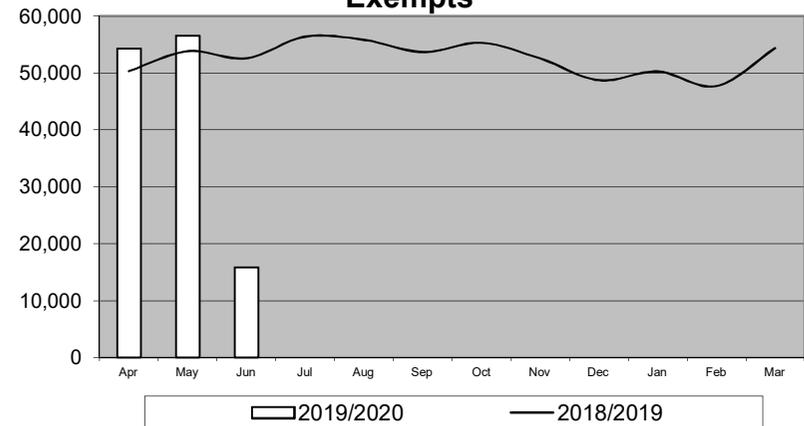
**TT2 Monthly Traffic Class 2**



**TT2 Monthly Traffic Class 3**



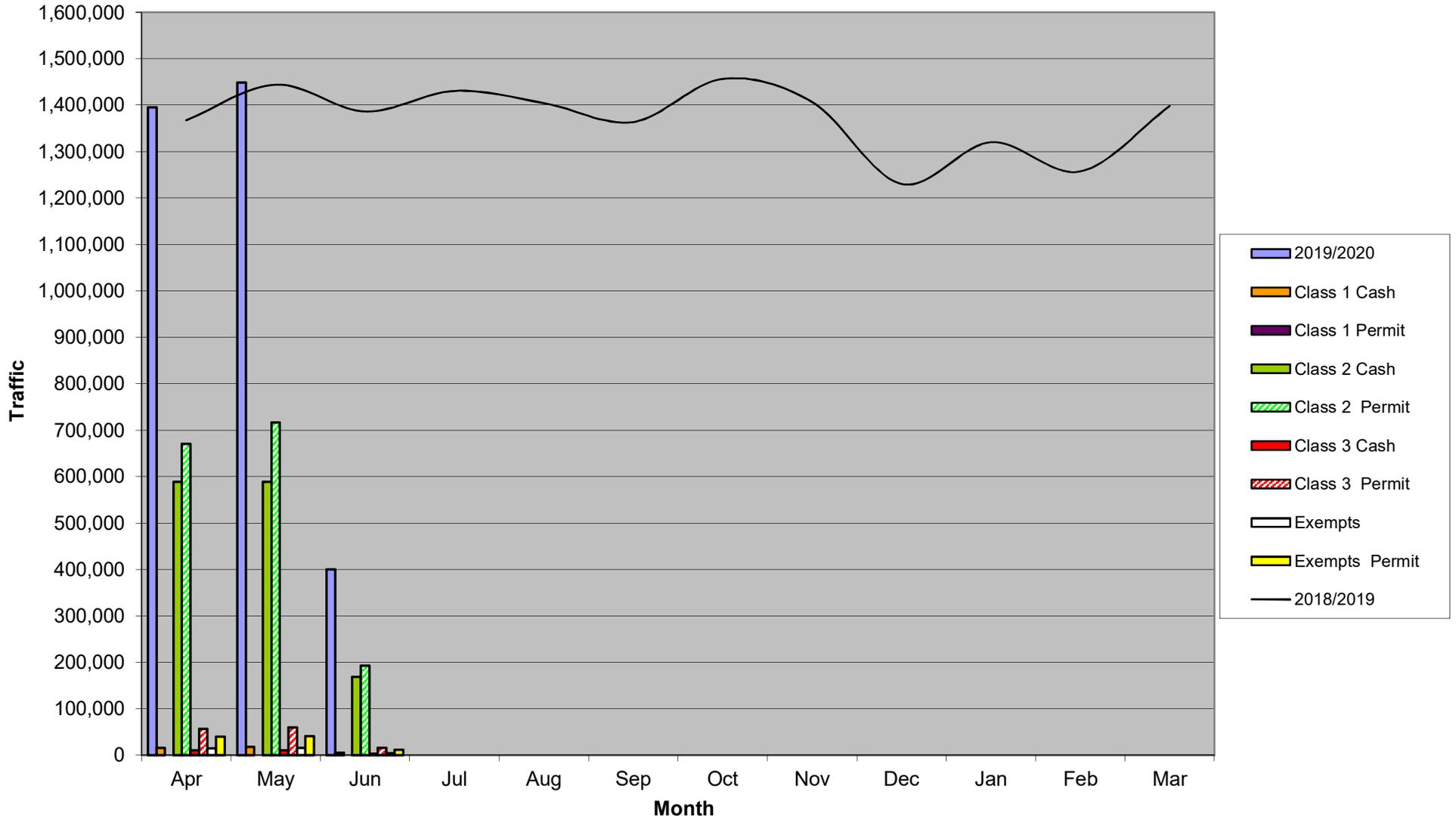
**TT2 Monthly Traffic Exempts**



**Graph C: TT2 Monthly Traffic Figures by Vehicle Class**

## TT2 TRAFFIC FIGURES Class, Cash, Permit

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Graph D: TT2 Monthly Traffic Figures by Payment Type

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# Tyne Pedestrian & Cyclist Tunnels



## Refurbishment Progress June 2019



The new surfacing to the approaches to the Jarrow rotunda building and the landscaping works have been finished. Only the road markings remain to be completed.



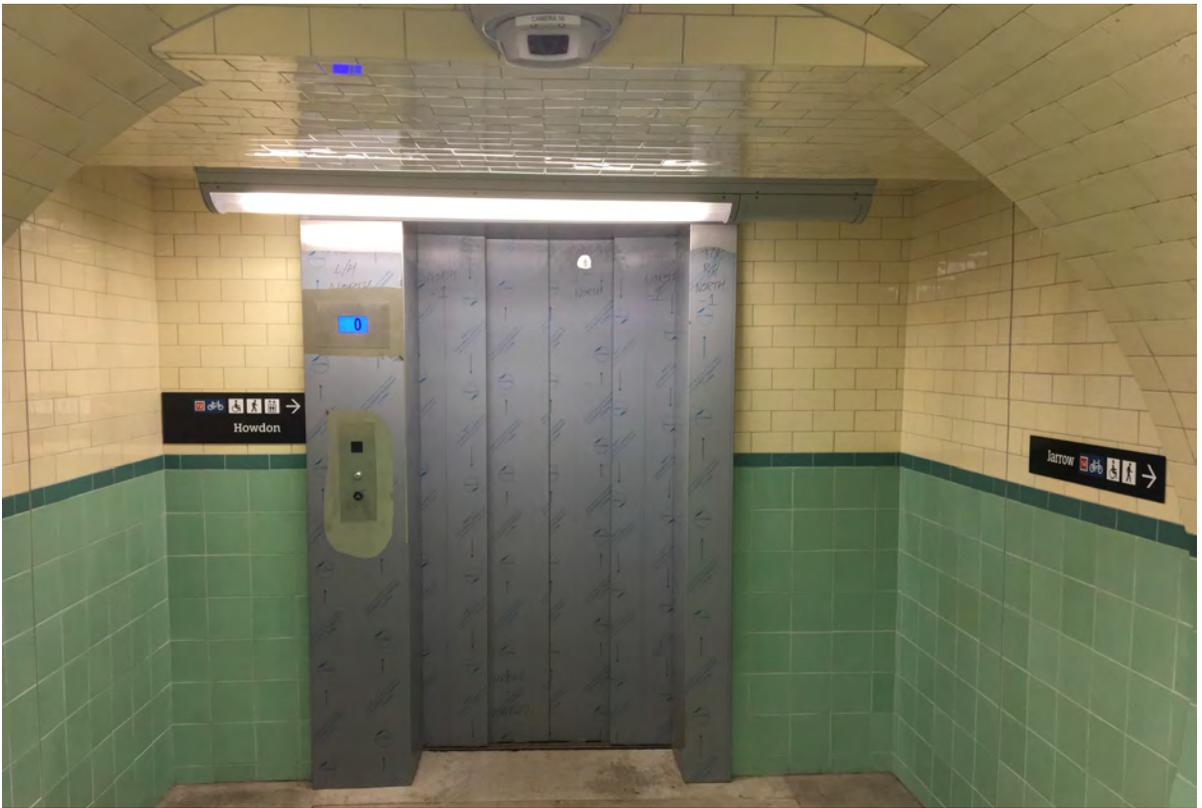
The new surfacing to the approaches to the Howdon rotunda building and the landscaping works have been finished. Only the road markings remain to be completed.



During the refurbishment the original 'Waygood-Otis' escalators motors have been under wraps. These have now been uncovered.



These original motors from the 1950's will form part of the permanent reminder of the engineering heritage of the tunnel and will be on display.



The vertical lifts have been refurbished and the new signing has been put in place for the reopening of the tunnels.



New signs will guide the public to through the tunnels to the new inclined lift or the refurbished vertical lifts.



The cleaning of the pedestrian tunnels is nearing completion in preparation for the reopening of the tunnels.



The link tunnels to the vertical lifts are complete and the direction signs have now been erected.



The inclined escalator shaft works have been completed with a glazed screen erected down the centre to provide a barrier to the new inclined lift.



A glazed screen has been erected at the top and bottom landings to reveal the mechanical workings and chains which once powered the escalators.



The landscaping and resurfacing works around the Howdon rotunda building have been completed.



The landscaping and resurfacing works around the Jarrow rotunda building have been completed.



Produced by  
North East Combined Authority  
c/o TT2 Limited, Tyne View Terrace  
Wallsend NE28 0PD

FOR MORE INFORMATION VISIT  
[www.tynepedestrianandcyclisttunnels.co.uk/](http://www.tynepedestrianandcyclisttunnels.co.uk/)



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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