



Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 16th January, 2020 at 2.00 pm

Meeting to be held in Committee Room 1, Sunderland Civic Centre

AGENDA

	Page No
1. Apologies	
2. Declaration of Interests	
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. Minutes of the Meeting held on 21 November 2019	5 - 12
4. Monitoring Nexus' Performance 2019/20	13 - 18
5. Nexus' Corporate Risks 2019/20	19 - 44
6. Nexus Corporate Plan 2020/21	45 - 66
7. Nexus Fleet Replacement Programme Update	67 - 76
8. Tyne Tunnels Update	77 - 92
9. 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 items on the grounds indicated:

Items 11 and 12 : Paragraph 2 of Part 1 of Schedule 12A to the Local Government Act 1972

- | | | |
|-----|---|----------------|
| 10. | Confidential Minutes of the Meeting held on 21 November 2019 | 93 - 94 |
| 11. | Appointment of Nexus Executive Director | 95 - 98 |
| 12. | Date of Next Meeting | |

The next meeting will be held on Thursday 2 April at 2pm at Nexus House, Newcastle upon Tyne.

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 21 NOVEMBER 2019

Meeting held in the Reception Room, South Shields Town Hall

Present:

Councillor: G Hobson (Chair)

Councillors: C Johnson, J McCarty and A Wilson

In attendance:

Statutory Officers: E Goodman (NECA Finance Manager); T Hughes (Managing Director, Transport North East) and B McNeany (Deputy Monitoring Officer)

Officers: S Bellamy, M Ellison, J Fenwick, H Lewis, H Mathews, E Reynard, P Smith and A Swan.

1. APOLOGIES FOR ABSENCE

Apologies were received from Cllr J McElroy.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE INQUORATE MEETING HELD ON 19 SEPTEMBER 2019

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

4. MONITORING NEXUS' PERFORMANCE

The Committee received a report summarising Nexus' performance in delivering key priorities of its Corporate Plan for 2019-20 between 21 July and 12 October.

The main areas of focus include:

- Metro customer satisfaction which is meeting the target of 7.8. Action is being taken to improve punctuality and reliability and it is hoped this will increase the score;
- Metro ridership is 3.4% below the equivalent figure in 2018/19. Punctuality is higher than last year but still below target;
- the Metro farebox is forecast to be 2.6% less than the base budget of £46.80m and a deficit on the revenue budget of £4.1m is now forecast.
- Progress is also being made on the new Metro fleet. Best and final offer bids have been received and evaluated from the three shortlisted tenderers – Stadler, CAF and Hitachi. Moderation has taken place to identify the preferred bidder and the contract is expected to be awarded in January 2020.

In addition, the Committee received an update on possible strike action by Metro drivers. A fair and reasonable pay offer has been made to the drivers. Both Trade Unions have rejected the offer and their members have balloted in favour of industrial action. Nexus have been informed that an overtime ban will begin on 1 December. Nexus have offered to hold further talks with the Trade Unions next week. The Committee will be kept updated about the outcome.

Cllr Wilson raised concerns about the financial implications of the deficit on revenue budget of £4.1m. She was advised that there would not be an impact on frontline services this year as the deficit is funded from reserves.

Cllr McCarty asked for an update on Smart ticketing. She was informed that trials are currently taking place by Nexus staff who are using a mobile phone app to pay for their Metro journeys. Positive feedback is being received and it is hoped that the app can be rolled out to all customers next year.

RESOLVED: The Tyne and Wear Sub-Committee noted the report.

5. Nexus Annual Activity and Expenditure Report

The Committee received Nexus' Annual Report providing financial and statistical information for the last 12 months.

The key trends in the report show a marginal increase in child bus patronage which has risen to 7.4%. ENCTS journeys have remained relatively stable but this could change in future years due to the changes in retirement age.

Journeys by children on the Metro have fallen by 8.13% which is due to a number of factors including customer satisfaction, reliability and low retail foot fall.

Cllr McCarty felt that the increase in child bus patronage was good news. She also commented that residents ask for real-time journey information on Metro and this needs to be progressed.

RESOLVED: The Tyne and Wear Sub-Committee noted the report.

6. NEXUS CORPORATE BUSINESS PLAN

The Committee received a report on the Corporate Business Plan which provides the framework for Nexus to deliver services, prepare for the future and manage its business effectively.

The plan is delivered through three themes:

- Deliver public transport today;
- Prepare for the future;
- Focus on organisational effectiveness.

The plan will direct Nexus' actions over the 2020-21 financial year and will be influenced by the new Transport Plan which will provide the context for a new longer term Corporate Plan to be developed.

Nexus will seek to respond to climate emergency by ensuring that public transport is a viable alternative to the car and continually improve public transport.

Nexus will also seek to improve customers' experience on Metro as well as taking steps to improve the punctuality and reliability of the existing fleet. New technology will help to make public transport easier, simpler and more appealing to use and new apps will be rolled out for integrated journey planning, ticketing and tracking.

A major priority will be progressing the delivery of the new fleet for Metro once the preferred bidder is announced and working to deliver a new depot at Gosforth and open a satellite facility at Howdon.

Subject to funding, Nexus will also deliver the 'Metro Flow' project and enhancements to the Park and Ride facilities, as well as working with the bus operators to improve local services and passenger facilities.

Developments will be considered to the local bus network and a pilot will begin of flexible and demand responsive services, as well as continuing to improve information and ticketing across public transport. In addition, Nexus will work with local authorities to investigate ways to better integrate walking and cycling to transport interchanges and increase the provision of cycle parking at stations.

Outcomes from the forthcoming Williams Rail Review will also be considered as part of the 'preparing for the future' theme.

The modernisation of Metro through the Asset Renewal Programme will continue. In addition, the new Learning Centre will open in South Shields at the beginning of the next financial year.

A further report will be presented to the Committee in January.

Cllr Wilson asked for clarification on the diagram on page 63 of the report and was advised a new version would be circulated.

RESOLVED: The Tyne and Wear Sub-Committee accepted the report and noted that a further report would be presented at the next meeting.

7. BUDGET PROPOSALS

The Committee received a report providing a summary of the budget proposals in relation to Tyne and Wear. The budget will be agreed by the Joint Transport Committee.

Nexus has received information from the Pension Actuary that impacts positively on the medium-term financial planning forecasts. The Joint Transport Committee have also requested a range of options on the impact of the Tyne and Wear levy increasing and decreasing which were also outlined in the report.

The central planning assumption is that the Tyne and Wear levy will remain at 2019/20 levels.

The Tyne Tunnels revenue account forecast for 2019/20 is a breakeven position and the estimates for 2020/21 build in the full year costs of the new Tyne Tunnels Manager and also indicate a breakeven position. Provision has also been made for one-off costs of the Tyne Pass project. The draft budget estimates for 2020/21 have been prepared on the basis that increases in the Retail Price Index measure of inflation will trigger an increase in the toll for Class 3 vehicles (HGV) next year.

Cllr McCarty commented that her preference is for the levy to be cut by 1% due to the austerity that local authorities have experienced over the last nine years.

Cllr Wilson asked when the grant from the DfT would be set. She was advised that the grant for 2020/2021 had already been set at the 2019/20 level plus CPI and negotiations were ongoing regarding grant funding for 2021/22 onwards.

Cllr Johnson felt that the levy was very important to fund transport for the region and provided bus services, gold card and enabled residents to use public transport. He believed that the levy should remain frozen and the surplus could fund the Metro Futures project to identify where the Metro could be expanded and improve services in the region.

RESOLVED: The Tyne and Wear Sub-Committee noted that their comments on the report would be submitted to the Joint Transport Committee as part of the budget consultation process.

8. CELEBRATING 40 YEARS OF TYNE AND WEAR METRO – MARKETING AND COMMEMORATIVE EVENTS

The Committee received a report outlining the plans in developed to mark the 40th anniversary of Tyne and Wear Metro.

Nexus plans to mark the anniversary through marketing and cultural activities delivered with major regional partners. The anniversary year will be built around three themes – Heritage, Community and Future.

Throughout 2020, local people will have the opportunity participate, explore and relate their own stories about Metro. The programme will be launched in February 2020.

Cllr Wilson asked how the celebration would be funded and was advised that it will be delivered from Nexus' marketing budget.

Cllr Hobson noted that since it began, Metro has expanded twice to the Airport and Sunderland and she was looking forward to further expansion in the future which will also assist with air quality issues.

Cllr Wilson also commented that it was also 50 years since the establishment of the Passenger Transport Executive.

RESOLVED: The Tyne and Wear Sub-Committee noted the report.

9. REVISION TO METRO AND FERRY FARES

The Committee received a report outlining the annual review of the Metro and Ferry fares.

For 2020 it is proposed that Metro introduce a new offer for families which enables children under 11 to travel for free at weekends when accompanied by a fare paying adult.

Fares for people aged 18 and under will be frozen. Adult fares will be increased by an average of 3% but overall, the fares package represents an overall increase of 1.9% which is under wage growth in Tyne and Wear and CPI rate.

Changes to Ferry fares will mirror the Metro fares and the family offer will also be included.

In addition is it proposed to freeze the car parking charge at Nexus' six pay and display car parks on the Metro network. Prices have been frozen since 2012 and this represents a real term price reduction when factoring in inflation.

Cllr McCarty welcomed both the family proposal and the freeze in fares for young people.

Cllr Hobson felt that the family proposal was a fantastic offer and commented that if a Gold card was being used then the family could travel for free. She felt that the offer will be welcomed by the public.

Cllr Johnson commented that 10.4% of passengers use POP cards and felt that the younger generation need to be encouraged to use them more.

RESOLVED: The Tyne and Wear Sub-Committee:

- (i) Approved the Metro and Ferry fares proposal that will be implemented on 2 January 2020 which includes:
 - (a) The introduction of a family offer;**
 - (b) A fare freeze for tickets for those aged 18 and under; and**
 - (c) An overall increase in the weighted basket of fares of 1.9%.****
- (ii) Approved a freeze in the prices of concessionary products;**
- (iii) Approved a freeze in the price of car parking at Metro stations where a parking charge of £1.00 per day is currently applied;**
- (iv) Noted the alternative options explored as part of the fares review.**

10. NEXUS FERRY STRATEGY

The Committee received a report setting out the key steps Nexus wishes to take to increase the effectiveness of the Ferry Service, particularly the leisure market which currently makes up a large percentage of the patronage, as well as making the service financially and environmentally sustainable.

The Strategy also sets out steps to consider the location or locations of Ferry landings at North Shields to support ongoing regeneration and ensure the service meets the needs of passengers. The Ferry is currently not in use due to the existing ferry landing being unstable, so this issue is now urgent. A replacement bus service is currently in place.

Cllr Wilson asked whether it would be possible to introduce a Ferry crossing on the River Wear. She was advised that this had been looked at on a number of occasions. The barriers to introducing a service are the tidal levels, where the landings would need to be placed and dredging. Officers acknowledged that other ways of creating links in this area need to be investigated.

Cllr Wilson also asked whether patronage on the replacement bus service was evaluated. She was advised that evaluation is taking place. The majority of journeys are for leisure trip on the Ferry, so the patronage on the buses is lower than it would be for the Ferry.

Cllr Johnson advised that North Tyneside Council are due to discuss the relocation of the Ferry landing and felt that should the landing move to West Quay, closer to the centre of the Fish Quay hub then the Ferry service should not

be cut. He also commented that the Ferry is a crucial service which provides a day out.

Cllr Hobson commended Helen Mathews for the report which she thought was very good. She agreed that should the landing be moved to the Fish Quay then it would be detrimental to reduce the service in the evenings or make it seasonal.

Officers advised that if the landing was moved to the Fish Quay then the usage would be analysed, and the service could be changed if it was viable.

Cllr Hobson also noted that vessel replacement was included in the Strategy and it was important to make sure that any replacement vessels are ecologically sound and do not use diesel.

She was advised that alternatives to diesel will be investigated when the vessels are due to be replaced.

RESOLVED: The Tyne and Wear Sub-Committee approved the report.

11. TYNE TUNNELS UPDATE

The Committee received a report proving an update on the operation of the New Tyne Crossing and phase 3 of the Tyne Pedestrian and Cycle Tunnels improvement works.

Traffic flows through the New Tyne Crossing are slightly higher than last year. The level of traffic using the tunnels has an impact on the revenue generated and as a result budgets have been amended to reflect this.

Advanced Number Plate recognition cameras are now in use at the toll plazas and are working well. The use of pre-payment accounts continues to be promoted which provides a 10% discount for users but also speeds up journey time. Pre-payment transactions are currently running at 56% and more users are being encouraged to sign up to the scheme.

The Committee were advised that the Port of Tyne owns land at Tyne View Terrace which is subject to a 'caution' in favour of the Joint Transport Committee (JTC). Port of Tyne wish to lease part of the land but requires consent from JTC to do so. The land will be leased for 15 years to Lookers Motor Group.

Refurbishment works at the Tyne Pedestrian and Cycle Tunnels was substantially completed in the summer and the tunnels were re-opened to the public on 7 August 2019. The reopening has been well received by the public with more than 20,000 pedestrians and 10,000 cyclists using the tunnels in September and October.

Access to both tunnels is via vertical lifts and a fixed escalator. Work to the new inclined lifts has been ongoing and they are due to be presented for acceptance imminently. Once certification has been completed, the lifts will be brought into service.

RESOLVED: The Tyne and Wear Sub-Committee:

- (i) Noted the report; and**
- (ii) Agreed in principle to the Joint Transport Committee consenting to the Port of Tyne leasing the land identified, subject to detailed wording being approved by the Monitoring Officer.**

12. TYNE TUNNELS BYELAWS

The Committee received a report which provided an update on the Tyne Pass Project. Progress has been made in relation to the first interim stage towards barrierless 'free flow' technology. The implementation of this stage will require amendment to the current byelaws so they reflect the new payment arrangements.

The first interim stage will allow a post-pay scheme to be implemented which will give the driver the option to pay the toll for using the Tunnel up to one day later. The change in byelaws is required so payment will be the responsibility of the registered keeper of the car rather than the driver.

This scheme is the same as other toll-crossings across the country, and if agreed, will be a more reliable and easier way to pay the toll.

Cllr Hobson advised that she already uses the number plate recognition scheme which she thinks is excellent.

Cllr Johnson was fully supportive of the scheme and commented that it would assist with reducing the back up of traffic at the Tunnels, especially if, in the future, a Clean Air Zone is introduced.

Officers advised that analysis carried out by the project team has shown that free flowing traffic in the area could reduce emissions by 90%.

RESOLVED: The Tyne and Wear Sub-Committee:

- (i) Authorised Interim Stage 1 to proceed;**
- (ii) Approved the byelaws appended to the report; and**
- (iii) Authorised officers to progress the statutory process for amending the byelaws.**

13. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: The Tyne and Wear Sub-Committee agreed to exclude the press and public from the meeting during the consideration of items 14 and 15 on the agenda by virtue of paragraphs 1,2&3 of Part 1 of Schedule 12A of the Local Government Act.

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

Date: 16 January 2020

Subject: Monitoring Nexus' Performance

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 with a focus on the 8 weeks from 13th October to 7th December 2019. This period has been challenging with the seasonal impact of weather conditions and low rail adhesion - and additionally, the commencement of industrial action by train crew.

The latest November **Metro Customer Satisfaction Survey (CSS)** shows an overall score of 7.62. Whilst this is below the target of 7.80 it shows significant improvement over last November's figure of 7.17. Progress was seen in the categories of 'Staff', 'Information' and 'Safety and Comfort'.

Punctuality from 13th October to 7th December 2019 was 70.25%. Again, this is below the target of 78.55% but a measurable improvement against the figure of 67.70% reported for the same period last year. The current annual punctuality for 2019-20 is 80.7%, 6.6% below the target of 87.3%. **Fleet availability** continues to improve – with full availability achieved on 93% of peaks over the period.

The moving annual total for **Metro Ridership** is now 34.734m, 4.7% below the equivalent figure for 2018/19 of 36.438m.

The contracts for the **New Metro Fleet**, fleet maintenance and new depot will be awarded in January 2020. The Howdon Depot is scheduled to be complete in June 2020 and staff will relocate to the Nexus Learning Centre in April 2020.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance in realising the key priorities in 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 8 weeks from 13 October to 7 December 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:

Theme 1: Deliver public transport today.		Status
Key priority	<p>Improve the Metro customer journey experience</p> <ul style="list-style-type: none"> The most recent Metro Customer Satisfaction Survey in November 2019 is 7.62 just under the target of 7.8. This shows an improvement over the November 2018 score of 7.17. The Metro ridership moving annual total at the end of Period 9 is 34.734m, 4.7% below the equivalent figure for 2018/19 of 36.438m. Over the period from 13th October 2019 to 7th December 2019, Metro ridership at 5.868m was 3.8% below the target of 6.100m. The Metro fare revenue forecast for 2019/20 is now £45.3m, 3.2% below the base budget of £46.80m. Punctuality from 13th October to 7 December 2019 was 70.25%, 8.3% below the target of 78.55% but an improvement over the same period in 2018. The current annual punctuality to date for 2019-20 is 80.7%, 6.6% below the target of 87.3%. Peak fleet availability continues to improve and over the 8 weeks to 7th December 2019 to reached 93.75% from the previously reported level of 79.5%. 	Red
	<p>Protect levy funded frontline services</p> <ul style="list-style-type: none"> The 2019/20 current forecast is a deficit of £4.2m However; this will not impact frontline services in 2019/20. 	Amber
	<p>Deliver Technological Improvements</p> <p>ITSO Smart Ticketing: Nexus is supporting ITSO (the Smart Ticketing National Standards body) in a Host Card Emulation (your phone becomes your Pop Card) trial on Metro. "Crowd Testing" has now commenced and initial</p>	Amber

	<p>feedback has been positive.</p> <p>Work has also started on agreeing a solution for PAYG and early signs are encouraging.</p>	
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Theme 2: Prepare for the Future		Status
Key priority	<p>Award contracts to design, build and maintain a new train fleet.</p> <ul style="list-style-type: none"> • Best and Final Offer (BAFO) bids have been received and evaluated from the three shortlisted tenderers - Stadler, CAF and Hitachi. Moderation has taken place to identify the preferred bidder. Contract award is expected in January 2020. • The Howdon 'satellite depot' is on programme to be completed in June 2020. 	Green
	<p>Ensure the North East's priorities are reflected in TfN's plans.</p> <ul style="list-style-type: none"> • The TfN draft proposition to the Williams review reflects the JTC position on rail devolution. 	Green
	<p>Develop plans to expand Metro and local rail services</p> <ul style="list-style-type: none"> • Metro's Flow project: The Outline Business Case was submitted in on 28 November and responses to initial queries from DfT have been provided. 	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"> • Transforming Cities Fund project details updated and forwarded to Regional Team for inclusion in the Strategic Outline Business Case submission. 	Green

Theme 3: Focus on organisational effectiveness		
Key priority	<p>Implement change and pursue continuous improvement</p> <ul style="list-style-type: none"> • Progress continues on the new organisation structure, aligning with the Fleet maintenance contracts, the TUPE transfer of NEMOL staff into Nexus that happened on 1st November and the revised senior management arrangements following the appointment of the Chief Operating Officer who commences in January 2020. 	Green

	<p>Deliver the new Nexus' Learning Centre in South Shields</p> <ul style="list-style-type: none"> • Construction is on programme for occupancy in April 2020. 	Green
	<p>Continue the planned Asset Renewal Programme</p> <ul style="list-style-type: none"> • Re-railing in the tunnels between the QEII Bridge and Gateshead Stadium is underway – work is undertaken overnight and will not impact Metro services. • Procurement is concluding for track renewals at South Shields in April 2020 and between Heworth and Pelaw planned for summer 2020. • The Overhead Line Equipment renewal programme continues with wire renewal successfully completed at the QEII Bridge in November. 	Green

1.4 **Metro Customer Satisfaction Survey (CSS):** The overall score in the latest November 2019 survey is 7.62, just under the 7.8 target set and slightly lower than the 7.8 August score. This is reflective of the seasonal trend seen in previous years and where scores are impacted by the effects of the weather and that reliability is impacted by low rail adhesion. Additionally this year the score is likely to have been adversely effected by the commencement of industrial action on the system. If the industrial action continues this is likely to have a more significant impact on satisfaction in the next survey wave.

However, despite these factors, the November 2019 score is higher than the score obtained in November 2018 which was 7.17. The next survey will be in February 2020.

1.5 **Metro Punctuality:** Over the period from 13th October to 7 December 2019, 70.25% was achieved, 8.3% below the 8 week period target of 78.55%, but a measurable improvement against the figure of 67.70% reported for the same period last year. The current annual punctuality to date for 2019-20 is 80.7%, 6.6% below the target of 87.3%, Several factors which impacted punctuality, particularly in the last 4 weeks included Low Rail Adhesion and commencement of industrial action.

1.6 **Peak Fleet Availability:** Peak fleet availability over the period from 13th October to 7 December 2019 reached full availability on 75 of the 80 peaks resulting in a dramatically improved 93.25%. This still remains fragile with long-term stopped cars continuing to pose a challenge. Investment in the existing fleet is continuing and there is evidence that this is beginning to improve reliability.

1.7 **Metro Patronage:** From 13th October to 7 December 2019, Metro's patronage totalled 5.868m which is 3.82% below the target of 6.100m. The moving annual total is now 34.734m which is 4.7% below the figure for the same period in 2018/19 of 36.438m.

- 1.8 **Metro Revenue** As at the end of Period 9, the 2019/20 forecast Metro fare box revenue is £45.3m which although £0.1m higher than the 2018/19 actual, is £1.5m (3.2%) adrift from the original base budget of £46.80m. This forecast does not include the impact of the industrial action by RMT train crew members on farebox.
- 1.9 **Financial Position:** Due to a number of emerging pressures that have manifested themselves in the run up to and shortly after the beginning of the new financial year the 2019/20 current forecast is a deficit of £4.2m.
- 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.
- 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 Nexus' Director of Finance and Resources confirms that there are no direct financial implications arising from this 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, including the review of Nexus' corporate risk register.
- 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 Tobyn Hughes,
Managing Director, Transport North East
Email: tobyn.hughes@nexus.org.uk
Tel: 0191 203 3246

17. Sign off ✓

- The Proper Officer for Transport: ✓
- 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

Date: 16th January 2020

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

Report of: Managing Director, Transport North East

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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 meetings in April, July and September 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 September 2019.

One Risk has worsened:

- **Metro Performance**

This relates to the impact on services of the ongoing industrial action by Metro Drivers which has resulted in train cancellations and increased crowding, especially at Peak times. This will impact significantly on Metro revenue, patronage and customer satisfaction during this period.

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 April 2019 following which the resulting Corporate Risk Register (CRR) was received and noted at the Sub-Committee's meeting in July 2019. The Sub-Committee receives an update on Nexus' CRR at each subsequent meeting.

2. Proposals

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

- i. In running any operational railway there is an inherent risk that a catastrophic safety or security related event may occur,
- ii. That the ageing fleet, or an unexpected and prolonged reduction in infrastructure asset condition could result in a decline in performance.
- iii. Any reduction in Metro external funding will lead to a diminution in service and failing infrastructure
- iv. That, in protecting frontline services and discretionary travel schemes in 2019/20, Nexus commits more than the approved £0.700m use of reserves as approved by the Joint Transport Committee
- v. 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 a new fleet of trains and the design and build of a new depot for the Tyne and Wear Metro. In this respect continuing uncertainty about Brexit outcomes poses a significant threat.
- vi. That the planned outcomes from the Asset Renewal Programme, and other significant capital projects, are compromised,
- vii. That the Learning Centre is not delivered to time/budget/quality requirements, potentially compromising grant funding arrangements, and once opened, there is a potential for failure to make best use of the facility,
- viii. Failure to adequately secure and protect Nexus' ICT infrastructure 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,
- 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 DfT's Transforming Cities Fund (TCF) and other identified funding opportunities are not successful,
- xi. Expansion of the Metro and local rail services does not progress,
- xii. 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.

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 previous 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.

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 Combined Authorities regarding the management of Nexus' CRR.

8. Legal Implications

- 8.1 There are no specific legal implications for the Combined Authorities 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 29 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

13.1 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 14 July 2019.

16. Contact Officers

16.1 Tobyn Hughes,
Managing Director, Transport North East
Tobyn.hughes@nexus.org.uk
0191 2033246

17. Sign off ✓

- 17.1
- The Proper Officer for Transport: ✓
 - Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

18 Glossary

18.1 **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 – status table as at 16 January 2020

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

Aspirations for heavy rail initiatives Prepare for the Future	Green	↔ (stable)
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CP Theme: Deliver public transport today		
Risk Area: Catastrophic safety or security related event Risk Owners: Acting Director of Rail & Infrastructure and the Metro Services Director Risk Actionees: Head of Health, Safety, Quality & Environment, Metro Security Manager	RAG Status (Amber) 8(2x4)	Direction of Travel ↔ (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): <ul style="list-style-type: none"> • 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. • Take steps to reduce the likelihood of a terrorist incident on the system. • 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 -still awaiting confirmation from the DfT in regards to station categorisation formulae.
- Securing DfT approval to an overall security plan for the Metro: Security plan is drafted and requires checking prior to submission to DfT Land Transport Security Team.
- Developing an organisational security manual. This has been drafted. Finalisation of the report is dependent on DfT confirmation of station categorisation requirements - this is expected in early 2020 .
- 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 this is expected in early 2020

CP Theme: **Deliver public transport today**

CP Key Priority: **Improve our customers' journey experience on Metro**

Risk Area: **Metro performance**

**RAG Status
(Amber)**

**Direction of
Travel**

Risk Owners: **Acting Director of Rail and
Infrastructure & Metro Services Director**

12(3x4)

(Worsening)

Risk: That the ageing fleet, or an unexpected and prolonged reduction in infrastructure asset condition, could result in a decline in performance.

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.

Industrial Action by Train Crew impacts on performance, punctuality, reliability and Metro patronage, revenue and customer satisfaction

Control(s):

- Metro Services embedded into Nexus' Group performance reporting arrangements.
- Close monitoring of key business results.
- Ensuring appropriate levels of communication and support between Nexus Rail and Metro services.
- Applying a set of established quality assurance arrangements.
- Implementing better performance management processes.
- Delivery of the Metro Asset Renewals Programme.
- Development of a performance awareness and improvement workstream to heighten awareness across the organisation and promote improvement.
- Working closer with the new Network Rail North Eastern structure to address performance issues from Pelaw to South Hylton..
- Newly formed Maximo Steering Group to be introduced January 2020 across Nexus Rail.
- Re-organisation of structures across Nexus Rail & Metro Services to add more resilience to the business and focus on train performance.
- Industrial Action by Train Crew

Key Milestones/Next Steps:

- Quarterly review of Asset Condition Reliability Improvement Plans where Nexus Rail's Principal Engineers and Maintenance Managers jointly review the performance of Metro assets.
- 4-weekly meetings of Metro Services' Performance Leadership Group to review aspects critical to improving service delivery.
- Periodic review by Metro Services of progress against its Performance Plans.
- Implement actions to improve awareness of performance matters with immediate effect.
- Reviewing the Critical Assets/Single Point of Failure Register.
- A new Time Table was implemented on 13th October 2019. This is designed to be more resilient and improve speed of recovery in the event of incidents.
- Optimisation of Multifunctional Relay Settings giving improved resilience in fault conditions.
- Upgrades to the RTMS system – a further release was completed on 15th September.
- Introduction of mitigation plans for Metro Train Crew resource availability.
- Consultation to commence in December to restructure Metro Services and implement new posts to focus on train performance and customer information.

CP Theme: Prepare for the future		
Risk Area: Long term funding for Metro Risk Owner: Director of Finance and Resources	RAG Status (Amber)	Direction of Travel
	12 (3x4)	 (stable)
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.		
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"> • Effective liaison with DfT including 4-weekly progress reporting on the current Asset Renewal Plan and quarterly reviews. • Procurement strategy & contractual arrangements that minimise risk and deliver Value for Money. • Engaging with national government, local councillors & MPs and building public support. • DfT/Nexus Programme Board met in November 2017 to consider future grant funding for both essential renewals and operational subsidy. • Development of a business case for extensions has commenced, following confirmation of funding for the new fleet. • On 15th October 2018 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. • The general election has led to uncertainty 		
Key Milestones/Next Steps: <ul style="list-style-type: none"> • Spending Review 2019 - bid submitted on 29th March 2019 but no agreement from DfT forthcoming as yet. 		

CP Theme: Deliver public transport today		
CP Key Priority: Protect levy funded frontline services		
Risk Area: Frontline services and discretionary travel schemes	RAG Status (Green)	Direction of Travel
	9 (3x3)	↔ (stable)
Risk Owner: Director of Finance and Resources		
Risk Actionee: Head of Finance		
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).		
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"> • Discussions with Chief Executives and Treasurers in August 2018 in order to obtain strategic financial guidance for 2019/20. • The JTC's approval of the 2019/20 transport levy/budget in January 2019. • The JTC Tyne and Wear Sub-Committee's approval of Nexus' Corporate Plan for 2019/20 in January 2019. • The achievement of a range of efficiency savings in 2018/19 has placed Nexus in a good position for 2019/20. • 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. • In February 2019, Nexus responded to the Ministry of Housing, Communities & 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. • Briefings of the TWSC and JTC from August to November 2019. • JTC to agree Nexus revenue and capital budgets for 2020/21 in January 2020 		
Next Steps/Key Milestones: <ul style="list-style-type: none"> • 4-weekly periodic financial monitoring by Nexus' Senior Leadership Team. • Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme expenditure reports submitted to the JTC. • JTC to agree Nexus revenue and capital budgets for 2020/21 in January 2020 		

CP Theme: **Prepare for the Future**

CP Key Priority: **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.**

Risk Area: Procurement of the new design, build, maintain and provide contract for the fleet/depot.	RAG Status (Amber)	Direction of Travel
Risk Owner: Director of Finance and Resources Risk Actionee: Metro Development Director	9 (3x3)	↔ (stable)

Risk: The possibility of costs escalating, the potential for delays, the potential for challenge, and the prospect of protracted negotiations to obtain technical approvals could combine to adversely impact on affordability and deliverability of the project.

Impact/Consequence(s):

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.

Control(s):

- Metro Business Development team established with external support commissioned.
- Ministerial decision to provide £337m government funding obtained.
- Ongoing dialogue with the Departments for Transport and Business, Energy and Industrial Strategy.
- Keeping key stakeholders informed regarding progress of the procurement.
- Planning permission requirements have been satisfied for both the main and satellite depots.
- All individual bidder meetings have taken place with the bidders as part of the agreed procurement process.
- Best and Final Offers were received from 3 tenderers in August 2019 and were evaluated by mid-September 2019.
- Final Business Case was endorsed by DfT in November 2019.

Key Milestones/Next Steps:

- Monitoring any impact that the UK exiting the European Union will have on the affordability of the programme.
- Regular meetings of the joint Nexus/DfT Programme Board.
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC.
- Funding approval has been delayed due to the General Election and is now expected in January 2020 leading to contract award at the end of January 2020 which constitutes a 2 week delay.

<p>CP Theme: Focus on organisational effectiveness</p> <p>CP Key Priority: 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.</p>		
<p>Risk Area: Efficiency of delivery</p> <p>Risk Owner: Director of Finance and Resources</p> <p>Risk Actionee: Head of Programme Assurance</p>	<p>RAG Status (Green)</p>	<p>Direction of Travel</p>
	<p>9 (3x3)</p>	<p>↔ (stable)</p>
<p>Risk: That the outcomes being sought from capital investment are compromised.</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>Delayed confirmation of Post ARP Funding resulting in suboptimal programme delivery and inefficiencies including loss of key skills and resources.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> • Bidding for additional funding in relation to the current investment programme. • Effective programme management, project prioritisation, delivery and budget control processes. • Value engineering, technology choice, option analysis, specification and scope. • Active stakeholder engagement to obtain involvement and co-operation of third/interested parties e.g. Metro Services, Network Rail, highway authorities, utility companies etc. • Providing sufficient programme/project management resource. • Close and proficient management of all contracts relating to ARP and other works in the capital programme. • Re-phasing of capital grant funding to 2020/21 agreed by DfT. • Development of 2020/21 Capital Programme recognising priorities and risks (December 2019). • Periodic Affordability Review meetings: April 2020. 		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> • Periodic project reviews, analysis and reporting – presentation to Nexus' Capital Steering Group, Senior Leadership Team, the JTC and the joint Nexus/DfT Programme Board • Continued engagement with DfT via Programme Board and HMT regarding future Metro funding arrangements, both capital and revenue, in preparation for the Spending Review 2019: Report submitted to DfT on 29th March 2019. • On-going engagement with DfT. Formal liaison planned for late December. 		

- Periodic Project and Programme reviews – minimise post March 2021 contract commitments – evaluate and mitigate potential sub-optimal decisions.
- Evaluate mitigation options for retention and recruitment of key skills and resources.

Periodic Affordability Review meetings: September 2019, January 2020.

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.**

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

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 impact on the construction of the Depot at South Gosforth. Once opened, failure to make optimal use of the facility will result in the investment failing to provide optimum value.

Control(s)

- Nexus Planner and InfrSAFE supervisor on site. Weekly briefings and daily site diary and record of works completed
- 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
- Head of Learning developing proposals for making optimal use of the facility.

Next Steps/Key Milestones:

Construction:

Increased on site supervision 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
- Budget approved to equipping the Learning Centre with appropriate training facilities and materials for courses, procurement to commence
- Development of proposals for Nexus new approach to education, training and development across the organisation

CP Theme: Focus on organisational effectiveness		
Risk Area: Cybersecurity Risk Owner: Director of Finance and Resources Risk Actionee: Head of Business Change & Technology	RAG Status (Amber)	Direction of Travel
	8(2x4)	↔ (stable)
Risk: A successful cyber-attack on Nexus ICT infrastructure.		
<p>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.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats. We subscribe to governmental cyber-threat awareness bulletins and are active members of local security working groups. We participated in a local multi-party cyber-resilience event with local authorities and the emergency services to test the systems in place. 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. Nexus employs security specialists to implement governance and controls. A cyber-security training standard has been implemented to train all Nexus staff in the basic requirements. Nexus raises awareness of security threats through the use of internal communications such as Nexus Times & global emails. Nexus measure awareness through different mediums such as fake Phishing attacks. All changes to Nexus security assets are subject to tight control. We have a suite of policies on security controls and an acceptable use. A security incident response policy is in place. We utilise segregation to protect critical systems particularly rail based systems. We manage security risks within Business Change and Technology using a specific risk management process. Provision of second internet connection to help withstand a cyber-attack. 		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> A staff training module for delivery via Nexus know-how has been rolled-out through 2019. Approximately 65% of staff have now completed this training by the end of October 2019. Annual phishing exercises will continue, with additional exercises as deemed appropriate to the level of threat being experienced. 		

<p>CP Theme: Deliver public transport today</p> <p>CP Key Priority: Deliver technological improvements, which will benefit our customers and encourage wider use of public transport.</p>		
<p>Risk Area: Customer facing technology</p> <p>Risk Owner: Customer Services Director</p> <p>Risk Actionees: Head of Business Change and Technology, Fares and Revenue Manager</p>	<p>RAG Status (Green)</p>	<p>Direction of Travel</p>
	<p>6(3x2)</p>	<p>↔ (stable)</p>
<p>Risk: That the public transport services we provide or procure lose market share in a competitive environment.</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"> • Continuation of support to Transport for the North in the development of technologies for bank card use in smart ticketing gates and validators. • Continuous review of retail trends with market research carried out to establish product development proposals. • Annual review of fares and sales channels. • Provision made in the Fares and Ticketing budget in order to support research into the development of new products. • Seeking opportunities to work with partners and explore the potential for attracting external funding. 		
<p>Next Steps/Key Milestones:</p> <ul style="list-style-type: none"> • Crowd testing of the Host Card Emulation (phone becomes pop card) app will commence in November, ahead of launching with Weekly MetroSavers in the new year • 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. • Development of a Product and Payment Strategy: target – submission to Nexus Senior Leadership Team by early 2020. 		

CP Theme: Prepare for the future		
CP Theme: Develop plans to improve the local public transport network		
Risk Area: Public transport network improvements	RAG Status Green	Direction of Travel
Risk Owner: Transport Strategy Director Risk Actionee: Head of Corporate Planning	6 (2x3)	↔ (stable)
<p>Risk: That the bids being developed for the Department for Transport's Transforming Cities Fund (TCF) and other identified funding opportunities are not successful.</p>		
<p>Impact/Consequence(s):</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>A joint HMCF (Highways Maintenance Challenge fund) bid is planned to assist with funding of the life expired Tanners' Bank bridge. If this bid is unsuccessful cost pressures will result elsewhere in the ARP programme.</p> <p>Our region has been unsuccessful in The Future Mobility Zone component of the Transforming Cities fund; meaning that other avenues should be explored to find funding to develop new mobility solutions for the region.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> • If the Transforming Cities bid is successful, resources both people and financial, are allocated to the development of Nexus' schemes to Full Business Case in line with local assurance framework. • A Future Mobility Strategy, as part of the Transport Plan, will be developed to ensure that there is a strong proposition for any future rounds of funding. • Nexus resources, both people and financial are allocated to the development of bids for the relocation of the North Bank Ferry Landing, specifically the development of the scheme to Stage Gate 3 + Form A and Full Business Case for March 2020. • A pipeline of capital schemes aligned with the Nexus Corporate Plan will be developed for as yet unspecified funding opportunities • Schemes will be developed and governed under the Nexus' Stage-gate control processes. • Internal stakeholders are identified and regular stakeholder meetings are held. • Regular liaison with the Regional Transport Team to provide project updates and ensure that schemes are developed in line with wider regional objectives. • Regular liaison with other external stakeholders to ensure alignment with other projects and local objectives. • Match funding has been identified for live bidding opportunities. 		

Next Steps/Key Milestones:

TCF

- Stage Gate 2 – end March 2019 (Complete)
- Stage Gate 3 – early May 2019 (Part Complete)
- Submission to the Regional team in May 2019 for inclusion in the draft bid prepared for mid-2019 (complete)
- Final bid ready for submission in November 2019 (Complete)
- DfT decision of funding expected March 2020.

HMCF

Timescales

- Scheme developed to stage-gate 3 Option selection (complete)
- Internal approval to bid (Complete)
- EOI (Complete)
- Funding announcement (early 2020)

Ferry

- Expression of interest submitted to NoTCA (early 2020)
- LEP funding decision (March 2020)
- Full Business Case (March 2020)
- Stage Gate 3 + Form A completed (March 2020)

<p>CP Theme: Prepare for the future</p> <p>CP Key Priority: Develop plans to expand Metro and local rail services, connecting communities not currently served by either Metro or local rail services</p>		
<p>Risk Area: Metro and local rail strategy</p> <p>Risk Owner: Transport Strategy Director</p> <p>Risk Actionee: Head of Network Extensions</p>	<p>RAG Status (Amber)</p> <p>9 (3x3)</p>	<p>Direction of Travel</p> <p>↔ (stable)</p>
<p>Risk: Expansion of the Metro and local rail services does not progress.</p>		
<p>Impact/Consequence(s):</p> <p>Should the project be unable to identify suitable options for expansion of the Metro and local rail systems, and funding opportunities not be forthcoming, 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.</p>		
<p>Control(s):</p> <ul style="list-style-type: none"> • Development of the Metro Flow business case and consideration of other active schemes. • Identification of the circumstances in which schemes could be viable. • Embed those schemes and relevant circumstances in the Transport Plan. • Prepare schemes to a feasibility level, considering technical, demand, land and economic matters, to ensure Nexus is ready to capitalise on future funding opportunities. • Generally, embed expansion of the Metro and local rail network within the SEP and the Transport Plan for the North East. • Establish strong contacts and working relationships with relevant stakeholders. • Develop communications strategies to ensure key decision makers are kept informed and enthused. • Utilise the technical and demand contract frameworks to develop best practice and knowledge in scheme development. • Utilise Nexus Stage Gate project control process and Green Book business case protocols to ensure effective scheme development. • Establish effective programme management disciplines to identify and manage cost and risk. • Extensive market consultation has established an understanding of the market appetite for schemes; keep this fresh. • Identify and adopt best practice in the development and delivery of extensions. • Establish an understanding of the legal and regulatory framework governing light and heavy rail. 		

- Establish an understanding of planning frameworks and principles that will impact on light and heavy rail development.
- Delivery of a new Metro fleet to underpin expansion and improvement schemes.

Key Milestones/Next Steps:

- OBC for Metro's Flow Project submitted to TCF on 28 November
- Production of an initial assessment for Follingsby rail scheme in Q4 2019/20.
- Assessment of Leamside connections to the Wearside Loop in Q4 2019/20.
- Programme and funding to accelerate delivery of Extension studies to be agreed at budget setting in January 2020.

CP Theme: **Prepare for the future**

CP Key Priority: **Ensure the North East's priorities for transport are properly reflected in Transport for the North's (TfN's) investment plans.**

Risk Area: Aspirations for heavy rail initiatives Risk Owner: Transport Strategy Director Risk Actionee: Head of Heavy Rail	RAG Status (Green)	Direction of Travel
	6(2x3)	⇄ (stable)

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.

Impact/Consequence(s):

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.

Control(s):

- Active participation in Transport for the North, in particular the following workstreams:
 - the Strategic Transport Plan and accompanying Long Term Investment Programme,
 - the Northern Powerhouse Rail (NPR) project,
 - Strategic Development Corridor studies, and
 - the Long Term Rail Strategy.
- Ensuring the Joint Transport Committee's (JTC) Lead Member for Transport is fully briefed.
- Retaining and developing the North East Rail Management Unit (NERMU).
- Approval to the Strategic Outline Business Case for NPR from both the TfN Board and DfT.

Next Steps/Key Milestones:

- Take an active role in the development of the Outline Business Case for Northern Powerhouse Rail
- Take an active role in the development of the strategic corridors business cases as they affect rail in the North East.
- 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

Table based on the current risk scores in Nexus' Corporate Risk Register prepared for the TWSC meeting on 16 January 2020

Risk area	Uncontrolled and Controlled Risk Scores					
	Uncontrolled			Controlled		
	L'hood	Impact	Score	L'hood	Impact	Score
Catastrophic safety or security related event on the Metro	4	4	16	2	4	8
Metro performance	4	4	16	3	4	12
Long-term funding for Metro	4	3	12	3	4	12
Frontline services & discretionary travel schemes	4	3	12	3	3	9
Procurement of new design, build and maintain arrangements for the fleet/depot.	4	3	12	3	3	9
Efficiency of delivery	4	3	12	3	3	9
New Learning Centre	4	3	12	3	3	9
Cybersecurity	4	4	16	2	4	8
Customer facing technology	4	2	8	3	2	6
Public transport network improvements	4	3	12	2	3	6
Metro and local rail strategy	4	3	12	3	3	9

Aspirations for heavy rail initiatives	4	3	12		2	3	6
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Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

Impact:

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

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

Date: 16th January 2020

Subject: Nexus Corporate Plan 2020-21

Report of: Managing Director, Transport North East

Executive Summary

Our Corporate Plan for 2020/21 provides the framework for Nexus to deliver services, prepare for the future and manage our business effectively.

The Corporate Plan is built around delivering our vision of:

Making public transport great for our environment, economy and communities

This is articulated through three central themes:

- Deliver public transport today,
- Prepare for the future, and
- Focus on organisational effectiveness.

This is further developed into 16 workstreams which sets out in detail what Nexus aims to achieve in the year.

This Corporate Plan will direct Nexus' actions over the 2020-21 financial year and take us to the publication of the Local Transport Plan for the LA7 area.

This transport plan will provide the context for Nexus' Corporate Plan from 2021/22 onwards and allow a longer term plan to be developed.

The Corporate Plan will be monitored on a periodic basis by Nexus Senior Leadership Team and reported to TWSC.

Recommendations

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to approve the Nexus Corporate Plan for 2020/21, subject to the Joint Transport Committee approving the Nexus budget on the 21st January 2020.

1. Background Information

- 1.1 The Nexus Corporate Plan for 2020/21 set out 16 workstreams under 3 themes which will direct our action over the course of the year. Service managers will set their departmental service plans and budgets in accordance with this plan.
- 1.2 The delivery of the plan will be monitored on a periodic basis by Nexus Senior Leadership Team to ensure progress and will report to TWSC.
- 1.3 Targets and actions set in the plan will be realistic, but challenging to ensure continual improvement.
- 1.4 The first theme in the plan is to **deliver public transport today**. Through this theme we will seek to respond to the climate emergency, recently declared by a number of our partners, through working to ensure that public transport is a viable alternative to the private car and continually improve the environmental standards of public transport.
- 1.5 This theme seeks to improve our customers' journey experience on Metro, continuing to take steps to improve the punctuality and reliability of the existing fleet and well as improve overall satisfaction with the service. We will also seek to improve the ticketing offer through piloting a weekend family deal (subject to TWSC agreement in the separate report on fares on this agenda) and promote Metro through the 40 year anniversary of the service. We will additionally ensure that our infrastructure is fit for purpose and our operations are safe. We will seek to reduce Metro's energy consumption and increase the amount generated from renewables.
- 1.6 We will continue to protect our front line services and where possible leverage funding to improve and enhance service provision, we will work closely with the Local Authorities to improve Air Quality through promoting public transport as a viable alternative to the car.
- 1.7 We have a programme of new technology to help make public transport easier, simpler and more appealing and will roll out new apps for integrated journey planning, ticketing and tracking.
- 1.8 A major priority will be progressing the delivery of the new fleet for Metro once our preferred bidder is announced and working to deliver a new depot at Gosforth and open the satellite facility at Howdon. These projects, once delivered, will improve the environmental performance of Metro through reduced energy consumption.
- 1.9 Subject to funding we will deliver the 'Metro Flow' project (previously known as 'track dualling') and enhancements to our Park and Ride offer for the region. These projects will improve access to public transport and Metro Flow in particular will allow us to enhance service frequency across Tyne and Wear.
- 1.10 For buses we will seek to improve local services and passenger facilities, including working together with the bus operators to identify a pipeline of bus corridor investment schemes. We will develop plans and seek funding to improve the quality, accessibility and environmental credentials of bus services and bus infrastructure, stops and stations. We will work with bus operators to accelerate the

move towards more environmentally friendly vehicles, securing external funding to support this work and seek to improve the environmental performance of the secured network.

- 1.11 Our second theme is around **preparing for the future** where we will develop plans and project to enhance public transport and make it more attractive for work, education and leisure, seeking external funding to allow delivery.
- 1.12 Specifically we will consider developments to the local bus network and begin a pilot of flexible and demand responsive services and well as continuing to improve information and ticketing across public transport.
- 1.13 We will develop a pipeline of capital projects for public transport so we are in a strong position to secure funding when opportunities arise, including the expansion and enhancement of the Metro and local rail network. We will also investigate with local authority partner's ways to better integrate walking and cycling to public transport interchanges and increase the provision of cycle parking at stations.
- 1.14 For local rail we will contribute to the JTC's response to the forthcoming Williams Rail Review, working closely with Transport for the North and other agencies to maximise the benefits of investment in the heavy rail network and ensure local ambitions are developed and achieved
- 1.15 Our third theme is **focus on organisational effectiveness**; we will focus on being an economic, effective and efficient organisation. We will proactively ensure that our processes are fit for purpose and we will investigate invest to save and pilot innovations and technologies.
- 1.16 We will continue to modernise the Metro, focusing on the successful delivery of the final year of the Asset Renewal Programme as well as continuing to push for certainty of long-term ongoing funding for our Essential Renewals programme from 2021 onwards.
- 1.17 The opening of the new Learning Centre in South Shields will be the catalyst for a step change in how we develop the skills and competencies of our employees to ensure we have the capabilities to deliver now and in the future.
- 1.18 We want Nexus to be an employer of choice and will take steps to improve the diversity of our workforce, ensuring it reflects the communities we serve. To achieve this we will engage with colleges, schools and universities and proactively seek to attract applicants from under-represented groups.
- 1.19 Once approved the Corporate Plan will be monitored on a periodic basis by the Nexus Senior Leadership Team and progress reported to TWSC. We will start to make plans to ensure our Corporate Plan from 2021 reflects the aspirations set out in the Local Transport Plan for the LA7 area.

2. Proposals

- 2.1 It is proposed that the TWSC approves to the Nexus Corporate Plan 2020-21, subject to the Joint Transport Committee approving the budget on the 21st January

2020.

3. Reasons for the Proposals

- 3.1 The Nexus Corporate Plan will ensure that Nexus continues to deliver the transport priorities of the Joint Transport Committee
- 3.2 The Corporate Plan demonstrates how Nexus will deliver services funded by the levy.

4. Alternative Options Available

- 4.1 The sub-committee could instruct Nexus to adopt different priorities.

5. Next Steps and Timetable for Implementation

- 5.1 If the Corporate Plan is approved it will be implemented from the 1st of April 2020 and monitored on a four weekly basis.

6. Potential Impact on Objectives

- 6.1 The Corporate Plan supports the delivery of objectives around growing the use of public transport and supporting economic regeneration of the region, helping to provide access to employment and leisure.

7. Financial and Other Resources Implications

- 7.1 Nexus' Director of Finance and Resources confirms that the Corporate Plan is aligned with the Nexus budget, which is agreed by the Joint Transport Committee.
- 7.2 It is anticipated that what is set out in this report can be accommodated from within the 2020/21 budget.

8. Legal Implications

- 8.1 The Corporate Plan ensures Nexus meeting its legal obligations on service delivery.

9. Key Risks

- 9.1 The main risk is that unforeseen budgetary pressures emerge throughout the year which diverts resources to other priorities.
- 9.2 Another risk is a delay to the delivery of the Local Transport Plan which impacts on Nexus' ability to establish a longer term Corporate Plan for 2022 onwards.
- 9.3 Finally there is a risk the external funding bids are not successful and other funding opportunities do not materialise, impacting on the deliverability of some of the projects in the plans, most crucially Essential Renewals and Metro Flow.

10. Equality and Diversity

10.1 All Nexus project and services are impact assessed to ensure that they are accessible and the Corporate Plan is underpinned by the Nexus Equality and Diversity strategy.

11. Crime and Disorder

11.1 Nexus work closely with the Metro police unit and British Transport Police to ensure the safety of the network. The Corporate Plan will also be underpinned by the Personal Safety and Security strategy which is currently under development and due to be published before the end of the 2019-20 financial year.

12. Consultation/Engagement

12.1 The Corporate Plan has been developed through internal consultation with all relevant departments of Nexus and from Nexus' approved strategies.

12.2 The Corporate Plan is also underpinned by market research, customer feedback and best practice from elsewhere which can be applied to Nexus and Metro services.

12.3 TWSC was consulted on the draft Corporate Plan at a policy seminar in October 2019, following which a number of adjustments were made including specifically referencing the climate change emergency and including more specific actions to improve the environmental performance of the public transport network. More specific reference was included on improving cycle and walking access to public transport and the provision of cycle parking at Metro Stations.

12.4 TWSC was also formally consulted at its meeting on the 19th November 2019.

13. Other Impact of the Proposals

13.1 The Corporate Plan will put in place plans aimed at growing the use of public transport, helping to reduce car journeys on the local road network, helping to reduce congestion and improve air quality.

14. Appendices

14.1 **Appendix A:** Nexus Corporate Plan 2020-21.

15. Background Papers

15.1 Nexus Corporate Plan 19th November 2019.

16. Contact Officers

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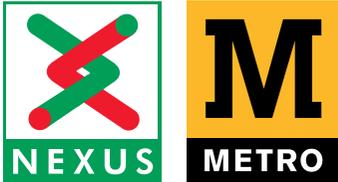
17. Sign off

- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

Nexus Corporate Plan

2020/21



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Executive Summary

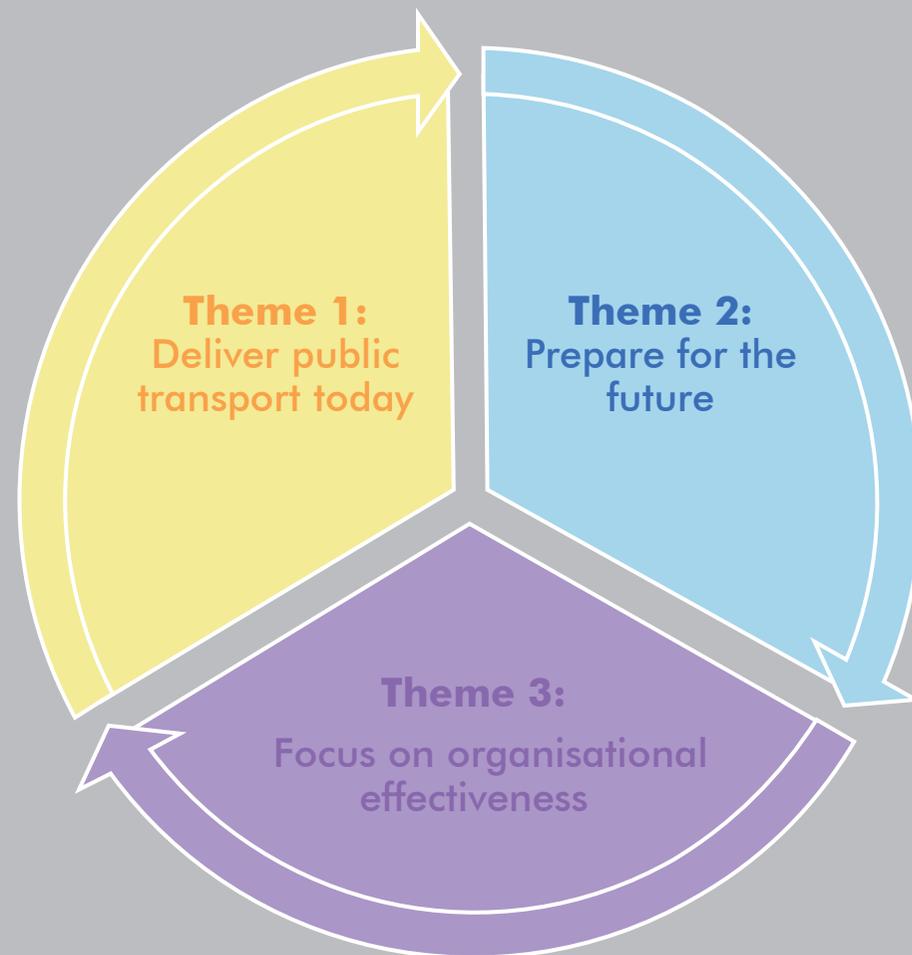
'Making public transport great for our environment, economy and communities'.

Our Corporate Plan for 2020/21 provides the framework for Nexus to deliver services, prepare for the future and manage effectively.

To achieve our vision, our Corporate Plan is built around three central themes:

- **Deliver public transport today,**
- **Prepare for the future, and**
- **Focus on organisational effectiveness.**

The content of our Corporate Plan sets out in more detail how we will achieve these priorities.



Nexus' business planning framework

Nexus is the statutory Passenger Transport Executive for Tyne and Wear, a public body formed under provisions made in the Transport Act 1968 (as amended). Originally formed under the Tyneside Passenger Transport Area (Designation) Order 1969 the geographic area was extended by the Tyneside Passenger Transport (Designation of Additional Area) Order 1973 to align with the formation of the then metropolitan county of Tyne and Wear.

Nexus is an officer of the region's two Combined Authorities; the North East Combined Authority (Durham, Gateshead, South Tyneside and Sunderland) and the North of Tyne Combined Authority (Newcastle, North Tyneside and Northumberland). The Joint Transport Committee is supported by the Managing Director – Transport Operations and strategic direction is provided by a Transport Strategy Board.

Our primary business remit is to deliver the policy aims and objectives set for us by the Joint Transport Committee and as guided by its Tyne and Wear Sub Committee. We own and operate the Tyne and Wear Metro light rail system and the Shields Ferry service as well as procuring socially necessary bus services across the five local authority areas in Tyne and Wear.

We also administer the English National Concessionary Travel Scheme for Tyne and Wear, provide information about local public transport, and promote the use and convenience of local public transport services and facilities. We deliver various discretionary concessionary travel schemes, which are locally funded by the district councils through the transport levy for the authorities in Tyne and Wear. The levy is set by the Joint Transport Committee in consultation with the Leadership Boards of the combined authorities.

We also act as agents for the Joint Transport Committee in respect to Heavy Rail matters. We work closely with Transport for the North, Network Rail and the train operating companies to seek improved local, regional and national rail services for the North East.

Nexus' business mandate

The Joint Transport Committee intends to publish a single Transport Plan for the North East (the Transport Plan), focussing on shared priorities agreed by the two Combined Authorities. This will be a comprehensive statutory document, setting out the policy aims and objectives for us to deliver. Nexus will develop a suite of operational strategies to set out how we will deliver the policy aims set out in the Transport Plan.

Implications for Nexus' corporate planning processes

Our Corporate Plan will align with the emerging policies, aims and objectives of the Transport Plan and will be supported by our internal business planning processes which complement and support the financial and performance reporting duties and responsibilities of Nexus to the Joint Transport Committee.

We are a public body and develop our plans by listening to local people and businesses. When we intend to make changes or deliver projects which impact on people, we seek to ensure there is appropriate engagement and take account of the feedback we receive. We will publish a Consultation, Engagement and Market Research Strategy

which will set out how we will engage with our customers and stakeholders and incorporate feedback within our plans.

Our strategies will also align with our vision and as such the proposals we develop will seek to obtain economic, environmental and community benefits. We seek to play an active part within the communities we serve at all times, and be a good neighbour to those who live close to the Metro line.



Corporate Plan

'Making public transport great for our environment, economy and communities'.

Our corporate values are central as we drive performance improvement and deliver economic, environmental and community benefits in accordance with our vision. These values are for the organisation, and our employees, to be:



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Our people bring our vision to life, and applying these values across the organisation will form an integral part of our achievements, enabled through our performance management framework.

To achieve the vision, our Corporate Plan for 2020/21 is built around three central themes and key priorities:

Deliver public transport today:

- Improve our customers' journey experience on Metro
- Protect and enhance our services to make public transport an attractive choice
- Exploit new technological improvements, to make public transport easier, simpler and more appealing
- Progress the delivery of a new fleet for Metro
- Deliver Metro Flow and enhance public transport through Transforming Cities Fund
- Improve local bus services and passenger facilities

Prepare for the future:

- Develop plans to improve the local bus network and the role of new, flexible, on-demand services
- Develop a pipeline of capital projects for future funding opportunities
- Establish effective management structures to improve local rail services
- Develop plans to expand and enhance the Metro and local rail networks

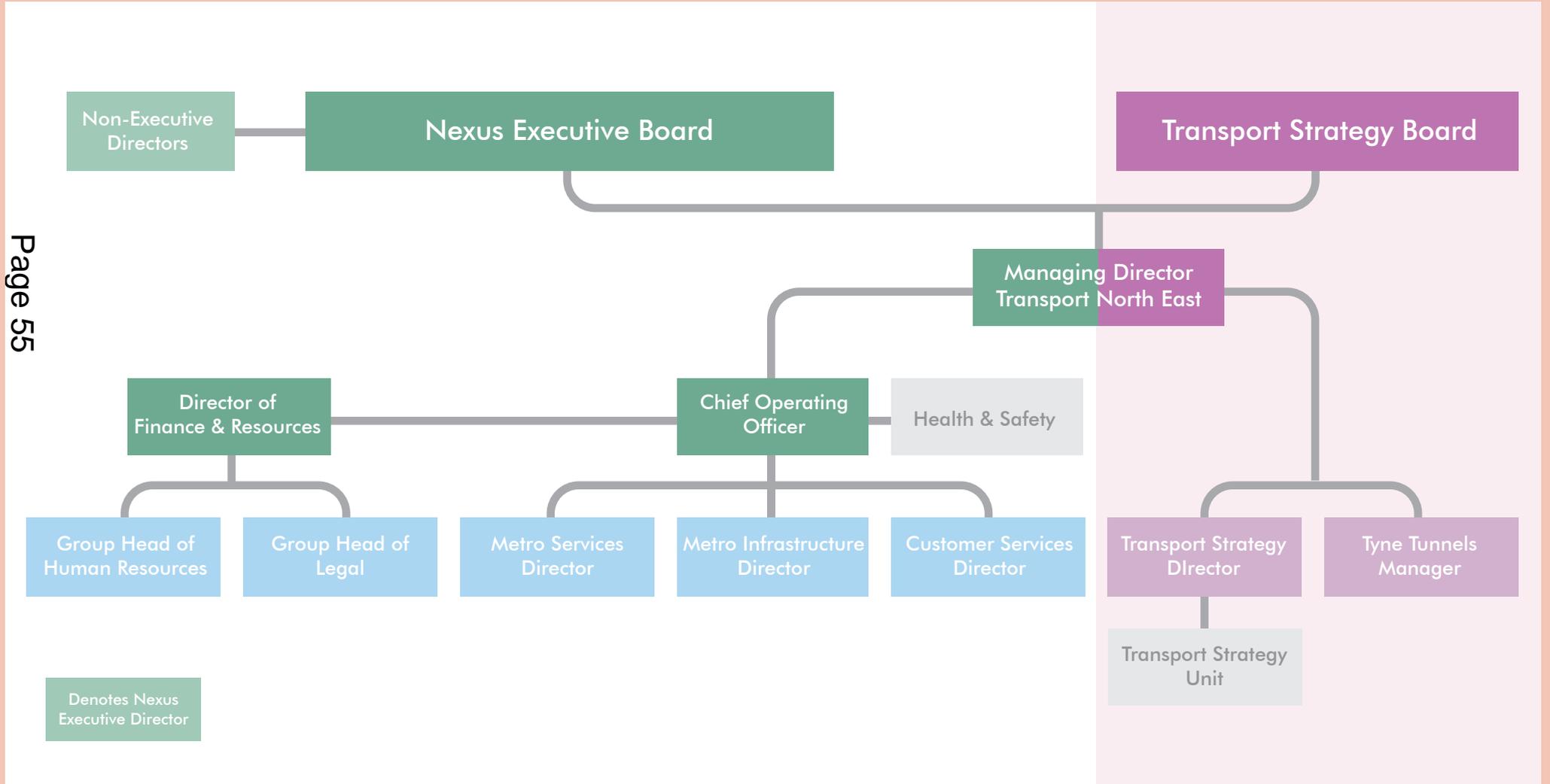
Focus on organisational effectiveness:

- Implement organisational change to ensure we are an efficient and effective organisation, achieving value for money in everything we do
- Seek external funding to enhance the customer experience
- Continue to modernise the Metro
- Ensure our people have the skills to deliver our vision
- Provide opportunities with schools, colleges and universities to promote Nexus as an employer of choice
- Increase the diversity of the workforce to reflect the communities we serve

In 2019 we implemented a new corporate structure (see diagram on the following page) to ensure our business was aligned to meet the regional governance and deliver on the priorities of the Transport Plan.

Nexus' performance management framework, which monitors progress in delivering milestones and targets, includes reporting every four weeks to Nexus' Senior Leadership Team. This ultimately fulfils the governance requirements set by the Joint Transport Committee for monitoring Nexus' performance through the Tyne and Wear Sub-Committee.

Nexus' corporate structure:



Deliver public transport today

This theme is about improving public transport as currently provided. We cannot aim to do better tomorrow if we haven't first got right what we do today. Through this theme we will seek to respond to the climate emergency, recently declared by a number of our partners, through working to ensure that public transport is a viable alternative to the private car and continually improve the environmental standards of public transport.

Improve our customers' journey experience on Metro.

Punctuality and reliability of services is a high priority for Metro customers, and the main driver of customer satisfaction. Metro Services aims to achieve and exceed a moving annual average of 87.2% Charter Punctuality in 2020/21. The key to this will be investing in the existing Metro fleet whilst working to introduce the new fleet as soon as possible. We will also implement real time information across the Metro network to ensure that passengers have reliable information on their journeys. We will also seek to improve the ticketing offer through piloting a weekend family deal and promote Metro through the 40 year anniversary of the service.

Operational safety is a crucial consideration for Metro Services, keeping Signals Passed at Danger (SPaDs) to a minimum, reducing as far as reasonably practicable operational risks, improving the safety and security of passengers and employees and further reducing the overall level of incidents at the Platform Train Interface.

Customer satisfaction is of paramount importance and we will strive to achieve the target score of 7.8 when averaged over the quarterly Customer Satisfaction Surveys in May, August, November and February. We will implement improvements to information and ticketing to help make travel on Metro as simple and easy as possible.

High quality infrastructure provision is essential to the smooth running of a railway. Nexus Rail (the division of Nexus responsible for providing and maintaining the Metro infrastructure including the track and stations owned by us) strives to ensure that the required infrastructure is available at a specified standard on which to run the Metro service including control of external third party works which interface with our infrastructure. We will seek external funding to enhance passenger facilities at stations. We will investigate opportunities, through invest to save, initiatives to reduce Metro's energy consumption and increase the amount generated from green and renewable sources.

Protect and enhance our services to make public transport an attractive choice

Having experienced cuts to the grant we receive through the local transport levy, we will do whatever is reasonably practicable to ensure delivery of frontline services dependent on such discretionary funding including:

- The cross-Tyne Ferry operation between North and South Shields.
- Socially necessary bus services secured under contract by Nexus.
- Online information, journey planning and ticketing facilities at www.nexus.org.uk
- Advice and customer support provided through various channels e.g. the One Stop Shop on 0191 20 20 747.
- Tailored bus service timetable information at around 6,000 bus stops throughout Tyne and Wear.
- Management of around 2,000 bus shelters in the area.
- Management of bus stations and public transport interchanges.
- Administration of various local discretionary concessionary travel Schemes including Metro Gold Card, Companion Card, TaxiCard and Under 16 travel.

We will identify resources to develop schemes, projects and invest to save initiatives that will help us to leverage other sources of grant funding to help improve our services, become more efficient and effective and/or reduce costs. We will work closely with the Local Authorities to improve Air Quality through promoting public transport as a viable alternative to the car.

Embrace new technological improvements, to make public transport easier, simpler and more appealing

We will apply technology to make the use of public transport simple and attractive for customers for example:

- Improving digital connectivity whilst travelling on Metro
- Improving ticketing systems
- Exploiting real time bus passenger information

We will continue to investigate options for providing information for customers in new and innovative ways and improve the use of real time across all public transport. We will ensure that our information is accessible.

These developments complement the local aspiration for a fully multi-modal smart ticketing and transport information network across the North East, and align with the plans of Transport for the North on the implementation of integrated smart ticketing across the North.

We will roll out an integrated journey planning, journey ticketing and journey tracking app for Metro which uses online connectivity and smartphone technology to deliver a comprehensive service that can satisfy the total travel needs of the travelling public, not just individual journeys. We will explore ways to extend the reach of this development beyond Metro to other transport modes.

Progress the delivery of a new fleet for Metro

Following the completion of the procurement process and approval of our business case by Central Government we will award contracts and work with our successful supplier to start the detailed design of the new fleet of trains. Along with our supplier we will consult with our passengers on the detailed look and feel of our new fleet.

Work will also commence on the design and construction of the new depot in Gosforth and we will open the satellite depot at Howdon to ensure the smooth introduction of the new trains. These projects, once delivered, will improve the environmental performance of Metro through reduced energy consumption.

Deliver Metro Flow and enhance public transport through Transforming Cities Fund

If the regional bid to the Transforming Cities Fund is successful, we will deliver Metro Flow, expand the Park and Ride car park at Callerton Parkway Metro station, build a new bus-based Park and Ride site at Follingsby, to service the International Advanced Manufacturing Park and any future development of the Leamside Line, and we will modernise our car park ticketing offer.

Metro Flow will help to improve the reliability and resilience of the whole Metro network, creating potential opportunities for new stations across Tyne and Wear and helping to ensure the deliverability of extensions to the system.

Delivering Metro Flow, along with delivery of the new fleet, will allow us to implement a new higher frequency service across the Metro network throughout the operational day, creating more frequent links to work, education and leisure.

Improve local bus services and passenger facilities

For buses we will seek to improve local services and passenger facilities, including working together with the bus operators to identify a pipeline of bus corridor investment schemes.

We will develop plans and seek funding to improve the quality, accessibility and environmental credentials of bus services and bus infrastructure, stops and stations.

We will work with bus operators to accelerate the move towards more environmentally friendly vehicles, securing external funding to support this work and seek to improve the environmental performance of the secured network.

We will undertake a review of our secured services network and seek ways to enhance connectivity within existing resources ensuring that it is still fit for purpose and will promote poorly performing services to endeavour to grow patronage.

Working with our local authority and police partners we will implement initiatives to improve perceptions of safety and security on and around the bus network.

Prepare for the future

Although budgets are stretched we recognise that if public and sustainable transport are to play their full role in supporting and developing the region, we must not stand still. Therefore we will bring forward plans and projects to enhance public transport and make it an attractive offer for work, education and leisure, seeking external funding to allow delivery where necessary.

Develop plans to improve the local bus network and the role of new, flexible, on demand services

We will work collaboratively with local authorities and bus companies to develop and implement a new Bus Strategy for the area. The strategy will set out ways in which the quality and attractiveness of buses can be improved and growth in bus usage can be achieved. It will also consider how buses can generally contribute to the improvement of the environment, particularly in respect of air quality, the economy and local communities.

We will design and pilot a series of flexible, demand responsive services in order to understand how these types of services work and in which scenarios they offer better services and/or greater value for money. We will work to ensure the appropriate funding, partnership and resources are in place to allow these trials to take place.

We will explore information and ticketing to ensure that flexible services are easy to understand and access and they integrate effectively with the Metro system.

Develop a pipeline of capital projects for future funding opportunities

We will continually seek sources of external funding to develop public transport services across Tyne and Wear.

We will develop a capital programme pipeline and invest resources to develop schemes for potential future funding opportunities and will develop business cases for large-scale strategic asset improvements including the expansion and enhancement of the Metro and local rail network.

Business cases will also be developed to seek network-wide improvements to enhance our customers' travel experience.

We will continue to proactively seek external funding to enhance public transport across the region. We will also investigate with local authority partners, ways to better integrate walking and cycling to public transport interchanges and increase the provision of cycle parking at stations.

Establish effective management structures to improve local rail services

We will continue to work closely with Transport for the North and other agencies to maximise the benefits of investment in the heavy rail network and ensure local ambitions are developed and achieved.

Through the North East Rail Management Unit, we will continue to work with colleagues from across the North East of England to monitor the Northern rail franchise operator and help it develop and promote services.

Further afield, we will continue to pursue the following:

- Invest and work with Network Rail, HS2 Limited and Transport for the North (TfN), to grow capacity, resilience and reliability of services including for our main line to London and Scotland.
- Improvement in long-distance connections to and from economic centres in the region.
- Reducing journey times and increase the number of trains to core cities from the region, including Leeds, Manchester, Edinburgh and Birmingham.
- Lobbying to ensure the North East is part of the High Speed Rail network.
- Further devolution of the local rail services.

We will do this by representing the local interests in TfN (Rail) to Network Rail, HS2 Limited and the Department for Transport (DfT).

Develop plans to expand and enhance the Metro and local rail networks

We intend to develop the Metro network, the local rail network and the passenger trains that operate on both of them as a single local rail system when developing expansion plans for the future. The intention is to create a locally-managed network of passenger services that is integrated and provides a high quality journey experience for passengers.

To progress this journey we will develop and deliver a 'Blueprint' for the extensions programme, having assessed the feasibility of rail route extensions, leading ultimately to the development of business cases for initiatives to support the aspirations contained in the Metro and Local Rail Strategy.

As a first step on this journey, subject to funding we will deliver the Metro Flow project. This will allow us to enhance Metro frequency and unlock constraints in the network for when the new fleet arrives.

Using the knowledge and information collated through this work we will identify schemes for inclusion in a 'bid ready' pipeline.

We will also develop and seek funding for small projects to enhance the Metro and Local Rail network including strategic park and ride, new stations and timetable enhancements.

We will continue to work with Northumberland County Council and Network Rail for the introduction of passenger services on the Northumberland to Newcastle line.

We will raise awareness of our plans through delivery of the first stages of a strategic communications plan for the extensions programme.



Focus on organisational effectiveness

Revenue spending in the public sector will continue to be constrained. Therefore we must focus on being an economic, effective and efficient organisation that delivers value for money to our customers and stakeholders.

Implement organisational change to ensure we are an efficient and effective organisation, achieving value for money in everything we do

Organisational efficiency is not just about doing more for less, we will also proactively review how we do things to ensure our processes are fit for purpose. This will include considering invest to save proposals and piloting innovations and technologies. We will seek innovation funding to support our ideas.

A key priority has been for us to negotiate local transport levy grant support throughout the medium term. Our financial objective is to deliver a balanced budget without placing reliance on reserves.

All our capital projects will be overseen by our Programme Management Office and delivered through our established and effective stage-gate control processes to ensure that time, cost and quality objectives are met.

We purchase many millions of pounds worth of goods and services each year and will therefore ensure that we continue to obtain value for money through robust processes including adherence to public procurement regulations and our own standing orders, procurement processes and financial regulations.

Continue to modernise the Metro

Financial year 2020/21 is the final year of the current 11 year Asset Renewal Programme (ARP) to upgrade and replace many of the assets across the Tyne and Wear Metro system. Expenditure on the ARP has been in accordance with the criteria set out in the Department for Transport grant offer letter of February 2010.

Obtaining further essential renewals funding for 2021/22 and later years is being discussed with the Department for Transport and HM Treasury, we will complete the business case for the Essential Renewals programme.

Our planned intention is for a total ARP expenditure, including over-programming, of just over £104m phased over the next three years as follows:

- 2020/21 - £21m
- 2021/22 - £42m*
- 2022/23 - £41m*

* Essential Renewals submission subject to DfT and Treasury approval.

Projects during the year ahead include:-

Civils:

- We will be carrying out refurbishment works to the Sunderland and Leamside line bridges between Pelaw and Hebburn / Fellgate including concrete repairs and bearing replacement.

Permanent Way:

- Major track works from Heworth to Pelaw and at Crossgate Viaduct in South Shields.

Overhead Line:

- Works to replace the overhead line between Tynemouth to Jesmond will take place.

Stations:

- Localised improvements at stations around the network to improve track and platform alignment in preparation for the arrival of the new fleet.
- Working with Network Rail (the owner of Sunderland station) and the City Council we will continue with plans to progress the redevelopment of the station.

Communications:

- We will complete the replacement all of our CCTV cameras across the Metro system.

Signalling:

- Key works include track circuit replacements, cable degradation works, relay replacement, rewiring of location cases and replacement of point motors.

Fleet Investment:

- Ahead of introducing our new fleet, we will continue to invest in our ageing fleet in order that it provides the required levels of performance.

It is vital that long-term government funding, whether in the form of revenue grant to help support Metro operations or capital grant necessary to continue to make the sustained investment in the Metro infrastructure is secured: we will continue to work closely with the Department for Transport and HM Treasury on this key strategic issue.

Ensure our people have the skills to deliver our vision

During 2020 we will open our new Learning Centre in South Shields, this will be the catalyst for a step change in how we develop the skills and competencies of our employees.

Most importantly, we will ensure that our employees have the skills and knowledge to deliver our key strategic objectives. To support the new fleet we will train our drivers for the new facilities at Howdon and South Shields and are making preparations so we have the facilities and employees in place to deliver training for the new fleet. We will ensure we have the skills and competencies to manage the contracts with our suppliers and delivering large-scale infrastructure investment such as Metro Flow and the Essential Renewals programme.

We will ensure we have the skills, knowledge and capabilities to continue to successfully attract grant funding into the business to support our aspirations for public transport. We will continue to integrate Metro Services and Nexus as one organisation and prepare for future organisational changes to support the introduction of the new fleet.

We will invest in our frontline employees to ensure they provide the best possible service to our customers and develop and pilot succession and talent development to help support Nexus as an employer of choice.

To support this we will develop a new Learning and Development policy. We will also review our delivery methods to ensure the most effective methods are used and we will develop Nexus Know-how to enhance online learning.

Provide opportunities with schools, colleges and Universities to promote Nexus as an employer of choice

We will work with our local schools, colleges and Universities to provide opportunities for students to gain experience with Nexus to help them into employment. This will include work experience and offering students the opportunity to work on real life projects to support their studies.

We will continue to offer apprenticeship and evaluate opportunities for graduate positions in response to business need and will support open days and taster sessions to raise awareness of careers with Nexus and Metro.

We will support and promote career progression and development to position Nexus and Metro as a career, not just a job.

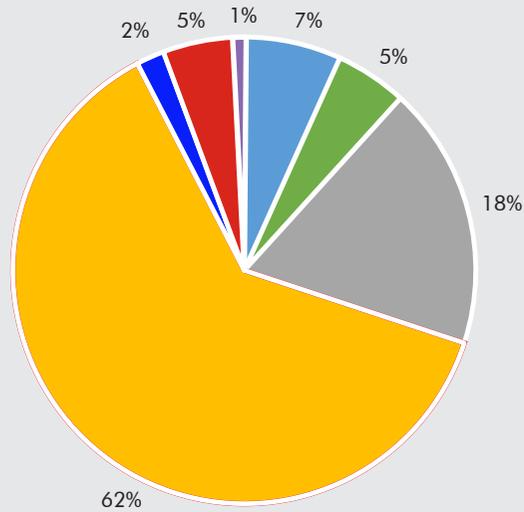
Increase the diversity of the workforce to reflect the communities we serve

An organisational aim is for the make-up of our workforce to reflect the diversity in the communities that we serve. We will seek to increase the number of people working for us from under-represented groups through effective recruitment, appropriate reward and personal development. In particular we will develop and take forward a programme of activities to encourage women and young people into our business, both attracting these groups to apply for jobs at Nexus and to support their career progression.

Expenditure and funding

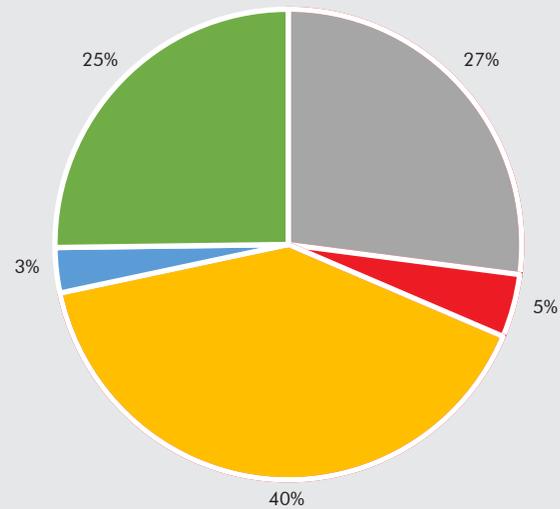
Nexus Capital Programme 2020/21 (£73.962m)

Split of Capital Programme Expenditure (%)



- Metro Track Replacement
- Metro Other
- Digital Asset Replacement Programme
- Tyne Ferries
- Metro Overhead Line Replacement
- Fleet Replacement
- Metro Enhancements (Transforming Cities Programme)

Split of Capital Programme Funding (%)



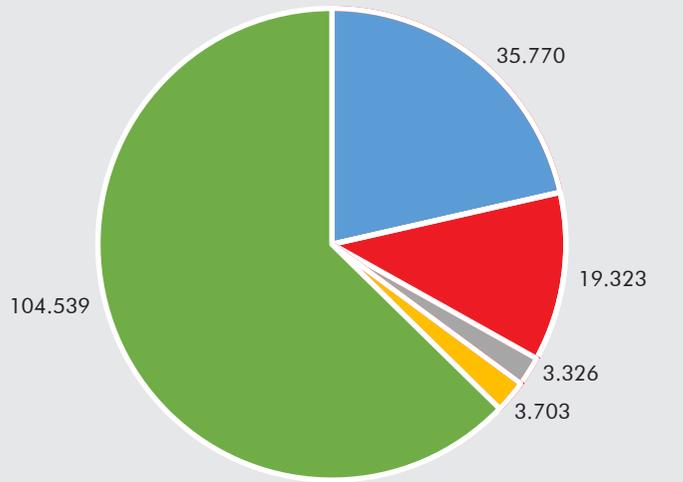
- Metro Rail Grant (DfT)
- New Fleet Grant (DfT)
- Reserves
- Transforming Cities Fund (DfT)
- LTP Grant

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As at 2 January 2020, grant funding for the New Fleet and from the Transforming Cities Fund is not yet approved.

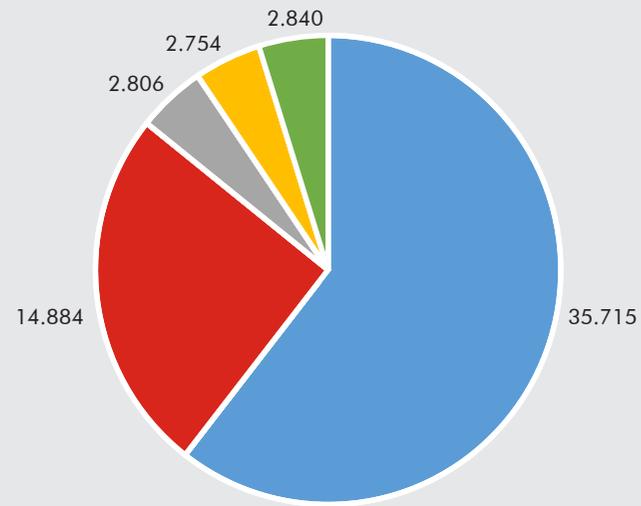
Nexus Revenue Budget 2020/21 (£166.661m)

Gross Expenditure (£166.661m)



- English National Concessionary Travel Scheme
- Bus Services & Infrastructure
- Other
- Discretionary Travel
- Metro

JTC Grant Funding (£59.000m)



- English National Concessionary Travel Scheme
- Bus Services & Infrastructure
- Other
- Discretionary Travel
- Metro



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Nexus is the public body delivering local transport services for Tyne and Wear,
on behalf of the North East Joint Transport Committee.

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

Date: 16 January 2020
Subject: Nexus Fleet Replacement Programme Update
Report of: Managing Director, Transport North East.

Executive Summary

The purpose of this report is to provide Tyne and Wear Sub-Committee (TWSC) with an update on the Nexus' Fleet Replacement Programme, including government approvals.

Recommendations

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

1. Background Information

- 1.1 The Fleet Replacement Programme is concerned with delivering a new fleet of trains for the Tyne and Wear Metro, a new train maintenance facility in Gosforth, a new satellite depot in Howdon and procuring contracts for the maintenance of the new fleet of trains and the existing fleet up to the point of its disposal.
- 1.2 On the 13th July 2017 the Transport North East Committee approved the high level fleet specification and the strategy for the depot facilities and for train maintenance. An overview of the fleet specification is included in Appendix A.
- 1.3 In November 2017, the government confirmed £337m of capital grant, to be augmented by £25m from Nexus.
- 1.4 On the 31st January 2018, the procurement was advertised via the Official Journal of the European Union (OJEU). At the end of May 2018 a Selection Questionnaire (SQ) was issued through OJEU and this process concluded with the issue of the Invitation to Negotiate (ITN) to five tenderers in September 2018.
- 1.5 A single procurement exercise has been conducted covering contracts for the provision of new trains, a new maintenance facility and a long-term (35 year) maintenance contract. A separate procurement was undertaken and a contract let for the delivery of the new satellite depot. Nexus is the procuring body for these Contracts under the Utilities Contracts Regulations 2016 and is responsible for the award, and financial consequences of, the contract for new trains, train maintenance and depot reconstruction.
- 1.6 As reported to the Joint Transport Committee on the 18th June 2019, Nexus received Tenders from 3 train manufacturers in March 2019 and the Financial and Quality evaluation concluded that all three tenderers; CAF, Hitachi and Stadler were suitable to proceed to the second and final stage of the procurement – Best and Final Offer (BAFO).
- 1.7 Best and Final Offers were received from the 3 tenderers on 9th August 2019 and evaluation concluded by 12th September 2019. Nexus' SLT gave approval in principle to the selection of a preferred tenderer on the 27th September 2019 and this decision was scrutinised by the Nexus Audit Committee on 3rd October 2019 who concluded that a robust and comprehensive procurement process had been carried out, with risks and future financial controls fully illustrated. Nexus' SLT gave approval to the selection of a preferred tenderer on the 29th October 2019.
- 1.8 As part of DfT's own governance, it commissioned an OGC Gateway 3 Review of the Fleet Replacement Programme which was undertaken between the 9th - 11th October 2019. The review was conducted by specialists from the DfT, DfBEIS and the MoD and concluded with Nexus being awarded an Amber / Green Delivery Confidence rating which is described as; 'Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery'. This is considered to be the best rating Nexus could have achieved in this review given the scale and complexity of the Programme.

1.9 Nexus finalised the Final Business Case (FBC) for the Fleet Replacement Programme in October 2019 following scrutiny from DfT's five Centres of Excellence and the business case was endorsed by DfT's Board Investment Commercial Committee (BICC), chaired by the Permanent Secretary on 11th November 2019.

2. Proposals

2.1 Following the successful passage of the FBC through the DfT's BICC, Nexus is now in the final stages of obtaining final approvals for funding for the Fleet Replacement Programme.

2.2 The DfT and HM Treasury funding approval process was due to be concluded by the 20th December 2019 however this has been protracted due to the General Election and is now due to be concluded with Nexus receiving a Grant Funding Offer in January 2020.

2.3 Nexus intends to make its Decision to Award immediately following receipt of the Grant Funding Offer from the DfT and notify the tenderers of its decision triggering the mandatory 10 day standstill period. Subject to receipt of any procurement challenge from the unsuccessful parties, Nexus will award the contracts for the Fleet Replacement Programme.

2.4 To coincide with the award of contracts Nexus intends to commence its publicity campaign to unveil the new train design which will mark the commencement of a series of events involving key stakeholders, e.g. TWSC members and the local supply chain who stand to benefit from this investment.

2.5 Following the award of contracts, there will be a 6 month period of mobilisation whereby the new maintainer will prepare for the transfer of the existing maintenance business including the TUPE transfer of c.120 employees. Throughout this period Nexus and the new maintainer will continue to engage with staff and the Trades Unions to ensure this process leads to a seamless business transfer in July 2020.

3. Reasons for the Proposals

3.1 The reasons for the proposals are to advise the committee of the progress to date and the next steps associated with the award of contracts for the Fleet Replacement Programme.

4. Alternative Options Available

4.1 The report is for information so no alternative options are relevant.

5. Next Steps and Timetable for Implementation

5.1 The high-level programme milestones are listed below.

Activity	Target Date
Contract Award for Fleet Replacement	January 2020

Programme and media launch	
Metrocar Maintenance Agreement start inc TUPE transfer of maintenance organisation	July 2020
New Fleet introduction	2022 - 2024

6. Potential Impact on Objectives

6.1 The proposal for awarding contracts for the Fleet Replacement Programme is critical to meeting objectives set out in the Metro and Local Rail Strategy, 2016, particularly in terms of:

- providing Metro and local rail services that are reliable, accessible and comfortable with high levels of customer satisfaction, within available resources; and
- to grow the Metro and local rail network and their modal share as part of an integrated public transport network.

7. Financial and Other Resources Implications

7.1 Nexus' Director of Finance and Resources confirms that subject to the receipt of a formal offer of capital grant, Nexus will be in receipt of £337m from central government, which combined with a £25m local contribution amounts to a total funding envelope of £362m for a new fleet of Metrocars and maintenance facilities.

7.2 The contract value of the new fleet and new depot is £300.7m. The remaining £61.3m will be used for the satellite depot and costs necessarily incurred in getting the new fleet operational e.g. project management, testing and commissioning. A risk contingency of £28.7m is available to mitigate those risks being retained by Nexus e.g. ground conditions at the depot, Infrastructure compliance within standard and changes to specification leading to a contract variation. In addition, Nexus is dependent on £13.1m of other capital grant in order to part fund the maintenance of the existing fleet under the terms of the Metrocar Maintenance Agreement (MMA) up to the end of 2023/24.

7.3 Nexus is expecting to receive a Grant Funding Offer from the DfT in January 2020, which will allow Nexus to make its Decision to Award. If this offer of grant is delayed or incomplete, Nexus will be unable to award.

8. Legal Implications

8.1 There are no direct legal requirements or implications from the proposals within this report.

9. Key Risks

9.1 In order to ensure the project for fleet delivery is successful, Nexus has developed a fully monetised comprehensive risk register which is in place for the Fleet Replacement Programme and is reviewed and updated periodically.

- 9.2 At the time of drafting this report the main risks associated with the proposals are;
- i. Delays to obtaining funding approval and or the Grant Funding Offer from the DfT would delay all subsequent activities including the award of contracts.
 - ii. A procurement challenge from an unsuccessful tenderer might follow Nexus' Decision to Award which would delay the award of contracts.

9.3 Nexus will continue to monitor the funding approvals process and liaise with DfT at a senior level to influence a positive outcome to 9.2(i). With regards to 9.2(ii) this risk is largely outside of Nexus' control however Nexus has mitigated the risk of a successful challenge by adhering to the procurement process set out in its procurement documentation.

10. Equality and Diversity

10.1 The design of the new Metrocars will be fully compliant with the latest accessibility guidelines from Government and The Rail Vehicle Accessibility (Non-Interoperable Rail System) Regulations 2010 and is consistent with Nexus' Disabled Person's Protection Policy (DPPP).

11. Crime and Disorder

11.1 There are no direct crime and disorder implications arising from the proposals within this report.

12. Consultation/Engagement

12.1 There are no specific consultation/engagement implications arising from the proposals within this report.

13. Other Impact of the Proposals

13.1 There are no other direct implications arising from this report.

14. Appendices

14.1 Appendix A – New Fleet Specification.

15. Background Papers

15.1 North East Joint Transport Committee, 18th June 2019; Update on the new Metro fleet procurement ahead of (BAFO) stage

15.2 TNEC, 19th April 2018; Metro Futures New Fleet Procurement Update

15.3 NELB, 16th January 2018; Metro Futures and New Fleet Procurement Update

15.4 NELB, 30th November 2017; Metro Future Fleet Procurement Update

- 15.5 TNEC, 13th July 2017; Metro Futures update and Fleet Procurement Strategy – detailing the Fleet Specification and Depot strategy
- 15.6 TNEC, 20th April 2017; Metro Fleet specification update
- 15.7 TNEC - 9th February 2017, Summary of market research and consultation for new fleet of Metrocar design

16. Contact Officers

- 16.1 Tobyn Hughes Managing Director, Transport North East
E-mail tobyn.hughes@nexus.org.uk
Tel: 0191 203 3246

17. Sign off

- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

BICC Board Investment and Commercial Committee (DfT)

DfBEIS Department for Business Environment and Industrial Strategy

DfT Department for Transport

ITN Invitation to Negotiate

MoD Ministry of Defence

NELB North East Leadership Board

OGC Office of Government Commerce

OJEU Official Journal of the European Union

SQ Selection Questionnaire

TNEC Transport North East Committee

TUPE The Transfer of Undertakings (Protection of Employment) Regulations 2006

Appendix A - New Fleet Specification

Principles and links to objectives

1. As part of its preparation for the procurement of the new fleet of Metrocars to replace the current fleet Nexus prepared a detailed fleet specification in collaboration with technical consultants Mott MacDonald. The specification aims to satisfy the relevant recommendations of the 'Metro & Local Rail Strategy' and takes cognisance of the customer market research concluded in 2017.
2. Many of the requirements included within the fleet specification are essentially mandated, given constraints in regard to the Metro network and hence any new fleet will need to ensure it interfaces with Nexus' existing infrastructure and systems in particular the 1500V DC operating supply voltage, non-standard vehicle gauge, and load limitations of certain structures around Nexus' infrastructure. The specification ensures the fleet will meet the Rail Vehicle Acceptance Regulations (RVAR) and also support Nexus' Disabled Person's Protection Policy (DPPP).
3. The specification ensures the new fleet will meet or exceed modern regulations and standards such as Railway Group Standards and associated best practice guidance. The new fleet will also meet crashworthiness standards for mainline rail operations, facilitating normal operations on the Pelaw – South Hylton route, potentially freeing up capacity for additional train paths on this route and the ability to operate the new fleet further afield.
4. The specification acknowledges and ensures that the combined findings of the market research (reported to TNEC on 20 April 2017) are embedded within vehicle design. The research made it clear that the priority for the customer in regard to the new fleet is high reliability and this will be driven by the specification and the performance regime in the contractual arrangements Nexus will enter into with the train manufacturer.
5. The fleet will have a modern appearance in line with Metro's corporate image and design best practice. The fleet will improve passenger experience and comfort, and inclusion of improved temperature control is essential. Passenger security is another factor deemed important to Metro passengers and as such it has been specified that modern CCTV facilities will be included. Passengers will also benefit from WiFi internet connectivity, and an improved modern passenger information system including announcements and displays compliant with latest standards.

6. The specification requires the supplier to minimise energy usage by design and through use of modern equipment and materials. As well as ensuring appropriate crashworthiness standards for mainline rail operations, there will also be provision for 'off wire' operation, allowing the trains to operate for a specified duration without reliance on the overhead line. future proofing the fleet in accordance with the Metro and Local Rail Strategy. The specification also ensures the fleet meets the demands of the current Metro timetable and the current passenger carrying capacities as a minimum whilst having the ability to cope with predicted future demand. All of these enhancements add weight, compared to the existing Metrocars, which drives the specification of c.60m full-length trains with through gangways, differing from the current trains which are operated as two c.30m Metrocars coupled together. This ensures the trains comply with the axle load restrictions on the Metro Network.
7. As set out within the market research it was established that there was a preference from the public to see an improved seating layout, specifically linear style seating. As a minimum, the layout needs to improve passenger flow and improve access for persons with disabilities and linear seating assists with this as well as providing additional capacity to accommodate future demand.

High Level Fleet Specification

8. The basic requirements that need to be met by the replacement fleet are as follows:
 - Replacement of existing fleet with modern day enhanced vehicles; and
 - 42 trains, longer trains to replace the existing fleet of Metrocars.
9. The specification for the new fleet was designed to be as open as possible to encourage innovation from the manufacturing market. However there are immovable constraints which the existing Metro infrastructure will impose on the design. The main constraints are as follows:
 - 1500 Volt (DC) overhead power supply;
 - Non-standard gauging (tunnels & structures) such as a 3.7m height restriction;
 - Low weight carrying capacity of some railway structures (12.5 tonnes);
 - Tight radius curves – down to 50m radius on parts of the network;
 - Rail Vehicle Accessibility Regulations (RVAR) compliance, e.g. max distance between train and platform of 75mm and max height difference between train and platform of 50mm; and
 - Compatibility with Nexus and Network Rail infrastructure and systems e.g. Signalling and Telecommunications.

10. Nexus also specified the following improvements to maximise the flexibility and efficiency of the fleet:

- Provision for 'off wire' running to allow the new trains to operate for specified durations without reliance on the overhead line; and
- Regenerative braking to turn the energy produced in braking into electrical energy for other trains to use.

11. In the market research the following areas were highlighted by many customers as areas to improve and Nexus incorporated these into the specification:

- More space for luggage, buggies and wheelchairs;
- Liner seating;
- Improved CCTV;
- Modern-feeling internal décor;
- Real time information;
- Electronic information screens; and
- WiFi and charging points.

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

Date: 16 January 2020

Subject: Tyne Tunnels Update

Report of: Managing Director, Transport North East

Executive Summary

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

1. The operation of the New Tyne Crossing;
2. Proposed increase in Tyne Tunnel Tolls;
3. The Tyne Pedestrian and Cycle Tunnels (TPCT) - Phase 3 improvement works;

Recommendations

The Transport North East (Tyne and Wear) Sub-Committee is recommended to:

- i Note the contents of the New Tyne Crossing update;
- ii Agree the following in relation to the tolls on the Tyne Tunnels:
 - a) Approve the increase in tolls for Class 3 vehicles from £3.60 to £3.70 to take effect from May 2020, as set out in section 2.18;
 - b) Approve the continuation of the 10% discount for permit holders as set out in section 2.19;
 - c) Authorise the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2011.
- iii Note the contents of the Tyne Pedestrian and Cycle Tunnels update.

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 undergoing major refurbishment works.
- 1.3 The refurbishment works were substantially completed, and the tunnels were reopened to the public on the 7 August 2019.

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 flows, so far, this financial year shows that they are slightly higher than last year. This continues to be monitored by both the NECA and TT2 Ltd. See Appendix A.
- 2.3 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.
- 2.4 The Advanced Number Plate Recognition Cameras are now in use at the Toll Plazas and are working well. TT2 continue to promote the use of 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 is running at 56% of users, and we would encourage more users to sign up to realise the benefits not only for themselves but all users of the tunnels.

Digital Advertising Screens

- 2.5 Members will recall that approval was given to TT2 for the installation of digital advertising screens at the north and south side of the tunnels. The installation of the screens was completed in July 2019 and they went live in August 2019.
- 2.6 The screens provide an income to TT2 which is shared with the NECA. The estimated income to the NECA for the period Aug to Dec is £17,086.
- 2.7 As part of the protocol for the operation of the digital screens TT2 monitor and report on any health and safety issues associated with the screens. To date there have been no issues.

Telecom Communication Apparatus

- 2.8 Members will recall that approval was given to TT2 for the installation of telecoms infrastructure equipment in the tunnel by the third-party provider Shared Media Ltd.
- 2.9 This commercial venture with TT2 and the NECA allows access to a 4g phone network which is available to lease to mobile phone companies. The installation is now complete, and the access has been leased.
- 2.10 The NECA share of income so far this year is £3,750. This is in line with the estimates.

Tyne Tunnels Contract Manager

- 2.11 The new post of Tyne Tunnels Contract Manager was approved by the JTC in September. This role will manage the client-side aspects of the Tyne Tunnel Project Agreement with TT2 and act as the principal point of liaison with the Concessionaire so that contractual matters are dealt with in a timely and efficient manner.
- 2.12 Following a recruitment process the post has now been filled and the successful candidate is Fiona Bootle. Fiona currently works with Nexus and will take up her new role in April 2020. She has previous experience of Concession contracts having been previously involved with the DB Regio Contract for Nexus.
- 2.13 There will be a handover period until the end of this financial year and once this has been completed there will be a reduction in the budget for support services, as support has previously been provided by the NECA Chief Finance Officer and Monitoring Officer and individuals at Newcastle City Council.
- 2.14 The part-year costs of the post are built into the revised forecast for 2019/20 and the full year costs from 2020/21 onwards, which is the reason for the variance in Employee costs in the 2019/20 forecast.

Tyne Tunnels Tolls – proposed increase

- 2.15 The first 'Concession Toll' was implemented on 1 January 2014, at a level of £1.60 for cars and £3.20 for HGVs with a 10% discount for permit holders. After that date, the Concession Toll could be adjusted by an amount to reflect actual Retail Price Index (RPI) inflation over time. Inflationary increases were applied in 2016, 2018 and 2019. Payments to the concessionaire, TT2 Ltd., increase with

RPI inflation and the financial model for the Tyne Tunnels assumes that tolls will be maintained in real terms to match.

2.16 Levels of inflation (measured by RPI in accordance with the 2011 Order) are now such that an increase Class 3 vehicles is possible and necessary to finance the tunnels. No increase is possible for Class 2 vehicles.

2.17 The proposal is to increase the tolls from £3.60 to £3.70 for Class 3 vehicles, from a proposed implementation date in May 2020 which will enable the necessary process to be followed with the Secretary of State, in line with the Order, following approval by the Joint Transport Committee Tyne and Wear Sub Committee.

2.18 It is proposed that the toll structure be set as follows:

Vehicle Class	Toll	Description
1	FREE (no change)	Motorcycles
2	£1.80 (no change)	Motor vehicles (Cars), 2 axles and height 2m or less; Motor vehicles (Cars/Vans) 2 axles and height less than 3m; Articulated motor vehicles with tractor 2m or less and trailer less than 3m
3	£3.70 (£0.10 increase)	Motor vehicle 2 or more axles and height 3m or more

Permits are available for all classifications and subject to 10% discount (no change is proposed to the percentage discount).

Health and Safety

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

Tyne Pedestrian and Cyclist Tunnels

2.20 At the last Committee meeting it was reported that the specialist lift contractor was due to present the lifts for acceptance and certification before Christmas.

2.21 A joint inspection was held at the end of November, with the Chief Executive of the lift contractor in attendance. Unfortunately, the extent of the 'snagging' list was such that the lifts could not be accepted.

2.22 Although some of the issues have now been addressed the work will not be completed until the new year when the lifts will again be put forward for acceptance and certification.

- 2.23 Once they have been accepted and completed their certification for use they will be brought into service.
- 2.24 The tunnels remain open to the public between 06:00 to 20:00, with TT2 providing the night shuttle between 20:00 to 06:00.
- 2.25 The facility is being well used by both pedestrians and cyclists. The numbers of pedestrians and cyclists using the tunnels in November and December are tabulated below.

	November	December
Pedestrians	8,921	6,990
Cyclist	3,483	2,936

3. Reasons for the Proposals

Tyne Tunnels Tolls – proposed increase

- 3.1 Responsibility for setting tolls in relation to the Tyne Tunnel is a function delegated by the Joint Transport Committee to the TWSC. The financial model for the Tyne Tunnels assumes that increases to the tolls in line with inflation will be applied when available to keep pace with the inflationary increases in contract payments to the Concessionaire.

Tyne Pedestrian and Cyclist Tunnels

- 3.2 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.
- 3.3 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 Tunnels Tolls – proposed increase

- 4.1 Without an increase in tolls the Tyne Tunnels account would operate at a deficit of approximately £0.075m, next year which would have to be met from reserves.

Tyne Pedestrian and Cyclist Tunnels

- 4.2 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 Tunnels Tolls – proposed increase

- 5.1 The Order prescribes the process to effect an increase in the tolls at the Tyne Tunnels. Following a decision to increase the tolls, the Authority is required to publish, in at least one local newspaper circulating in the area, a notice substantially in the form set out in the Order. Following publication of the notices, the Authority is required to submit to the Secretary of State:
- a) Details of the decision taken to increase the toll – report and minutes; and
 - b) Evidence that the public has been informed of the decision by notice in the local press.
- 5.2 Upon receipt of this information, the Secretary of State has 21 days to make an order revising the tolls, subject to being satisfied that the Authority has correctly adhered to the provisions of the Order. The tolls revision order will come into force 28 days thereafter.
- 5.3 Having made such an Order revising the toll, the Order precludes the making of another such tolls revision order within 12 months.

Tyne Pedestrian and Cyclist Tunnels

- 5.4 The operation of the reopened 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.

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 Tunnels Tolls – proposed increase

- 7.1 The Tyne Tunnels are accounted for as a ring-fenced account within the NECA budget, meaning that all costs relating to the tunnels are wholly funded from the tolls and Tyne Tunnels reserves, with no call on the levy or government funding.

- 7.2 The forecast outturn position for 2019/20 is for a break-even position. The 2020/21 budget has been prepared on the basis of an increase in tolls for Class 3 vehicles in line with inflation as measured by the Retail Price Index. It is proposed that the toll for Class 3 Vehicles (Heavy Goods Vehicles) be increased by 10p from £3.60 to £3.70 in May 2020. The income received as a result of this increase will be approximately £0.075m.

Tyne Pedestrian and Cyclist Tunnels

- 7.3 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.
- 7.4 The latest cost will be monitored by the Chief Finance Officer and its impact will be reflected in the budget update report for 2019/20.
- 7.5 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 Tunnels Tolls – proposed increase

- 8.1 Responsibility for setting tolls in relation to the Tyne Tunnel is a function delegated by the Joint Transport Committee to the TWSC. If a decision to increase the tolls is taken, officers from NECA as the Accountable Body for the JTC will follow the process set out in the Tyne Tunnels Order 2005 to implement the decision of the committee.

Tyne Pedestrian and Cyclist Tunnels

- 8.2 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.

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

Report dated 4 July 2019 - Tyne Tunnel Update

Report dated 19 September 2019 – Tyne Tunnel Update

Report dated 21 November 2019 – Tyne Tunnel Update

16. Contact Officers

- 16.1 John Hewitt, Chief Finance Officer, john.hewitt@durham.gov.uk, Tel:0300026194
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17. Sign off

- 17.1
- The Proper Officer for Transport: ✓
 - Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

18. Glossary

- 18.1 TPCT – Tyne Pedestrian and Cyclist Tunnel
NTC – New Tyne Crossing
PA – Project Agreement (relating to the contract for the provision of the New Tyne Crossing)
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 Dec 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 Dec 2019.

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

TT2 MonthlyTraffic 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	1,400,362	1,492,748	1,411,513	1,413,129	1,477,704	1,411,677	1,298,221	147,084	0	0	Forecast	16,725,210
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		16,466,471
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	1,400,362	1,492,748	1,411,513	1,413,129	1,477,704	1,411,677	1,298,221	147,084	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	17,441	18,858	16,387	16,285	12,746	8,455	6,378	811	0	0	C1 % ETC	0.00
Class 2	1,258,764	1,304,522	1,261,240	1,339,194	1,266,542	1,270,141	1,332,368	1,277,101	1,178,523	134,603	0	0	C2 % ETC	56.41
Class 3	66,873	70,749	66,289	74,934	70,720	70,677	75,414	71,563	61,136	4,827	0	0	C3 % ETC	85.95
Exempts	54,299	56,532	55,392	59,762	57,864	56,026	57,176	54,558	52,184	6,843	0	0	Ex % ETC	71.65
													Total %	57.89

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	1,400,362	1,492,748	1,411,513	1,413,129	1,477,704	1,411,677	1,298,221	147,084	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	17441	18858	16387	16285	12746	8455	6378	811	0	0	C1	
Class 1 Permit	0	0	0	0	0	0	0	0	0	0	0	0	P1	
Class 2 Cash	588839	588519	558323	588931	600070	541479	536215	502136	495660	66683	0	0	C2	
Class 2 Permit	669925	716003	702917	750263	666472	728662	796153	774965	682863	67920	0	0	P2	
Class 3 Cash	9988	10698	9987	11169	10357	9750	9704	9500	7322	456	0	0	C3	
Class 3 Permit	56885	60051	56302	63765	60363	60927	65710	62063	53814	4371	0	0	P3	
Exempts	14956	15492	15464	16949	18337	16399	16637	14329	14194	2005	0	0	Ex	
Exempts Permit	39343	41040	39928	42813	39527	39627	40539	40229	37990	4838	0	0	P Ex	
														Tolls to Date £

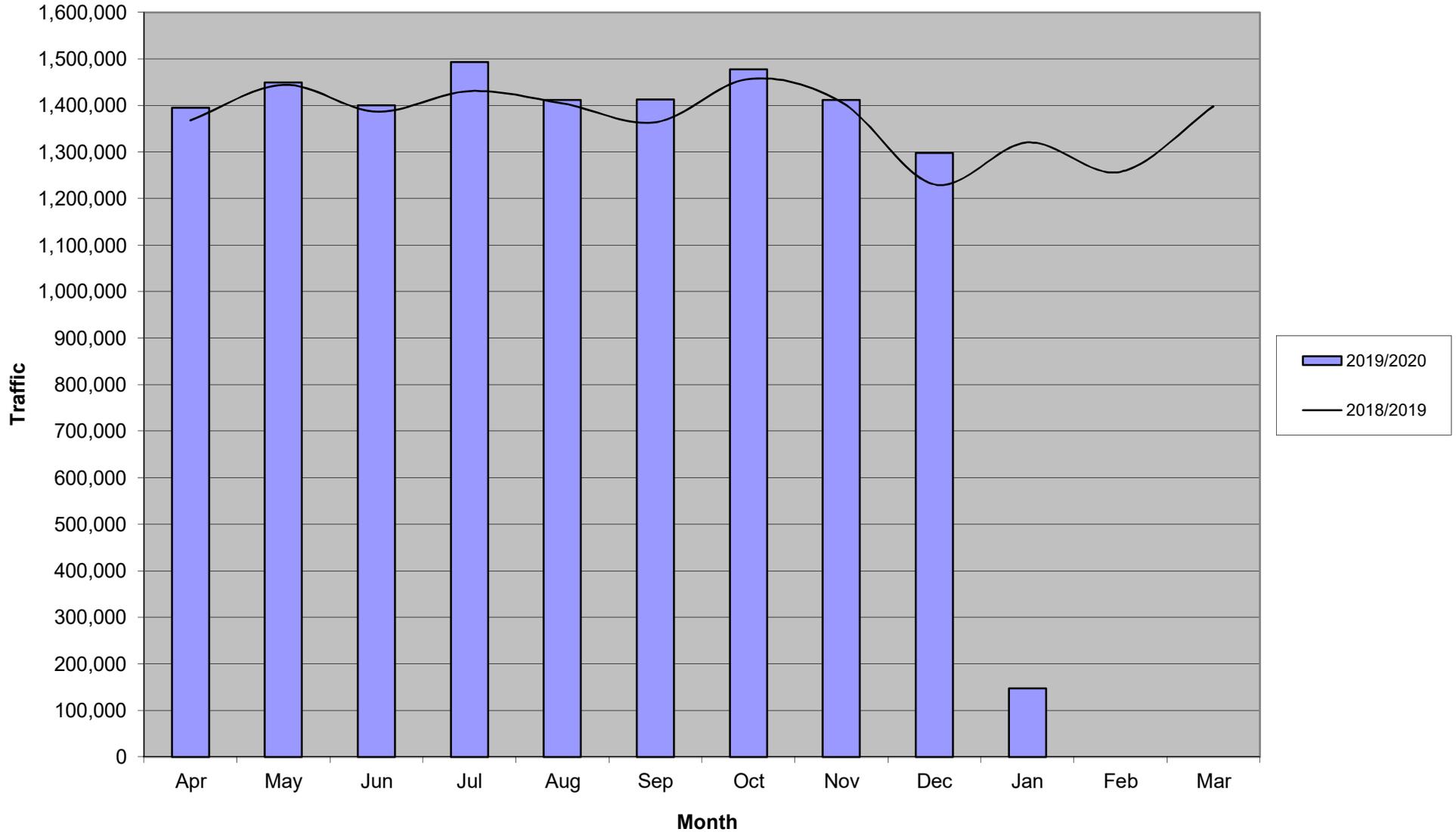
2018/2019 Traffic by Class													% ETC	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Class 1 total	15,304	21,156	21,297	20,970	17,673	15,914	14,135	9,737	6,029	7,478	9,685	12,250	C1 % ETC	0.00
Class 2 total	1,231,393	1,296,794	1,241,573	1,279,188	1,259,266	1,226,204	1,313,527	1,274,841	1,121,625	1,197,151	1,135,634	1,262,732	C2 % ETC	51.10
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	C3 % ETC	83.85
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	Ex % ETC	75.62

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	
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

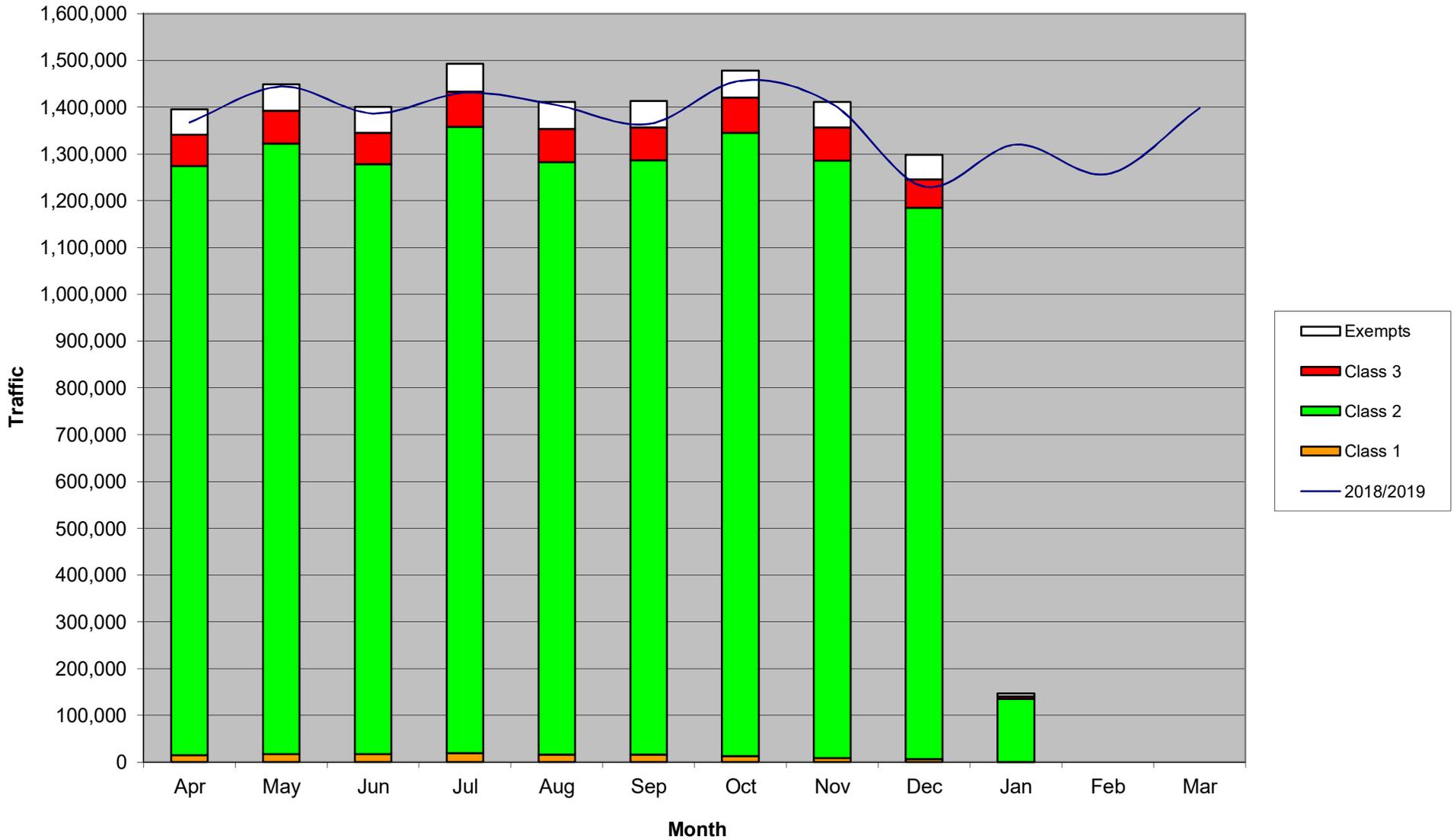
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Graph A: TT2 Monthly Traffic Figures

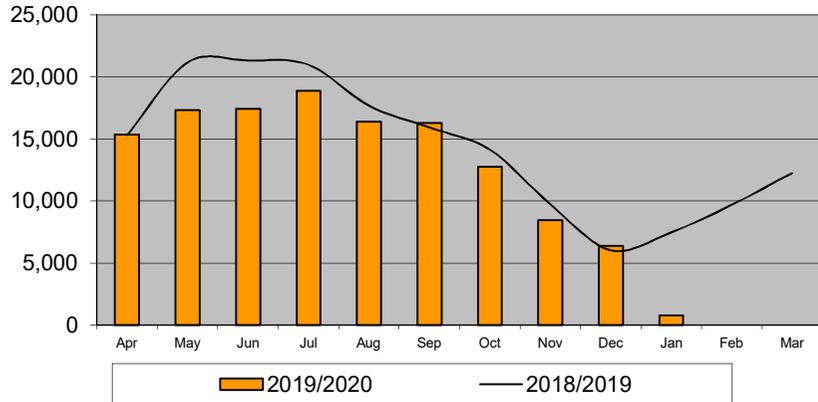
TT2 TRAFFIC FIGURES

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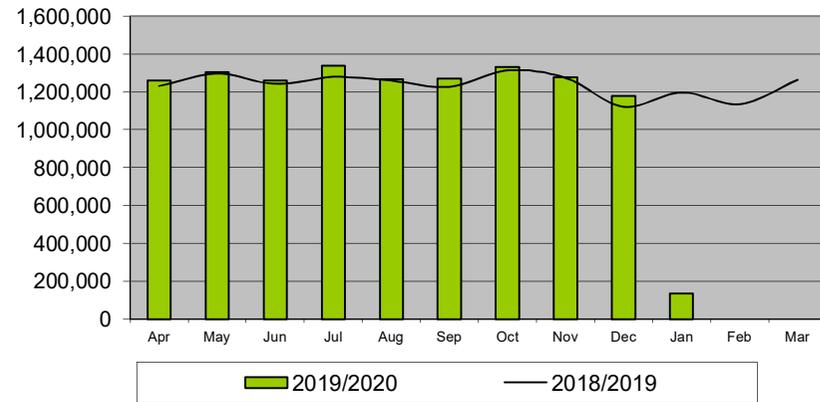


Graph B: TT2 Monthly Total Traffic Figures by Vehicle Class

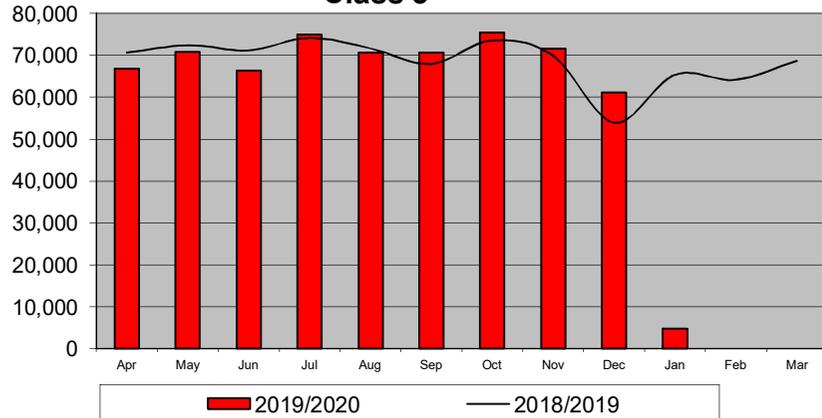
TT2 Monthly Traffic Class 1



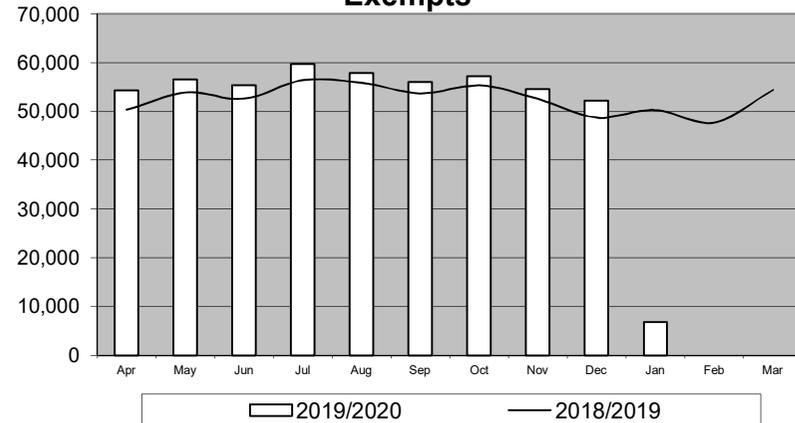
TT2 Monthly Traffic Class 2



TT2 Monthly Traffic Class 3



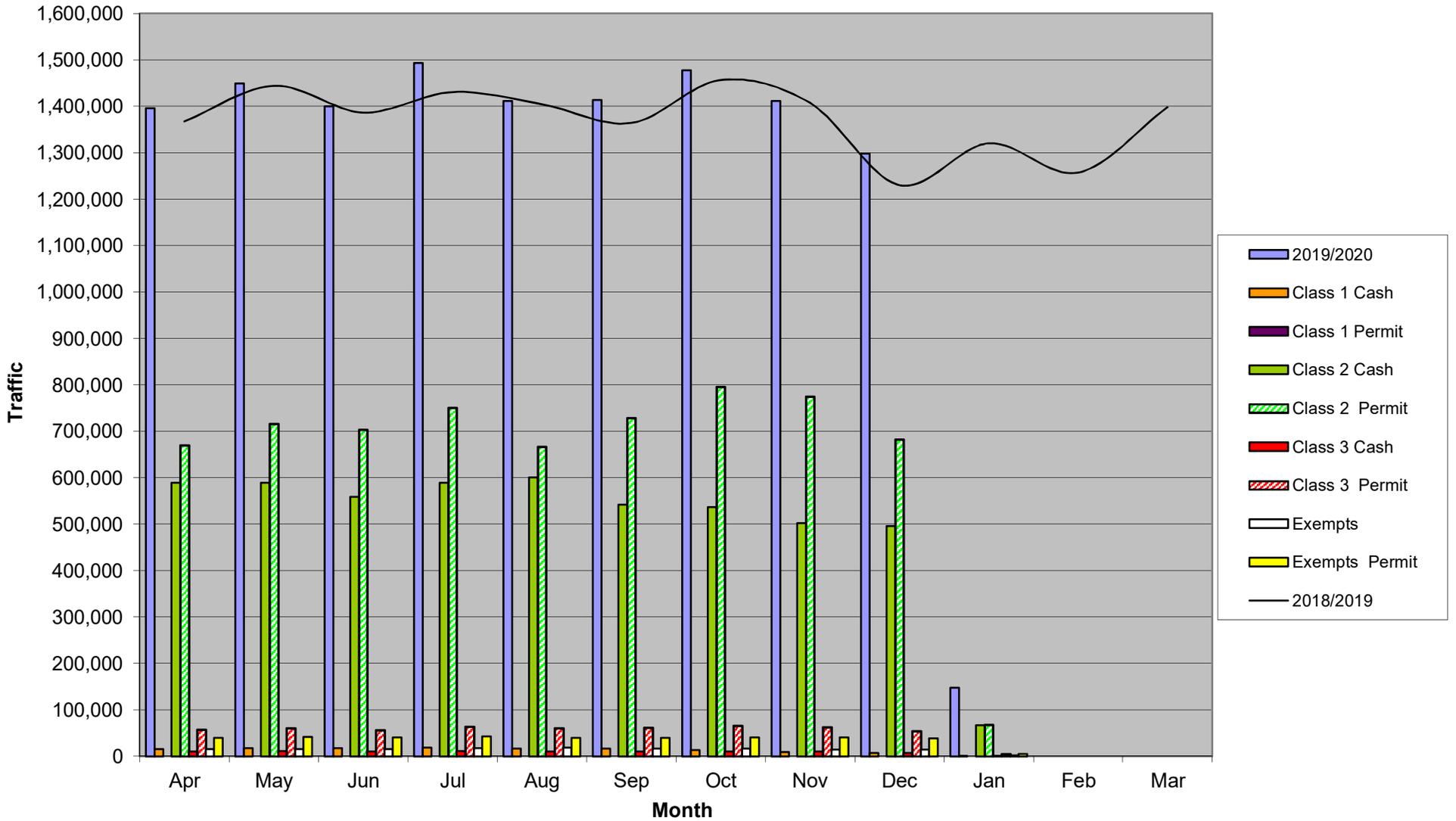
TT2 Monthly Traffic Exempts



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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