



Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 9th September, 2021 at 2.00 pm

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

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.	
3. Minutes of the last meeting held on 8 July 2021	3 - 10
4. Pay As You Go 19-21 Discount	11 - 16
5. Nexus Corporate Performance Update 2021/22	17 - 26
6. Nexus Corporate Risk Register	27 - 70
7. Tyne Tunnels Update	71 - 84
8. Date of Next Meeting	

The next meeting will be held on 4 November 2021 at 2pm.

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 8 JULY 2021

VENUE: COUNCIL CHAMBER, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: G Bell, R Berkley and J McElroy

In attendance:

Statutory Officers: M Barker (Monitoring Officer – Transport)
E Goodman (NECA Finance Manager)

Officers: J Alexander, N Blagburn, F Bootle, J Fenwick,
A Flynn, T Male and E Reynard

The Chair welcomed the new Sub-Committee members to the meeting and placed on record the Sub-Committee's thanks to the previous members. It was agreed that the Chair would write to Councillor Gladys Hobson, as the former Chair of the Sub-Committee to thank her for her time and work over recent years.

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor C Rowntree.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING HELD ON 8 APRIL 2021

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

4. LEGISLATION CHANGES FOR THE TYNE PASS SCHEME AT THE TYNE TUNNELS

The Sub-Committee received a report which sought approval for necessary legislation changes for the implementation of the Tyne Pass barrierless tolling scheme at the Tyne Tunnels, as agreed by the Sub-Committee at its meeting on 10 September 2020.

The changes require modifications to the River Tyne (Tunnels) Order 2005, an amendment to the River Tyne (Tunnels) (Revision of Tolls) Order 2021 and revision of the Tyne Tunnels Byelaws 2020.

The changes to the legislation will remove references to cash payments at the toll plaza, to amend vehicle classifications in line with DVLA criteria and to modify disabled persons' toll exemptions to enable the barrierless system to operate. A public consultation has been carried out in relation to the changes to the disabled persons' toll exemptions.

The changes to the disabled persons' toll exemptions will allow the registration of one vehicle to travel free through the Tyne Tunnels. There are no limitations on the number of journeys made and the scheme is not limited to those who live in the region.

Councillor McElroy thanked officers for carrying out the consultation and asked how the scheme would be publicised and also how easy it would be for users to change vehicles.

Officers advised that users need to register the vehicle with TT2 using an app or online, or via Customer Services. She also advised that the vehicle could be changed once a month and was not limited to vehicles owned by the Blue Badge holder.

Councillor Berkley was pleased that the scheme was being introduced and thanked officers for their work. She added that it would be good for tourism in the region.

Councillor Johnson added that the Tyne Pass Scheme would have huge benefits for North Tyneside especially in terms of improving air quality. He felt that the three step process to implement the scheme had worked well and had enabled a smooth transition.

RESOLVED: the Tyne and Wear Sub-Committee:

- (i) Noted the responses and feedback received as a result of the public consultation carried out in relation to disabled toll exemptions at the Tyne Tunnels;
- (ii) Approved the continuation of both of the existing toll exemptions for disabled users of the Tyne Tunnels which apply to:
 - a) DVLA registered tax exempt disabled vehicles; and
 - b) Blue Badge holders;

and approved the operation of a scheme for registration on ANPR systems of one vehicle by each Blue Badge holder to implement the Blue Badge exemption (as opposed to the display of a Blue Badge at the toll barrier);

- (iii) Approved the amendments to legislation proposed to allow implementation of the Tyne Pass Scheme, the details of such amendments to be agreed by the Monitoring Officer (Transport) following consultation with the Managing Director, Transport North East and the Chair of the Sub-Committee;

and

- (iv) Authorised the Proper Officer for Transport, Monitoring Officer (Transport) and the Chief Finance Officer to progress the statutory process for amending and updating the legislation required for the Tyne Pass barrierless tolling scheme to be implemented.

5. TYNE TUNNELS UPDATE

The Sub-Committee received a report which provided an update on the operation and management of the Tyne traffic, pedestrian and cyclist tunnels.

Traffic Tunnels

During May 2021, traffic through the Tunnels has increased to 90% of normal pre-covid levels which is the highest level seen since the start of the pandemic. This has improved the toll income and it is hoped that the traffic levels will return to normal once all restrictions are lifted. The most popular way to pay the tolls continues to be via the pre-pay account and work will continue to encourage more people to use this facility.

The Tyne Pass Scheme is due go live in November or December 2021. Once in place, it is anticipated that carbon emissions will be reduced by up to 92% from current levels. In addition, using the traffic tunnels will be a much smoother process for the customer as queuing and waiting times will be significantly reduced as cars will not need to stop to pay the toll. Those customers who choose not to use the pre-pay scheme will need to make the payment by midnight on the day following their journey either via the website, over the telephone or in cash through a retail channel such as Payzone. Clear signage will be in place to remind customers of the ways in which they can pay for their journey.

The Sub-Committee were advised that as requested at the last meeting, officers have investigated the concerns of the customer who wrote to the Sub-Committee in April 2021, and a full response has been provided to the customer and made available to TWSC members. Feedback from customers is also being used to improve the customer experience with TT2.

Pedestrian and Cyclist Tunnels

The Sub-Committee were advised that a UK lift specialist has now been appointed to complete the works on the inclined lifts which has been delayed throughout 2020. It is anticipated that the works will take several months to complete.

Councillor McElroy welcomed the improvement in traffic levels through the Tunnels which would help to improve income but was concerned that there appears to be a greater desire by residents to use private cars rather than public transport. He added that this would have detrimental effects on air quality and climate change issues but hoped that the Tyne Pass scheme would help with this, given that all the region's local authorities have declared a climate change emergency.

Councillor McElroy added that he was pleased with the news that work on the inclined lifts at the Pedestrian and Cyclist tunnels had started and felt that more publicity was required to encourage people to use this facility.

Councillor Johnson commented that there had been lots of frustration over the years with the inclined lifts and was pleased that contractors were now on site. He added it would be fantastic to finally complete the project.

He also added that the 92% reduction in carbon emissions at the traffic tunnels once the Tyne Pass scheme was implemented was good news for North Tyneside and suggested that more publicity was needed about the scheme.

RESOLVED: the Tyne and Wear Sub-Committee:

- (i) Noted the contents of the traffic update; and
- (ii) Noted the contents of the Tyne Pedestrian and Cyclist Tunnels Update.

6. METRO FLEET REPLACEMENT PROGRAMME

The Committee considered a report which provided an update on the progress of the Metro Fleet Replacement Programme, following award of the contracts to Stadler.

The Metrocar Maintenance Agreement was completed on 4 October 2020 which involved the transfer of the existing maintenance business, include the TUPE transfer of 119 employees.

The new satellite depot at Howden was brought into use in November 2020, which enabled construction of a new depot at Gosforth.

The consultation for the design of the new Metro trains has been completed and the final design has now been produced. Further public consultation will take

place prior to the new trains entering service. Nexus is also reviewing its policies on the carriage of bicycles, scooters and mobility vehicles.

Councillor McElroy was impressed by the amount of consultation that had taken place around the train designs. He felt that users would need to be reassured that there was more capacity on the new trains due to the linear seating.

Officers advised that the preference for this type of seating had been a result of the public consultation, and whilst there would be fewer seats, it is considered that the revised layout will enable more seats to be occupied.

Councillor Berkley was pleased with the new train design and felt that women would feel much safer when travelling.

Councillor Bell agreed and added that the new designs give the opportunity to discuss options with cyclists, mobility groups and other users to ensure capacity on the trains can be maximised. Officers confirmed that full consultation with all user groups will take place later in the year prior to the trains being in service.

Councillor Johnson added that the Metro is a core part of the regional economy and the new fleet provides a good opportunity to increase patronage. The new fleet provides more capacity, is more accessible and are more secure. In addition, travelling on Metro links to the green agenda and the climate emergency declared by all of the North East local authorities. Councillor Johnson added that this is a fantastic transformational project and he was very happy that customers' views had been listened to as part of the design process.

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

7. NEXUS CORPORATE PERFORMANCE UPDATE 2020/21

The Sub-Committee considered a report which provided an update on the performance of Nexus against its Corporate Business Plan for 2020/21. The impact of the pandemic dominated performance and had a huge detrimental impact on Nexus' finances. However, punctuation and customer satisfaction levels improved compared to the same time last year.

RESOLVED: The Tyne and Wear Sub-Committee noted Nexus' performance against the key priorities in its Corporate Plan for 2020/21, including Metro performance.

8. NEXUS CORPORATE PERFORMANCE UPDATE 2021/22

The Sub-Committee considered a report which provided an update on the performance of Nexus against its Corporate Business Plan for 2021/22. The report covers period one, 1 April – 1 May 2021.

Metro patronage continues to be affected by the pandemic and is 51.2% below the patronage of the last comparable pre-pandemic levels in 2019/20. In addition Metro Fare revenue was 7% lower than target.

Following completion of the largest ever training school, the train crew is now back to establishment. This has enabled a full Metro timetable to be reintroduced on 11 April, which coincided with phase 3 of the Government's roadmap, and the reopening of retail and hospitality services.

Journeys by commuters are still low, but it is hoped that this will improve when phase 4 of the roadmap is introduced on 19 July. Weekend travel has increased with Sundays at 100% of pre-pandemic levels and Saturdays being very busy.

The Department for Transport approved the business case in the previous week for the £100 million Metro Flow project.

The Sub-Committee were advised that self-isolation due to covid is currently impacting on driver numbers and, as a result there has been a negative impact on the Metro service.

Councillor McElroy commented that the issues caused by employees having to isolate is concerning for all public transport operators and Metro in particular. He asked what the approach of Nexus would be in terms of wearing of face masks and social distancing on Metro following the relaxation of the rules on 19 July to maintain public confidence around travelling on Metro.

Officers advised that the legal requirement to wear facemasks on public transport ends on 19 July, but in the absence of there being specific powers and resources to enforce this, the wearing of face masks and maintaining social distancing will still be actively encouraged across the Metro network.

9. NEXUS CORPORATE RISK REGISTER

The Sub-Committee received a report which provided an update on the Nexus Corporate Risk Register for 2021/22 based on the approved Corporate Plan and demonstrates that these risks are being properly managed.

A review of the risk register was undertaken in May 2021 and concluded that no changes were made to overall risk scores, however updates have been made to controls, milestones and next steps in several different risks.

There are currently five risks which have a red status – three of which are due to uncertainty around long-term funding agreements. In addition, the risk relating to the North Shields Ferry Landing is red due to the project being unfunded due to the delivery timescales being incompatible with the timescales for the 'Get Building' fund. Additional funding alternatives are being explored with the aim of the project being 'shovel ready' by the end of the year.

Councillor McElroy asked what the options would be if Government funding was not secured and how this would affect secured services. There are long-term aspirations to make public transport more attractive and to encourage people not to use their cars. The public transport offer needs to be attractive to encourage more people on to public transport and assist with the climate change emergency and air quality issues that are faced by the region.

Officers advised that bus services have been underpinned during the pandemic by funding provided by Nexus and also via the Coronavirus Bus Services Support Grant. Plans are being developed with regards to the Enhanced Bus Partnership required by the Government to secure key bus services, but the funding challenge will be difficult in the absence of passenger numbers returning to pre-pandemic levels which seems highly unlikely. The Government has provided £35m in emergency support to Nexus over the last year, the majority of which includes Light Rail Revenue Restart Grant for Metro. The latest tranche of LRRRG funding of £7m was received in April and dialogue is ongoing with Department for Transport to secure funding after 19 July. It is vital that this continues so that Metro can maintain current service levels in order to aid recovery from the pandemic.

Councillor Johnson agreed and added that security for short and medium term funding was required immediately and long term funding needs to be secured to allow certainty around the delivery of long term plans.

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

10. DATE OF NEXT MEETING

The next meeting will take place on Thursday 9 September at 2pm.

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

Date: 9 September 2021
Subject: Pay As You Go 19-21 Discount
Report of: Chief Operating Officer, Nexus

Executive Summary

The fares proposal that was approved by the Tyne and Wear Sub Committee in January 2021 contained an action for Nexus to explore new ticketing options to tackle emerging markets following the Covid-19 pandemic.

The young adult market has declined in recent years on Metro, as the student season ticket product was limited to students only and offered only as an upfront large season ticket purchase. Market research undertaken in early 2020 supported the theory that these products were no longer fit for supporting the changing travel patterns of young adults.

Nexus has developed a new smartcard that is aimed at the 19-21 market, offering customers in that age bracket a Pay As You Go (PAYG) discount of 30% compared to an adult PAYG offering. This will give customers in this age bracket more flexibility around travel and involve less up front cost and commitment.

Nexus forecasts that the introduction of this new product will yield a positive return on revenue, assuming that the product proves as popular with the 19-21 market as Pop Blue proved to be with the 16-18 market. The product is anticipated to be launched in September 2021 subject to Committee approval.

Recommendations

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to;

- I. Approve and endorse the introduction of a new smartcard aimed at enhancing the Metro offer for customers aged between 19 and 21.

1. Background Information

- 1.1 As Metro emerges from the Covid-19 pandemic, it is incumbent on the business to ensure an attractive range of ticketing products are offered to customers.
- 1.2 A number of new developments have already taken place since the pandemic began, including the launch of a new smartcard for under 16s called 'Junior Blue', the launch of a new app retailing weekly season tickets and working with the bus operators to launch multi modal ticketing on the Pop smartcard.
- 1.3 At 14th January 2021 Tyne and Wear Sub Committee (TWSC), members approved a revision to Metro and Ferry fares from 1st April 2021. As part of the recommendations, TWSC asked for new ticketing options to be explored aimed at part time workers and the 18-21 market. This report details progress on the development work associated with a new offer for the 18-21 market.
- 1.4 A separate paper will be submitted to TWSC in November detailing Nexus' progress in tackling the part time worker market.

2. "Pop 19-21"

- 2.1 In early 2020, Nexus undertook a number of surveys amongst young adults. These surveys were commissioned to investigate why Metro was losing customers in the student market. At present, only inflexible discounted 4 weekly and annual season tickets are offered for travel on Metro to those who attend University or College. These products are discounted by roughly 30% versus a standard adult season ticket. The issues associated with the current student product that were flagged up in the research include:-
 - Open only to University or College students, meaning that many apprentices are not eligible, nor any other young adults who are often in low earning jobs.
 - Requires big up-front purchases, which can be tough for those relying on student loans and/or are on low wages.
 - Inflexible ticketing, geared towards those who travel regularly on Metro. In recent years, there has been a significant increase in the amount of student accommodation in City Centres, requiring fewer regular trips by public transport.
- 2.2 Nexus proposes to introduce a new smart card, called "Pop 19-21" from September 2021. This smart card will work in the same way as an adult PAYG Pop card but with a 30% discount, similar to the discount already on offer for the student season ticket. The table below shows the price structure compared to Adult PAYG. Note that the "Daily Cap" is the maximum amount that will be deducted from a smart card each day, for the zones that have been travelled in.

	Single		Daily Cap	
	Pop 19-21	Adult PAYG	Pop 19-21	Adult PAYG
One zone	£1.10	£1.65	£1.90	£2.75
Two zone	£1.80	£2.55	£2.70	£3.85
All zones	£2.30	£3.25	£3.40	£4.85

2.3 An assessment has been undertaken regarding the financial viability of introducing this new product. Due to product conversion, we estimate that there will be a £120k reduction in revenue as a result of existing customers switching to the cheaper 19-21 product. Conversely, we estimate a £256k increase in revenue in association with the product being attractive to more customers. This increase is based upon the assumption that Metro saw a 26% increase in journeys made by 16–18-year-olds following the launch of Pop Blue. Please note that the figures quoted are based on pre-March 2020 data.

2.4 A project team is working on delivering this product for launch in September 2021 and the Nexus marketing team has been engaged to deliver a substantial campaign centred around the return to Universities, Colleges and work by young adults, after the summer holidays.

2.5 Transport North East has recently created a number of working groups to help aid the development of the regions BSIP (Bus Service Improvement Plan). One of the working groups is tasked with looking at fares and ticketing across the region and defining the aspirations for how customers in the future can travel seamlessly between modes. The 19-21 PAYG proposal in this report will sit alongside other operators' offerings for young adults, and could potentially form the basis for a more integrated system of young peoples' fares across the region, if considered appropriate.

3. Reasons for the Proposals

3.1 The proposals contained in this report are intended to ensure that Metro is attractive for the next generation of public transport users.

4. Alternative Options Available

4.1 The TWSC could decide not to adopt this proposal. However, between 2018/19 and 2019/20, student season ticket sales declined by 7.2%. If no action is taken in a market segment that was seeing decline pre-Covid-19, it is unlikely to be placed advantageously as we emerge from the pandemic.

5. Next Steps and Timetable for Implementation

5.1 Nexus will continue to proceed with development and implementation of the new "Pop 19-21" smart card, with a marketing scheme planned for launch.

6. Potential Impact on Objectives

6.1 The proposals in this report are intended to ensure the continued attractiveness

of Metro to prospective customers.

7. Financial and Other Resources Implications

7.1 Revenue forecasts suggest that the implementation of the new “Pop 19-21” should generate extra revenue versus a “do nothing” scenario.

8. Legal Implications

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

9. Key Risks

9.1 If the recommended proposal contained in this report is not approved, there could be a risk to a loss of future income.

10. Equality and Diversity

10.1 This proposal will lead to more young people being able to access discounted public transport tickets. The current offer aimed at the 19-21 market is only available to those who are university or college students. The proposal contained in this report will be open to anyone aged 19-21, irrespective of their educational status.

10.2 The Equality Act 2012 provides an exemption so far as relating to age discrimination in situations where a concession is given in respect of a service to persons of a particular age group. This proposal by Nexus is proportional in this regard, representing a positive action to expand affordable travel to more young people.

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 There are no specific consultation / community engagement considerations.

13. Other Impact of the Proposals

13.1 There are no other direct environmental or economic considerations arising from this report.

14. Appendices

14.1 None

15. Background Papers

15.1 There are no specific background documents for consideration linked to this report.

16. Contact Officers

16.1 Huw Lewis, Customer Services Director, Nexus

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Stephen Bellamy, Commercial Manager, Nexus

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17. Sign off

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

18. Glossary

Pay As You Go (PAYG) – a smart card that allows passengers to top up in advance and pay for journeys as they are made.

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

Date: 9 September 2021

Subject: Nexus Corporate Performance Update

Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide an update on the performance of Nexus against its Corporate Business Plan for 2021/22. This report covers Period 2 and 3 which encompasses 2 May 2021 to 26 June 2021.

In Period 2 and 3, Metro Patronage was 3,087,144 which is 46.6% above the periodic target of 2,105,873. This target is based on our recovery plan which was submitted to the DfT in April 2021.

Patronage has recovered more quickly in 2021 than it did following the lifting of lockdown restrictions in the summer of 2020, including particularly strong recoveries in leisure and retail journeys. However, patronage remains 38.7% below the patronage levels of the same period in 2019/20, the last comparable pre-pandemic period.

Metro Fare revenue was £3.906m which is 11.1% below the periodic target of £4.395m.

The difference between patronage and fare revenue performance is caused by a number of factors, primarily due to patronage being measured against anticipated recovery and revenue against the pre-pandemic budget.

Metro Punctuality in Period 2 and 3 was 88.3% which is 1.7% below the periodic target of 90% whilst the 13-period moving annual average (MAA) at the end of period 3 was 87.0% which is 0.2% below target.

Punctuality during Period 2 and 3 was affected by high levels sickness amongst Control Room and Train Crew staff, including periods of COVID-19 self isolation and a lightning strike which brought down an extended section of overhead line.

In the Customer Satisfaction Survey carried out in May 2021 the overall satisfaction with Metro score was 8.02. This is the highest satisfaction score since March 2014.

Ferry Patronage in Period 2 and 3 was 45,721 which is 1.1% below the of 46,191 target whilst Ferry fare revenue was £45,000 which was 20.0% above the target of £37,493.

Secured Bus Patronage was 654,396 which is 39.7% over the target of 468,228 for the period. This represents a stronger recovery for customer numbers than initially forecast including higher than expected levels of school travel.

Secured Bus fare revenue was £173,471 which was 22.8% below the target for the period which was £224,785.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against the key priorities in its Corporate Plan for 2021/22, 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 2021/22
- 1.2 For 2020/21 the CP has five main themes and 14 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

Safety without Compromise	
Workstream	Status
Embed a 'Safety First' Culture	Safety stand down days for staff being delivered.
Reduce incidents of Signals Passed at Danger (SPADs)	The number of SPADs were at the forecast levels at the end of P3.
Reduce anti-social behaviour	Initiatives to reduce levels of ASB are progressing to plan.

Embed a 'Safety First' Culture

- 1.4 Work on developing a series of 'safety stand down' days for staff is progressing to plan whilst 'Safety without compromise' videos for staff which cover lifesaving rules and other safety news are developing to plan.

Reduce incidents of Signals Passed at Danger (SPADs)

- 1.5 At the end of Period 3, the number of SPADs were at forecast levels.
- 1.6 We regularly review and refresh our SPAD reduction plans to reduce the likelihood of SPADs occurring on our network.
- 1.7 Our signal painting programme is significantly ahead of schedule with 103 of 240 signal posts repainted since the start of the year. This has helped to improve the visibility of signals around the network and has received a positive response from Train Crew.

Reduce anti-social behaviour

- 1.8 We are working with Northumbria Police, British Transport Police and Local Authorities to reduce the number of incidents of ASB on the network.
- 1.9 Body worn cameras are now available for all customer facing staff which along with the completion of our CCTV replacement programme allow for better surveillance of stations across the network.

1.10

Customer Experience	
Workstream	Status
Invest in our infrastructure	Work on Metro Flow and the Fleet Replacement Programme is progressing to plan.
Products and Payments	A number of improvements to our products and payments offer have been implemented.
Customer Services	Satisfaction with Metro Services has reached its highest level since 2014.

Invest in our infrastructure

1.11 Work on Metro Flow is progressing to plan. In May, Buckingham Group were awarded the contract to deliver the infrastructure works. Approval of the full business case was received from Rail Investment Board on the 29th of June with final Ministerial approval from the Department for Transport expected in August.

1.12 Work on the delivery of the new depot and train fleet is progressing to plan. The final designs for the new fleet have now been accepted and component manufacturing will commence in August 2021. Potential impacts on the programme from COVID-19 are being managed through regular dialogue between Nexus and Stadler Rail.

Products and Payments

1.13 Network One all-zone season tickets moved to the Pop smartcard in June, in addition to all weekly and four-weekly variants being available from Metro ticket machines.

1.14 More Metro ticket machines will be converted to card-only or coin-and-card only operation during the summer, reflecting the fact that over 70% of customers now use cash-free payment methods. We continue to monitor the ways in which our customers use our ticket machines and will look to make further machine conversions in the autumn if the trend towards cashless travel continues.

Customer Services

1.15 In Period 2 and 3, Metro Patronage was 3,087,144 which is 46.6% above the periodic target of 2,105,873. This target is based on our recovery plan which was submitted to the DfT in January 2021. However, patronage is 38.7% below the patronage levels of same period in 2019/20, the last comparable pre-pandemic period

1.16 Metro Punctuality in Period 2 and 3 was 88.3% which is 1.7% below the periodic target of 90% whilst the 13-period moving annual average (MAA) at the end of Period 3 was 87.0% which is 0.2% below target.

Punctuality during Period 2 and 3 was affected by high levels sickness amongst Control Room and Train Crew staff, including periods of COVID-19 self isolation and a lightning strike which brought down an extended section of overhead line.

- 1.17 In the Customer Satisfaction Survey carried out in May 2021 the overall satisfaction with Metro score was 8.02. This is the highest satisfaction score since March 2014.
- 1.18 Ferry Patronage for Periods 2 and 3 was 45,721 which was 1.1% below the target of 46,191.
- 1.19 Secured Bus patronage was 654,396 which was 39.7% above target for the period. This represents a stronger recovery for customer numbers than initially forecast including higher than expected levels of School travel.
- 1.20 Nexus is participating in the project led by Transport North East with commercial operators and local authorities to drive a recovery in bus passenger numbers through new partnerships.

Assets and Technology	
Workstream	Status
Improve our physical assets	Overhead Line renewal work continued in period 2 and 3.
Technology	Nexus is leading on a smart multi modal ticketing project.

Improve our physical assets

- 1.21 In Period 2 and 3 overhead line renewals continued between Regent Centre and Airport with 8.25km of wire renewed.
- 1.22 During this reporting period this work has focused on minor work at stations to ensure platform-train compliance in preparation for the new train fleet.
- 1.23 Full fleet availability was met on 92.7% of occasions in Periods 2 and 3, this is 7.3% below target. Fleet availability has been affected by four non-RVAR (Rail Vehicle Accessibility Requirements) compliant cars being removed from service for repairs to their PA and PID systems which will allow them to operate again with an exemption as well as increased levels of sickness amongst Depot staff causing delays to fault resolution.

Technology

- 1.24 Nexus is leading a project to develop a smart multi-modal season ticket which can be used across bus, Metro and Shields Ferry services in Tyne and Wear, on behalf of Network One and bus operators.

1.25

Sustainability	
Workstream	Status
Improve environmental performance	Work on our Environment and Energy strategy is progressing to plan.
Manage our financial standing	We are working with DfT and HM Treasury to secure funding for 2021/22

Improve environmental performance

1.26 Nexus has applied to the Clean Energy Fund to carry out feasibility studies on ways to improve the environmental performance of the Shields Ferry. A decision on funding is expected to be announced in September.

Manage our financial standing

1.27 Nexus will continue receive Light Rail Restart Grant and Local Authority Coronavirus Bus Services Support Grant funding to offset fare and commercial revenue losses until 5 April 2022.

1.28 Metro Fare revenue was £3.906m which is 11.1% below the periodic target of £4.395m.

1.29 Ferry fare revenue was £45,000 which was 20.0% above the target of £37,493

1.30 Secured Bus fare revenue was £173,471 which was 22.8% below the target for the period which was £224,785.

1.31

Transform our organisation to be agile, innovative and inclusive	
Workstream	Status
Represent the communities we serve	We are consulting on our recruitment policy
Learning and Development	Work has commenced on the People and Culture strategy
Engagement	Theme being developed as part of the People and Culture strategy
Strategy	Work on a number of strategies are progressing to plan.

Represent the communities we serve

- 1.32 Our recruitment and selection policy has been updated and is currently being consulted upon with Trade Union colleagues before being published on the intranet. The policy includes Nexus' commitment to the Disability Confident Employer Scheme, the removal of any gender specific language in job descriptions and person specifications and the introduction of mixed gender interview panels.

Learning and Development

- 1.33 Work has commenced on the development of the People and Culture strategy. Drawing on evidence and best practice, the strategy will establish work streams and actions which will transform our organisational capability. The strategy will cover areas such as onboarding, career progression and development and employee engagement.
- 1.34 We are engaging with underrepresented groups along with regional partners to enable closer working with schools, colleges, universities and organisations which support access to employment for diverse applicants.

Engagement

- 1.35 Engagement is a core theme of the People and Culture strategy and this will be supported by an internal marketing and communications plan to extend our reach within and outside of the organisation.

Strategy

- 1.36 In Period 3 Nexus' Customer Experience strategy was formally signed off whilst work on our Energy and Environment, People and Culture, Customer Information and ICT strategies are progressing to plan.

2. Proposals

- 2.1 There are no proposals in the performance monitoring update.

3. Reasons for the Proposals

- 3.1 Not applicable to a performance monitoring update.

4. Alternative Options Available

- 4.1 No alternatives arise in respect of this performance 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.

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 Business Plan 2021/22 as considered and approved at the Sub-Committee's meeting in January 2021.

16. Contact Officers

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

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

Date: 9 September 2021

Subject: Nexus Corporate Risks 2021-22

Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide an update on the Nexus Corporate Risk Register for 2021/22 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

During July 2021, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2021/22, which the Sub-Committee approved at its January meeting.

A detailed explanation of the risks for 2021/22 is provided in the appendix including the current Red/Amber/Green (RAG) status, target RAG status and the direction of travel, where applicable. Each risk has a detailed explanation of the nature of the risk, together with controls, milestones/next steps.

As part of the review, 4 risks, already reflected in the register as 'red' have seen a deterioration in their scores, all because of funding uncertainties. These risks are:

- Long Term Funding for Metro,
- Frontline Services and Discretionary Travel Schemes – Metro Services,
- Discretionary Travel Schemes – Non Metro Services,
- Efficiency of Delivery – Capital Programme

One additional risk is 'red' (North Shields Ferry Landing) due to the project currently being unfunded due to the delivery timescales being incompatible with the timescales for the 'Get Building' fund. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities.

Recommendations

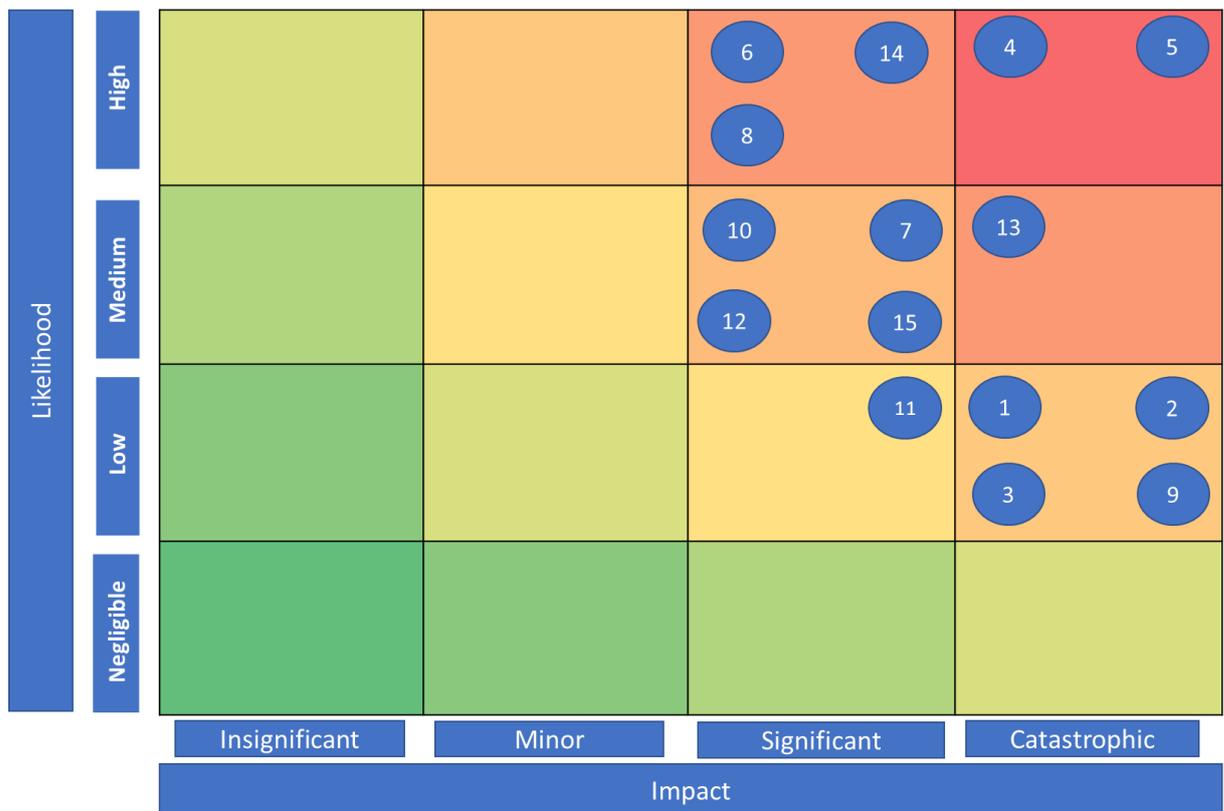
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2021/22

1. Background Information

- 1.1 As part of its governance framework Nexus maintains a Corporate Risk Register. Nexus defines its corporate risks as those which, if the risk occurred, could have adverse consequences for the achievement of the Corporate Business Plan.
- 1.2 The Corporate Plan for 2021/22 was approved by the Sub-Committee at its meeting in January 2021 and subsequently Nexus undertook a formal review of the risk register to ensure its alignment to the approved plan. The Sub-Committee receives an update on Nexus' Corporate Risks at each of its meetings.

2. Proposals

- 2.1 Nexus has undertaken a formal review of the Corporate Risk Register for 2021/22. The chart below shows an overview of the likelihood and impact of each risk.



2.6

The table below shows a summary of the risks changed since the last review

	Risk	Summary of Changes	RAG status
1	Catastrophic security event	<p>Several changes to controls including completion of station security plans, completion of the enhanced CCTV system and body worn cameras for all staff.</p> <p>New Next Steps/Milestones added plans to carryout tabletop and physical exercises to simulate a terrorist attack.</p>	<p style="text-align: center;">↔ (Stable)</p>
2	Catastrophic infrastructure or operations event	<p>Next Step relating to improvements in driver selection removed following completion of the action.</p>	<p style="text-align: center;">↔ (Stable)</p>
3	Metro Performance	<p>Controls added to reflect commencement of new Train Crew agreement.</p> <p>Control added outlining new possession planning principles</p> <p>Due date of milestones changed</p>	<p style="text-align: center;">↔ (Stable)</p>
4	Long Term funding for Metro	<p>Risk score increased.</p> <p>Impact and Consequences</p>	<p style="text-align: center;">↓ (Declining)</p>

		<p>updated to include potential consequences of a substantial budget shortfall in 2022/23</p> <p>Details of emergency support package for 2021/22 added.</p> <p>Next Steps amended to reflect in funding agreement.</p>	
5	Frontline services and discretionary travel schemes – Metro services	<p>Risk score increased.</p> <p>Impact and Consequences updated to include potential consequences of a substantial budget shortfall in 2022/23</p> <p>Details of emergency support package for 2021/22 added.</p> <p>Next Steps amended to reflect in funding agreement.</p>	<p>↓</p> <p>(Declining)</p>
6	Frontline services and discretionary travel schemes – non Metro services	<p>Risk score increased.</p> <p>Impact and Consequences updated to include potential consequences of a substantial budget shortfall in 2022/23</p> <p>Details of emergency support package for 2021/22 added.</p> <p>Next Steps amended to reflect in funding agreement.</p>	<p>↓</p> <p>(Declining)</p>
7	Procurement of the new design, build, maintain and	No change from previous	<p>↔</p>

	provide contract for the fleet/depot	review	(Stable)
8	Efficiency of Delivery of the Capital Programme	<p>Risk score increased.</p> <p>Impact and Consequences updated to include potential consequences of a substantial budget shortfall in 2022/23</p> <p>Additional information provided around the impact and consequences of risk.</p> <p>Control added to reflect the completion of the capital prioritisation process for 2022/23.</p>	<p>↓</p> <p>(Declining)</p>
9	Cybersecurity	No change from previous review	<p>↔</p> <p>(Stable)</p>
10	Products and Payments Offer	<p>Risk action owner changed from Head of BCT to Project Lead – Integrated ticketing</p> <p>New control added outlining ‘Take the Kids for Free’ offer.</p>	<p>↔</p> <p>(Stable)</p>
11	Funding Bids	No change from previous review	<p>↔</p> <p>(Stable)</p>
12	Anti-Social Behaviour	<p>Controls added outlining body worn cameras being available for all frontline staff</p> <p>Amendment of Next Step/Milestone due dates</p>	<p>↔</p> <p>(Stable)</p>

13	Patronage Recovery	Details of emergency support package for 2021/22 added.	↔ (Stable)
14	Relocation of Ferry Landing	Controls updated to include plans to ensure ferry landing is integrated into wider Fish Quay renewals plans.	↔ (Stable)
15	Delivery of Metro Flow	Milestones updated	↔ (Stable)

2.2 Nexus will provide the Sub-Committee with an update on the position of the Corporate Risks at each of its meetings throughout 2021/22.

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 Authorities regarding the management of Nexus' CRR.

8. Legal Implications

8.1 There are no specific legal implications for the 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 2021/22 which was previously reported to and noted by the Sub-Committee at its meeting on 14 January 2021.

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 details each of Nexus' 15 risks for 2021/22
Appendix 2 shows the controlled and uncontrolled risk scores for each risk
Appendix 3 shows the risk matrix applied

15. Background Papers

15.1 Nexus' Corporate Plan 2020/21 as submitted to and approved by the Sub-Committee at its meeting on 14 January 2021.

16. Contact Officers

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

18. Glossary

18. CRR – Corporate Risk Register

1 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.

Action Owners – 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 – Nexus Corporate Risk Register for 2021/22

CP Theme: Safety without compromise		
CP Workstream: Put Safety and Security at the heart of everything we do		
Risk Area: Catastrophic security related event Risk Owners: Chief Operating Officer Risk Actionees: Head of Health, Safety, Quality & Environment.	RAG Status (Amber)	Direction of Travel
	8(2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic security related event may occur, such as a terrorism incident.		
Impact/Consequence(s): The consequences of a catastrophic security related event on Metro, bus or ferry could be significant, including loss of life, prolonged service suspension, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.		
Existing Controls: <ul style="list-style-type: none"> • Emergency preparedness plans and ROGs published • Continuously monitoring & controlling the precursors of these events with a detailed 2-weekly safety reporting to Nexus' Senior Leadership Team and weekly safety briefing • Produce and implement an annual safety plan for approval by Nexus Executive Board. • Station security plans for the entire network have been published • Security processes and procedures adhere to the DfT light rail security recommended best practice • Participating in joint emergency preparedness exercises with key stakeholders • Communicating regular updates on the current threat from national and international terrorism • Enhanced Customer Service establishment introduced to provide greater coverage on the network • All Customer Service Staff are now provided with body worn cameras and all public facing personnel have access • An enhanced CCTV system that has been upgraded from analogue to digital has been installed providing better coverage around the network • A Security Working Group has been established bringing together internal stakeholders in a joint approach to improve system security 		

Next Steps/Key Milestones:	Action owner	Due Date
<ul style="list-style-type: none"> Securing DfT approval to an overall security plan for the Metro 	Head of HSQE	Nov 21
<ul style="list-style-type: none"> Tabletop exercise with key stakeholders to simulate biological or chemical attack 	Head of HSQE	Dec 21
<ul style="list-style-type: none"> Physical exercise simulating biological or chemical attack leading from tabletop exercise 	Head of HSQE	Aug 22
<ul style="list-style-type: none"> Periodic security reports shared with colleagues across the organisation Security awareness communications posted across network 		

CP Theme: **Safety without compromise**

CP Workstream: **Put safety and security at the heart of everything we do**

Risk Area: Catastrophic Infrastructure or operations event	RAG Status (Amber)	Direction of Travel
Risk Owners: Chief Operating Officer	8(2x4)	↔ (stable)
Risk Actionees: Head of Health, Safety, Quality & Environment.	Target RAG Status	
	8(2x4)	

Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic infrastructure or operations event.

Impact/Consequence(s):
 The impact/consequences should a catastrophic infrastructure or operations event occur on Metro, bus and ferry could be very significant including:

- In the event of a catastrophic safety related incident the possibility for multiple loss of life.
- lengthy loss or reduction of service
- likely loss of business with potential long term impact on patronage,
- protracted legal issues to resolve,
- fines to pay, impact on insurance and other cost increases

Existing Controls:

- A safety management system which is independently accredited by the Office of Rail and Road and overseen by other regulatory bodies.
- Robust arrangements for the selection and management of contractors.
- Monitoring of assets and development of fail safes and mitigation plans in the event of catastrophic failure of a key assets.
- Development of business continuity plans for significant failure of an asset or infrastructure or a significant public health crisis, including pandemic to ensure service continuity.
- Maintaining a comprehensive suite of engineering standards in all relevant disciplines based on industry best practice.
- Continuously monitoring & controlling the precursors of these events with weekly safety reporting to Nexus’ Senior Leadership Team.
- Produce and implement an annual safety plan for approval by Nexus Executive Board.
- Continuing to engender an organisational safety and security culture including implementation of “all orange + hardhat” PPE policy, expanded the scope of non-technical skills work, promote the application of the ‘Just Culture’ principles, expanding the scope of safety tours.
- Launched life saving rules

- SPAD working group implemented to review opportunities to reduce the number of SPADs.

Next Steps/Key Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2021/22 Safety Plan.	Head of HSQE	Mar 22
Developing and delivering a programme to reduce planned work using unassisted Lookout protection.	Head of HSQE	Dec 21

CP Theme: **Customer Experience**

CP Workstream: **Grow patronage and improve our customer experience**

Risk Area: Metro Performance Risk Owners: Chief Operating Officer Risk Actionees: Metro Infrastructure Director, Metro Operations Director, Major Projects Director, Head of Business Change and Technology	RAG Status (Amber)	Direction of Travel
	8 (2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	

Risk: That there are significant issues which impact on the performance of the Metro system, including but not limited to ageing fleet, or prolonged reduction in infrastructure asset condition specifically the Overhead Line, or availability of resources to operate. A lack of a long term funding agreement for asset renewal could result in asset performance declining.

Impact/Consequence(s): If Metro’s operational performance were to decline for an extended period, with a fall in punctuality and reliability, this could have an adverse impact on customer satisfaction and ridership.

Control(s):

- Overhead line ARP replacement programme over the next five financial years.
- Close monitoring of key business results such as punctuality, excess headway minutes and asset reliability.
- Implement better performance management processes such as “right time” departure monitoring.
- Delivery of the Essential Renewals programme for 2021-22.
- Daily, weekly and periodic performance reporting embedded across organisation to highlight importance of Metro performance.
- Implement plans to ensure resilience of digital assets associated with the operation of Metro.
- Working closer with the new Network Rail North Eastern structure to address performance issues from Pelaw to South Hylton.
- OLE Renewal Programme has been reprioritised for efficacy of delivery.
- Funding has been agreed to support essential renewals beyond March 2021 and work to secure further funding is ongoing.
- Capacity to train 90 new drivers a year if required.
- Quarterly Performance Management meetings with Stadler
- “Assets at a Glance” drawings which identify specific problem areas and single points of failure.
- Established improvement plans for key assets such as lifts, escalators

and signal track circuits.

- Periodic review of asset maintenance plans
- New Train Crew agreement commenced allowing greater flexibility of Train Crew resource
- Established possession planning tool to identify conflicts and opportunities to combine closures to minimize disruption to our customers
- Regular review of actions identified in Metro Recovery plan

Next Steps/Milestones	Owner	Due date
Changes to the delay attribution process to reflect right time running	Metro Operations Director	Mar 22
Implement actions identified in Metro Recovery Plan	Various	Various
Review winter preparedness plans	Metro Infrastructure Director	Sep 21
Complete ICT network refresh to improve resilience of digital assets	Head of BCT	Apr 22

CP Theme: **Sustainability**

CP Workstream: **Manage our financial standing**

Risk Area: Long term funding for Metro Risk Owners: Director of Finance and Resources Risk Actionees: Head of Programme Assurance, Head of Finance	RAG Status (Red)	Direction of Travel
	16 (4x4)	<p style="text-align: center;">↓ (Declining)</p>
	Target RAG Status	
	3 (1x3)	

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 external funding could lead to a diminution in service and failing infrastructure. Funding for Essential Renewals of Metro infrastructure has been agreed for 2021-22, however a longer-term funding agreement has not yet been agreed. Further support funding to cover COVID 19 related losses has been agreed until 5 April 2022 at which point all support funding is due to end. Without ongoing financial support to assist with the loss of fare revenue then a significant budget shortfall will be expected.

- Options to bridge this budget deficit could potentially include:
- A reduction of service frequency
 - Fare increases
 - Reduced staffing capacity in both customer facing and maintenance roles
 - The cancellation of essential renewals programmes
 - The use of transport levy funding previously earmarked for concessionary travel, ferry and bus services being reallocated

Many of these measures are likely to result in a further loss of patronage which will exacerbate budget pressures.

Controls

- Effective liaison with DfT including 4-weekly progress reporting on the current Essential Renewals programme 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.
- Regular review of potential funding opportunities
- Project management controls in place to ensure effective and efficient delivery
- Effective programme management and prioritisation of projects
- Regular review of actions identified in Metro Recovery plan

<ul style="list-style-type: none"> Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board 		
Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of the current funding agreement on 5 April 2022	Director of Finance and Resources	Mar 22
Implement actions identified in Metro Recovery Plan	Various	Various
Seek future revenue and capital funding support from DfT through the Spending Review	Director of Finance and Resources	Nov 21
Nexus' input to the quarterly monitoring of the Revenue budget and Capital Programme submitted to the JTC	Director of Finance and Resources	Quarterly

CP Theme: **Sustainability**

CP Workstream: **Manage our Financial Standing**

Risk Area: **Frontline services and discretionary travel schemes – Metro Services**

Risk Owners: **Director of Finance and Resources**

Risk Actionees: **Head of Finance**

RAG Status (Red)

16 (4x4)

Target RAG Status

3(1x3)

Direction of Travel

**↓
(Declining)**

Risk: The COVID-19 Pandemic has significantly impacted on public transport patronage and revenue. Funding to cover the losses caused by the COVID-19 pandemic have been agreed until 5 April 2022 but it is expected that there will be no additional funding for 2022/23 and beyond.

Impact/Consequence(s): If Nexus is unable to access adequate emergency funding from Central Government for losses due to COVID-19 on Metro, Nexus will need to consider a range of actions in order to bridge this budget deficit which could potentially include:

- A reduction of service frequency
- Fare increases
- Reduced staffing capacity in both customer facing and maintenance roles
- The cancellation of essential renewals programmes
- The use of transport levy funding previously earmarked for concessionary travel, ferry and bus services being reallocated

Many of these measures are likely to result in a further loss of patronage which will exacerbate budget pressures.

Controls

- Monitoring of public transport patronage during the pandemic, undertake research through the insight panel to gain intelligence on trends and customer behaviours.
- Undertake benchmarking and intelligence gathering from other Cities, through UITP, UTG and Comet/Nova.
- Discussions with Chief Executives and Treasurers in order to obtain strategic financial guidance.
- Deferring all but non-essential expenditure and vacancy control measures implemented
- Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board and the JTC.

- Regular review of actions identified in Metro Recovery plan

Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of the current funding agreement on 5 April 2022	Director of Finance and Resources	Mar 22
Seek future revenue and capital funding support from DfT through the Spending Review	Director of Finance and Resources	Nov 21
Implement actions identified in Metro Recovery Plan	Various	Various
Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme reports submitted to the JTC.	Director of Finance and Resources	Quarterly

CP Theme: **Sustainability**

CP Workstream: **Manage our Financial Standing**

Risk Area: **Frontline services and discretionary travel schemes – Non-Metro Services**

Risk Owners: **Director of Finance and Resources**

Risk Actionees: **Head of Finance, Customer Services Director**

**RAG Status
(Green)**

12 (4x3)

**Target RAG
Status**

3 (1x3)

**Direction of
Travel**

**↓
(Declining)**

Risk: Funding for discretionary travel schemes and non-Metro services has been largely secured for 2021/22, although the lack of emergency financial support beyond the 5 April 2022 could impact of funding for discretionary travel schemes and non-metro services.

Impact/Consequence(s): If Nexus are unable to secure adequate emergency funding from central government then it may be necessary to review how the levy agreed with JTC is allocated. Monies previously allocated to support discretionary travel schemes and non-Metro services may need to be reallocated to ensure that Metro services are able to operate.

The reallocation of any monies may result in the reduction of secured bus services, changes to the discretionary travel schemes and a review of the service frequency of the Shields Ferry.

Controls

- Monitoring of public transport patronage during the pandemic, undertake research through the insight panel to gain intelligence on trends and customer behaviours.
- Undertake benchmarking and intelligence gathering from other Cities, through UITP, UTG and Comet/Nova.
- Discussions with Chief Executives and Treasurers in order to obtain strategic financial guidance.
- Deferring all but non-essential expenditure and vacancy control measures implemented
- Periodic financial monitoring by Nexus' Senior Leadership Team and Executive Board.
- 2021/22 levy funding agreed with JTC
- Regular update meetings with TNE to understand the likelihood of a bus partnership being agreed
- Regular review of actions identified in Recovery plan

Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of current funding agreement on 5 April 2022	Director of Finance and Resources	Mar 22
Implement actions identified in Metro Recovery Plan	Various	Various
Nexus' input to the quarterly monitoring of the Revenue Budget and Capital Programme reports submitted to the JTC.	Director of Finance and Resources	Quarterly
Support Transport North East in the development of partnerships with bus operators	Customer Services Director	Mar 22

CP Theme: **Customer Experience**

CP Workstream: **Grow Patronage and improve our customer experience**

Risk Area: Delivery of the contracts to provide a new depot and a new fleet of trains for the Metro	RAG Status (Amber)	Direction of Travel
Risk Owners: Major Projects Director	9 (3x3)	↔ Stable)
Risk Actionees: Metro Development Director	Target RAG Status	
	6(2x3)	

Risk: The possibility of costs escalating, the potential for delays and reputational impact as a result of Nexus owned risks impacting on the affordability and deliverability of the project to introduce a new fleet of trains and depot.

Impact/Consequence(s): Delays to obtaining the new fleet could place reliance on extending operation of the old deteriorating fleet at Nexus' cost. Where costs couldn't be contained by Nexus risk contingency sum, funding would have to be diverted from other areas of need. Such affordability issues could result in Nexus having to reconsider the scope of the contracts, i.e. the number of trains. In addition any re-profiling of DfT grant would be subject to agreement with DfT at its sole discretion.

- A project risk register is live for the project and is reviewed regularly to monitor and manage existing known risks as well as identifying new and emerging risks along with identifying mitigation measures.
- A project contingency sum is available to fund the impact of known and likely risks identified on the risk register.
- Project risks and early warnings are discussed and reviewed with the suppliers of the contracts on a monthly basis and mitigation measures are agreed.
- Delivery of interdependent projects and enabling work is monitored by Capital Steering Group on a monthly basis and reported to Senior Leadership Team.
- Keeping key stakeholders informed regarding progress of the programme.
- Established project controls have been adopted to assist with the management of the contracts including CSM and other safety processes.
- Operational risks associated with the delivery of the new fleet are managed through the Operational Readiness Meeting.
- Quarterly meetings of the joint Nexus/DfT Programme Board to report on project performance, risks and any requirements to reprofile funding.

- Quarterly meetings of the joint Nexus/Stadler Programme Board to report on project performance, risks and any commercial matters.
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC.

Next Steps/Milestones	Owner	Due date
Commencement of manufacturing of the new fleet	Metro Development Director	Aug 21
New Maintenance Depot Completed	Metro Development Director	Sep 22
First Train Delivered	Metro Development Director	Nov 22
Full Fleet in Service	Metro Development Director	Dec 24

CP Theme: **Assets and Technology**

CP Workstream: **Improve our physical assets**

Risk Area: Efficiency of delivery of the Capital Programme	RAG Status (Red)	Direction of Travel
Risk Owner: Major Projects Director Risk Actionee: Head of Programme Assurance, Head of Renewals	12 (4x3)	↓ (Declining)
	Target RAG Status	
	3 (1x3)	

Risk: That the organisation does not have sufficient resource and or the correct skills set to successfully deliver the programme of capital works

Impact/Consequence(s): The funding agreement with DfT expires in March 2022 with £20m of capital funding available in 2021/22. This is approximately half of the Essential Renewals work-bank for 2021/22 and provides certainty for 12 months only. This is adversely impacting on continuity of the Metro Asset Renewals and making planning and procurement for future years delivery more difficult.

Projects committed through Essential Renewals, Transforming Cities or other funding streams are not delivered in the most efficient and effective way and Nexus fails to take advantage of other emerging funding streams to be able to improve its assets, customer services or operations. Contractual commitments beyond March 2022 must be minimised and the continuity of critical asset renewal including Overhead Line Equipment is uncertain.

Procurement efficiencies are being lost and there is evidence of reduced market interest and competitive tender responses.

Uncertainty around long term funding makes the recruitment and retention of key staff more difficult leading to a reliance on external contracts. The future viability of Nexus internal Capital Delivery is at risk.

Controls:

- Continue to make the case for ongoing funding from DfT.
- Seek flexibility from the Department for Transport over virement/ acceleration of funding to optimise programme delivery.
- Effective programme management, project prioritisation, delivery and budget control processes.
- Ensure Portfolio level management of project and programme interfaces, dependencies and business change.
- 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.

- Continually monitor and manage the programme to ensure sufficient programme/project management resource - identify options to source additional resources or capacity to deliver increase levels of investment.
- Close and proficient management of all contracts relating to ARP and other works in the capital programme.
- Periodic Affordability Review meetings to consider Metro Asset Renewal Programme profiling.
- Monitor procurement and changes in responses to tenders.
- Periodic project reviews, analysis and reporting – presentation to Nexus' Capital Steering Group, Senior Leadership Team, Executive Board, the JTC and the joint Nexus/DfT Programme Board.
- Continuous review of existing vacancies within teams.
- Continued engagement with DfT via Programme Board and HMT regarding future Metro funding arrangements.
- Review contractual terms and conditions in light of pandemic to ensure flexibility in contracting to minimise the impact – respond to changing market conditions to ensure successful procurement.
- Evaluate mitigation options for retention and recruitment of key skills and resources.
- A work resource plan for capital programme for 22/23 has been developed with regular reviews planned.
- Capital prioritisation process for 22/23 completed

Next Steps/Milestones	Owner	Due date
Identify potential funding opportunities announced in 2021 Budget – now awaiting details of bidding process.	Major Projects Director	Mar 22
Seek future capital funding support from DfT through the Spending Review	Director of Finance and Resources	Nov 21

CP Theme: **Assets and technology**

CP Workstream: **Technology**

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)
	Target RAG Status	
	8(2x4)	

Risk: A successful cyber-attack on Nexus ICT infrastructure.

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.

Controls:

- 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.
- Regular review of ongoing notifications from key suppliers regarding vulnerabilities in order to ensure timely notification and action.
- Awareness testing exercises will be carried out, with additional controls implemented as deemed appropriate to the level of threat being

experienced.

- Increased vigilance of Cyber security activity, particularly through IT security networks, during the pandemic.
- Monitoring of remote working and the subsequent risks this imports.
- Regular awareness testing exercises are carried out, with additional controls implemented as deemed appropriate to the level of threat being experienced.

Next Steps/Milestones	Owner	Due date
Pursue Cyber Essentials Plus accreditation	Head of ICT	Mar 22

CP Theme: Customer Experience		
CP Workstream: Products and Payment		
Risk Area: Products and Payment Offer Risk Owner: Customer Services Director Risk Actionee: Project Lead – Integrated Ticketing, Commercial Manager	RAG Status (Amber)	Direction of Travel
	9(3x3)	↔ (stable)
	Target RAG Status	
	3(1x3)	
Risk: Our products and payments offer fails to meet the changing needs of our customers and results in a loss of patronage to other modes of transport.		
Impact/Consequence(s): Technological developments and changes to the way in which people choose to travel may mean that the Nexus’ product offer is perceived as inadequate, outdated and unable to deliver the intended benefits for customers and stakeholders impacting Nexus’ patronage recovery.		
Controls: <ul style="list-style-type: none"> • Continuous review of retail trends and customer choice with market research carried out to establish product development proposals. • Annual review of prices, products and sales channels. • Provision made in the Fares and Revenue 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. • Pay by phone solution in place at car parks. • Smart Integrated Ticketing programme established 		
Next Steps/Milestones	Owner	Due date
Seek funding for continued innovation in product and payments arrangements.	Customer Services Director	Ongoing
Develop and implement plans for cashless and paperless travel as outlined in the Products and Payments Strategy.	Head of Commercial	Mar 25
Add current NTL product range onto smartcard and then develop plans to introduce a multimodal, price capped pay as you go product.	Head of Commercial	Mar 22

Develop flexible products for frequent customers including corporate season ticket holders.	Head of Commercial	Mar 22
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CP Theme: **Grow our patronage and improve our customer experience**

CP Workstream: **Invest in our infrastructure**

Risk Area: Funding public transport network improvements Risk Owner: Director of People and Culture	RAG Status (Green)	Direction of Travel
	6(2x3)	↔ (stable)
	Target RAG Status	
	4 (2x2)	

Risk: That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful

Impact/Consequence(s): Nexus will rely on external funding opportunities to implement enhancements to the public transport infrastructure that it is responsible for. Without this funding existing resources will, at best, only be able to maintain assets to their current condition and in some cases assets will deteriorate due to lack of funding. This will impact on customer perceptions as public transport will not meet expectations leading to reduced patronage and revenue and Nexus will not meet the aspirations set out in the Recovery Plan to attract customers back to Metro and to replace journeys no longer being made with new markets.

Controls:

- Nexus schemes are included in the Regional Transport Plan pipeline.
- A pipeline of capital schemes aligned with the Nexus Corporate Plan will be developed for specified funding opportunities.
- A detailed pipeline of potential schemes is developed and maintained for new and currently unspecified funding opportunities
- Nexus resources, both people and financial, are allocated to develop Nexus capital programme pipeline.
- New schemes will be subject to the Nexus prioritisation process to quickly and effectively match business priorities to 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 Transport Strategy Unit to provide project updates and ensure that schemes are developed in line with wider regional objectives.
- Regular liaison with other external stakeholders, including DfT to ensure alignment with other projects and local objectives.
- Match funding has been identified for live bidding opportunities.
- Continuous horizon scanning for new funding opportunities

Next Steps/Milestones	Owner	Due date
Develop full business cases for Transforming Cities Fund Scheme, in line with scheme development	Head of Corporate Planning	Mar 22
Secure development funding and resources to develop the Nexus capital programme to stagegate 3 / outline business case	Head of Corporate Planning	Summer 21
Develop strategic outline business cases for schemes for the Levelling Up Fund, IntraCity Transport Fund and Cycling and Walking fund	Head of Corporate Planning	2021-2022

CP Theme: **Putting Safety and Security at the heart of everything we do**
 CP Workstream: **Reduce Anti-social Behaviour**

Risk Area: Antisocial behaviour Risk Owner: Chief Operating Officer Risk Actionees: Head of HSQE, Metro Operations Director	RAG Status (Amber)	Direction of Travel
	9(3x3)	↔ (stable)
	Target RAG Status	
	3 (1x3)	

Risk: An increase in anti-social behaviour leads to loss of reputation and reduced patronage

Impact/Consequence(s): An increase in anti-social behaviour across the Metro network could result in the perception that Metro is unsafe to travel on leading to falling patronage and increased costs on repairing and replacing damaged equipment.

- Controls:
- Enhanced CCTV installed around system
 - Regular security exercises held across network to provide customer reassurance
 - Body worn cameras available to all public facing staff to support enforcement action
 - Radios issued to Customer Service teams to maintain good levels of communication
 - Regular liaison meeting with partner organisations to identify repeat offenders
 - Increased messaging and communications at hotspot locations
 - Strong enforcement action against repeat offenders
 - Metro Police Unit, British Transport Police and Neighbourhood Police Teams presence around network
 - Regular roving patrols by Customer Service staff around network
 - Security Team attendance at multiple ASB mitigation events
 - Targeted patrols in areas with higher levels of ASB
 - Ticketing gate lines at key stations.

Next Steps/Milestones	Owner	Due date
Identify actions arising from the independent security review	Various	Various

Develop strategy for implementation of additional gate lines across network	Head of Corporate Planning	Oct 21
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CP Theme: **Grow our patronage and improve our customer experience**

CP Workstream: **Customer Services**

Risk Area: Patronage Recovery Risk Owner: Chief Operating Officer Risk Actionee: Head of Corporate Planning, Head of Finance, Customer Services Director, Head of Commercial, Head of Marketing, Communications and Information	RAG Status (Red)	Direction of Travel
	12 (3x4)	↔ (stable)
	Target RAG Status	
	4(2x2)	

Risk: Failure to recover public transport patronage following the covid-19 pandemic

Impact/Consequence(s): Failure to recover patronage lost during the COVID-19 pandemic sufficiently would make bus, Metro and Shields Ferry services unsustainable at their current levels. Any additional restrictions on movement being introduced later in the year could further reduce public confidence in the Public Transport network. Additional COVID-relief funding from DfT/HMT is contingent on effective delivery of a recovery plan while funding to deliver our long-term goals could also be put at risk. The lack of long-term funding support reduces the ability for Nexus to implement long term behavioural change projects designed to support a 'green' economic recovery.

Controls:

- A comprehensive recovery plan has been developed outlining plans to rebuild patronage following the lifting of COVID-19 restrictions
- On-going programme of marketing and communications aimed at reassurance and encouraging customers back to Metro.
 - Ongoing, high visibility of staff around network including enhanced cleaning regimes and the enforcement of COVID travel rules.
 - Regular reviews of progress with DfT/HMT.
 - Regular review of actions identified in recovery plans
 - Marketing activity to reassure customers around the safety of public transport
 - 'Take the Kids for Free' offer introduced to attract new customers
 - Horizon scanning and bidding for funding to assist with recovery

Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of the current funding agreement on 5 April 2022	Director of Finance and Resources	Mar 22

Implement actions agreed in recovery plan	Various	Various
Implement actions identified in the Nexus Corporate Recovery Plan	Various	Various
Design and deliver new products and services to reflect changing patterns of travel and make public transport attractive.	Head of Commercial	Ongoing
Target new customers and markets including new products services, capital investment (subject to funding) and communications and marketing activities	Various	Ongoing
Work with Transport North East to deliver partnerships with bus operators.	Customer Services Director	Mar 22
Complete any reviews of service provision stipulated as a condition of recovery funding	Head of Corporate Planning	Autumn 21

CP Theme: **Grow Patronage and Improve our customer experience**

CP Workstream: **Invest in our infrastructure**

Risk Area: North Shields Ferry Landing Risk Owner: Major Projects Director Risk Actionee: Head of Renewals	RAG Status (Red)	Direction of Travel
	12(4x3)	↔ (stable)
	Target RAG Status	
	9(3x3)	

Risk: Project currently un-funded due to withdrawal of previous secured LEP grant funding as conditions didn't align with project delivery timescales

Impact/Consequence(s): Delays to completing the required work to allow relocation of the North Shields ferry landing could lead to impact on ferry reliability due to the deteriorating condition of the existing ferry landing and failure to support the regeneration ambitions of the North Shields Fish Quay.

Controls:

- Establish an internal project team-level Steering Group/working group
- Regular updates to the Major Projects Directorate Steering Group
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC
- Continued advance planning and collation of information in identified risk areas to mitigate future deliver risks.
- Apply effective and proven project management controls, risk management planning and governance processes with appropriately skilled resources employed in these areas.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties
- Regular assessment of programme delivery against grant funding conditions and meeting with funding bodies to provide up to date progress.
- Hold funding strategy workshops facilitated by North Tyneside Council and progress agreed actions as a priority.
- Ensure a strategic multi-party meeting facilitated/chaired by North Tyneside Council is set up which embeds the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area and both North and South Shields, ensuring strategic foresight and all schemes are joined up.
- Horizon scanning and bidding for funding to continue to develop the project.
- Progression of development project tasks to ensure the project is "shovel

ready” in the event of funding being secured. For example, form A design, navigational assessments, operational assessments, preparation of planning application, and ground investigations works.

- Establish natural break-point should no further funding be secured (December 2021, milestone for release of ITT for Design & Build Contract for main works)

Next Steps/Milestones	Owner	Due date
Funding strategy workshop facilitated by North Tyneside Council	Head of Renewals	Summer 21
Release of ITT for Design & Build Contract for main works	Head of Renewals	Dec 21
Contract Award	Head of Renewals	Apr 22
Work Starts	Head of Renewals	Summer 22
Work completed	Head of Renewals	Feb 23

CP Theme: **Grow Patronage and Improve our customer experience**

CP Workstream: **Invest in our infrastructure**

Risk Area: Metro Flow Risk Owner: Major Projects Director Risk Actionee: Head of Metro Flow	RAG Status (Amber)	Direction of Travel
	9(3x3)	↔ (stable)
	Target RAG Status	
	9(3x3)	

Risk: The benefits of Metro Flow are not delivered, are compromised, limited or delayed.

Impact/Consequence(s): Delivery of Metro Flow could be compromised by escalating costs, a delayed delivery programme or infrastructure limitations, and the predicted benefits may not be fully realised. This could have implications for the customer experience and service, both in delivery and operation, Nexus financial position and may damage Nexus' reputation as a delivery agent, subject to the selected mitigation strategy

Controls:

- A project risk register is live for the project and is reviewed regularly to monitor and manage existing known risks as well as identifying new and emerging risks along with identifying mitigation measures.
- Continued advance planning and collation of information in identified risk areas will mitigate future deliver risks.
- Apply effective and proven project management controls including CSM, risk management planning and governance processes with appropriately skilled resources employed in these areas.
- Continually monitor the overall Nexus Capital Programme to ensure interfaces and dependencies with other activities, particularly the Metro Fleet Replacement and Metro Asset Renewals, are understood, prioritised and managed.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties.

Next Steps/Milestones	Owner	Due date
Industry Consultations (Network Change etc.)	Head of Metro Flow	Dec 21
Final Business Case Approval/Funding Confirmation	Head of Metro Flow	Aug 21
Infrastructure <ul style="list-style-type: none"> ○ Form B Submission ○ Blockade Commencing ○ Delivery 	Head of Metro Flow	Mar 22 Sep 22 Mar 23
Uplifted service commences December 2024 to align with the fleet programme	Head of Metro Flow	Dec 24

Appendix 2

Table based on the current risk scores in Nexus' Corporate Risk Register

Risk area	Uncontrolled and Controlled Risk Scores								
	Uncontrolled			Controlled			Target		
	L'hood	Impact	Score	L'hood	Impact	Score	L'hood	Impact	Score
Catastrophic security event	4	4	16	2	4	8	2	4	8
Catastrophic safety event	4	4	16	2	4	8	2	4	8
Metro Performance	4	4	16	2	4	8	2	4	8
Long Term funding for Metro	4	4	16	4	4	16	1	3	3
Frontline services and discretionary travel Schemes – Metro Services	4	4	16	4	4	16	1	3	3
Frontline services and discretionary travel Schemes – Non Metro Services	4	4	16	4	3	12	1	3	3
Procurement of the new design, build, maintain and provide contract for the fleet/depot	4	3	12	3	6	9	2	3	6
Efficiency of Delivery (ARP)	4	3	12	4	4	16	1	3	3

Cybersecurity	4	4	16		2	4	8	2	4	8
Products and Payment Offer	4	3	12		3	3	9	1	3	3
Public transport Network improvements	4	3	12		2	3	6	2	2	4
Anti-Social Behaviour	4	3	12		3	3	9	1	3	3
Patronage Recovery	4	4	16		3	4	12	2	2	4
Ferry Landing Relocation	4	4	16		4	3	12	3	3	9
Delivery of Metro Flow	3	4	12		3	3	9	3	3	9

Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

Impact:

Likelihood	Impact:			
	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: 9 September 2021

Subject: Tyne Tunnels Update

Report of: Managing Director, Transport North East

Executive Summary

This report provides an update on activities at the Tyne Tunnels relating to:

1. The management and operation of the traffic tunnels;
2. The management and operation of the Tyne Pedestrian and Cyclist Tunnels (TPCT).

The report provides an update on traffic levels at the Tyne Tunnels, which shows that traffic has been gradually increasing and was at approximately 97% of pre-pandemic levels in August 2021. JTC income is protected by the nature of the Project Agreement which sees JTC take the first share of traffic income while TT2 takes its income from the additional traffic over that level. This means that TT2 takes the financial risk on a drop in traffic levels.

The report includes an update on the progress of the Tyne Pass barrierless scheme, agreed by this Committee in September 2020, towards a Go-Live date in November 2021. A contractor has been appointed to undertake the necessary works (revise the road layout and remove the toll booths) and a key focus of current activity is the Marketing Plan for Tyne Pass, which contains some strong messaging to local people and businesses via a range of methods and a focus on driving up pre-paid account numbers. The report sets out details of the proposed signage to be implemented to ensure users are aware of the need to pay on line once they have used the tunnel. The report also provides an update on recent engagement with tunnel users.

In line with the Project Agreement, the costs and risks associated with the implementation of the Tyne Pass scheme, as well as the operational savings and enforcement income, lie with TT2. The TT2 Customer Service Centre to support the new system is up and running with 27 new staff already in place following a customised training programme with ongoing support and development. These staff have been recruited and trained up gradually over the last 12 months to work on the interim systems leading up to Tyne Pass (Pay Later and Pre-paid premium lanes).

The report also provides an update on the usage and operation of the Pedestrian and Cyclist tunnels with particular reference to the completion of the refurbishment. Daily use of the tunnels has increased since the tunnels reopened in 2019, with cyclists in particular increasing in popularity over the last 12 months. Total usage figure (including cyclists and pedestrians) for June 2021 was 13,709 journeys and for July 2021 was 15,633 journeys.

As members will be aware, the completion and certification of the inclined lifts is now the only major outstanding work required to complete the full refurbishment and once this is completed the Tunnels will be handed over to TT2 Ltd, who will then manage the operation of the Tunnels for the remainder of the Concession Agreement.

An alternative lift specialist has been appointed to complete the works required on the inclined lifts in order to bring them into operation. Work began in the first week of July 2021 and has continued throughout July and August. The specialist lift engineers have made good progress and it is likely that the works can be completed in the next 8 weeks. Following completion of the works testing will be carried out and the lifts need to be safety certified by a Notified Body before they can be opened to the public.

Recommendations

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

- i. Note the contents of the traffic tunnels update; and
- ii. Note the contents of the Tyne Pedestrian and Cyclist Tunnels update.

1. Background Information

- 1.1 The Tyne Tunnels are jointly owned by the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). They comprise two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels. The Tyne Tunnels receive no government or local funding and all operational costs and funding costs are met from the tolls charged to users of the vehicle tunnels.
- 1.2 TT2 Ltd as Concessionaire is responsible for the day-to-day management and operation of the Tunnels, in accordance with the Project Agreement which is in place from 2007 to 2037. This is monitored by the Tyne Tunnels Manager on behalf of NECA (as accountable body for the Joint Transport Committee (JTC)).

2. Traffic Tunnels Update

Traffic Flows and Covid-19 effects

- 2.1 Traffic flows through the Tyne Tunnels are reviewed daily by TT2 and Transport North East. The normal level of traffic pre-Covid was approx. 55,000 vehicles per day. As a result of Covid-19 lockdown measures, traffic levels dropped during March and April 2020 to approximately 17,000 vehicles per day which is 30% of normal levels. This is the lowest level of traffic seen during the life of the TT2 contract.
- 2.2 For the rest of 2020 and early 2021, traffic levels improved to around 60/70% but were much lower than expected and toll revenue was significantly down on pre-pandemic levels. TT2 have suffered the income loss from the reduced toll income rather than JTC, as the JTC income is protected by the nature of the Project Agreement which sees JTC take the first share of traffic income while TT2 takes its income from the additional traffic over that level. This means that TT2 takes the financial risk on a drop in traffic levels. During July and August 2021 traffic has been gradually increasing and was at approximately 97% of pre-pandemic levels in August.
- 2.3 The orange line in the graph below shows expected traffic levels before the pandemic as 100% while the blue line shows actual traffic levels during summer 2020 and early 2021.

- 2.8 The civils works for removal of the barriers have now been approved and a contractor has been appointed by TT2 to carry out the works. The works are designed so that on the Go-Live date traffic will move from travelling in 8 lanes at the toll plaza and will be directed to travel in only 2 lanes which will have the barriers removed, so that the system provides a smooth barrierless journey of 'open-road tolling' immediately. The civils contractors will then go on to remove the barriers from all the other lanes over the following weeks whilst the traffic continues to travel safely through the 2 lanes without stopping.
- 2.9 All of the new sophisticated ANPR cameras required for this system are already in place and are undergoing extensive testing. These cameras are high spec and able to take several photographs of a vehicle registration plate at speed, to ensure that all traffic is accounted for and the system can pick up every payment of the toll and every exempt vehicle (Blue Badge users, fire engines, ambulances etc) and can match it to the vehicle registration. Drivers who fail to pay the toll by midnight the day after their journey will face enforcement as their address can be traced from the vehicle registration linked to DVLA records. Details of the enforcement process have been explained to members in previous reports.
- 2.10 One of the most important aspects of the new system is ensuring that the customer understands how to pay the toll. Paying the toll online, by telephone or at a Paypoint is a new process for many users who currently use coins to pay. This means that some strong messaging to local people and businesses is vital. With this in mind the Marketing Plan for Tyne Pass is now well underway and includes:
- TT2 Monthly Newsletter
 - TT2 Customer Database
 - Tyne Tunnels VMS Boards
 - Radio ads and sponsorships
 - Social Media (Facebook, Twitter, LinkedIn, Instagram, YouTube)
 - Digital Programmatic (website banners, in feed ads)
 - TV adverts
 - Press (incl. Chronicle, Journal, Sunday Sun, Sunderland Echo, Shields Gazette, Northern Echo)
 - PR – Key stakeholders in different industries and local groups
 - Digital Outdoor and Outdoor Media
 - Leaflet drops at local centres of employment such as Colbalt
 - Leaflets distributed at the toll plazas
- 2.11 See below examples of leaflets being handed out at toll booths and to local residents and businesses to explain how to pay the toll and to explain that the payment systems are changing.

**Open Road Tolling
at Tyne Tunnels**

DRIVE STRAIGHT THROUGH FROM NOVEMBER

We are removing the toll plazas to speed up your travel time and reduce congestion.

- ✓ Faster journey times
- ✓ Less pollution
- ✓ Better for business
- ✓ Easier to pay

What is Open Road Tolling?
Open Road Tolling means there will no longer be a need to stop at a toll plaza; Automatic Number Plate Recognition (ANPR) systems will detect your Vehicle Registration Number.

I have an exemption account. How will this work for me?
You will continue to receive your exemption. Blue Badge/ exempt customers are being contacted to migrate from their physical permit to an online account. **More info: www.tt2.co.uk/bb**

Tyne Tunnels

www.tynepass.com
TURN OVER TO LEARN ABOUT PAYMENT METHODS

HOW WILL I PAY AT TYNE PASS?

Pre-paid

- ✓ Save 10% on every crossing **SIGN UP IN MINUTES AT: apply.tt2.co.uk**
- ✓ Top-up via our website, App or automated telephone payment line
- ✓ Don't get stuck with no credit. Use Auto Top-up

Pay after your journey

- ✓ Pay by midnight the following day after your crossing
- ✓ Pay via our website or automated telephone payment line
- ✓ Simply enter your Vehicle Registration Number

PayPoint

- ✓ Pay by cash
- ✓ PayPoint retailers all over the country including 300m from Tyne Tunnels. Pay within payment window (by midnight the following day after your crossing)

One Off Payments

- ✓ **Not a regular user, but want to plan ahead?** Pay for up to 10 journeys before or after travel
- ✓ Journeys bought before travel valid for 1 year. For journeys after, pay within normal payment window (by midnight the following day after your crossing)
- ✓ 10% discount only applied with a Pre-paid account
- ✓ Pay via our website, automated telephone payment line, App or PayPoint retailer

www.tynepass.com

- 2.12 The TT2 Customer Service Centre is also up and running with 27 new staff in place following a customised training program with ongoing support and development. These staff have been recruited and trained up gradually over the last 12 months to work on the interim systems leading up to Tyne Pass (Pay Later and Pre-paid premium lanes). The staff have therefore gained some valuable experience in dealing with particular Tyne Tunnels customer issues. TT2 has also learned from the interim systems to establish what works best in terms of customer service and online and telephone facilities for payment.
- 2.13 Overall the interim systems (Pay Later and Pre-paid premium lanes) have been very popular with users based on TT2's measurement of customer usage. However they have also generated some negative feedback which has largely been expressed via social media posts but also in some local press coverage. Some users are simply annoyed that they have missed the deadline for payment and express their annoyance at the system itself and the fact that a toll needs to be paid at all, however others have raised some valid suggestions for process improvements to improve customer experience, which Transport North East officers and TT2 have taken on board in the development of the full system.
- 2.14 Transport North East officers have recently engaged with some regular tunnel users to hear their views and gain insight on the systems under development. Dissatisfaction has been expressed by users in relation to some issues, for example the time/date printing on the Pay Later ticket has been reported as potentially confusing, also users have asked for clearer signage and have asked for the involvement of an independent body in the customer appeals service.
- 2.15 All these points have been considered carefully, along with other issues raised and Transport North East officers are working with TT2 (and continuing to engage with users) to improve systems for the full Tyne Pass system which is intended to be implemented in November 2021. In terms of the issue with the date/time on Pay Later tickets, this has been considered over some time and it has been difficult to

make changes which would satisfy all users points of view. However it will be addressed at the Go-Live date as tickets will cease to be issued to users at the toll barriers and the journey will be non-stop through the tunnels, with users paying online before or after their journey without any physical ticket.

2.16 In terms of the signage, TT2 and Transport North East agree with users that the Tyne Pass signage must be clear and obvious to drivers. The proposal is for brightly coloured signage to catch road users attention, with simple clear wording to explain how users need to pay. The signage is currently being reviewed by the Department for Transport (DfT) who may or may not approve the colour of the signs. (If the colour is not approved by DfT the signs will still be in place, but may be a standard green or blue colour).



2.17 In relation to issues raised regarding bringing more ‘independence’ to the appeals service, officers have looked into this and are assured that currently the appeal system set up by TT2 is of a similar nature to other toll operators in the UK who follow the same general rules for appeals. However in response to the user feedback Transport North East officers are also looking at ways to involve a third party independent body in the enforcement process and to put systems in place for Transport North East to regularly scrutinise appeal decisions to ensure consistency and fairness to users. It is intended that these new elements to the enforcement process could be put in place before Tyne Pass Go-Live, when numbers of drivers using the appeal systems will rise.

Promoting Pre-Paid accounts

2.18 It is considered high priority that as many drivers as possible who use the tunnels, register for a pre-paid account. This provides numerous benefits and moves drivers away from cash payments.

2.19 The main benefit is that a pre-paid account in credit means the toll is deducted automatically and the driver does not have to remember to make a payment online by the deadline after their journey. The other important benefit is financial as a pre-paid account holder receives a 10% discount on every journey.

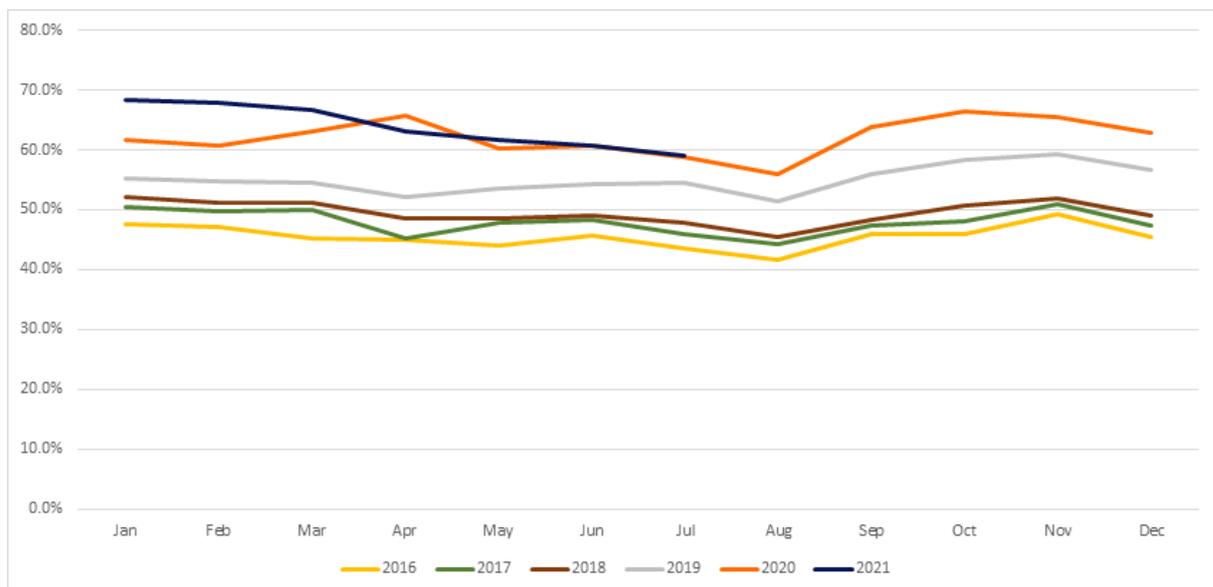
	Toll charge	Pre-Paid
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		account
Cars (Class 2)	£1.90	£1.71
Lorries/vans (Class 3)	£3.70	£3.33

2.20 This is a significant saving for regular users. A pre-paid account can be set up in minutes via the TT2 app or via the TT2 website or with assistance from the customer service team for those with limited digital skills and one account can be used for several vehicles. There is now also an Auto-Top up facility so drivers who register for this do not need to remember to top-up their account, as it will automatically top up by £5 or £10 when the balance is low.

2.21 Currently approximately 60-65% of user journeys are paid by pre-paid accounts and this has been rising over the last 5 years. It had been originally hoped that pre-paid journeys would be higher (around 70%) by this stage in the plans for Tyne Pass. The last five years trends are shown below.

Proportion of Pre-Paid journeys at Tyne Tunnels for last five years



2.22 The 2020/2021 trend has been challenging and unpredictable due to lock-downs affecting user profile, but the progress each year on increasing Pre Paid use is reasonably consistent. This graph shows a marked rise every year after the school summer holidays which should be replicated this year. The target for October 2021 is 70-75% Pre-paid and it is envisaged that an increase will be boosted by the targeted marketing campaign.

2.23 One element of the Tyne Pass Marketing Plan is to focus on promoting pre-paid accounts. The leaflet below has been produced to target cash paying customers and encourage them to switch to Pre-Paid accounts. This leaflet is being handed out at the toll plaza to cash payers.

Tyne Tunnels
"Tyne Pass" Project

Cash payments will no longer be available later this year!

Switch to Pre-paid Sign up in minutes

apply.tt2.co.uk



Tyne Tunnels or scan me!

Turn over for more info

-  Save 10% on every crossing
-  No more looking for change
-  Register multiple vehicles on one account
-  Always have credit with Auto Top-up

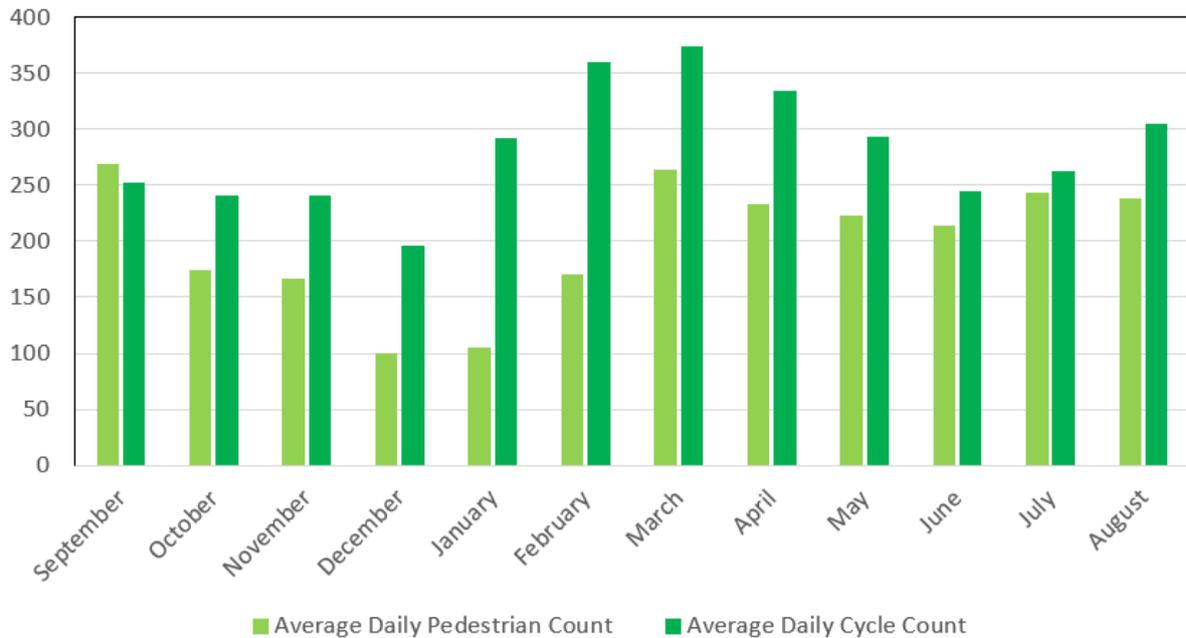
Why will cash payments no longer be available?
We are transitioning to Open Road Tolling. No more barriers, no more queuing!

 /tynetunnels
  @TT2Limited
  @tyne_tunnels

Tyne Pedestrian and Cyclist Tunnels Update

- 2.24 The Tyne Pedestrian and Cyclist Tunnels reopened for public use in August 2019 after being closed for several years for refurbishment. They are currently open to the public with no charge to users. To access the tunnels, pedestrians and cyclists can use the vertical lift at both ends and must abide by social distancing measures in place including wearing a face mask. The tunnels are monitored via CCTV by the 24-hour security presence on-site.
- 2.25 The tunnels were open throughout most of 2020 between 06:00 and 22:00. Following requests from users for night time opening, a trial of 24 hour opening was put in place for the month of December 2020 to assess whether there were any concerns regarding safety or anti-social behaviour. The trial has proved to be successful and there have been no major concerns or incidents of antisocial behaviour. The night time opening has proved very popular, particularly benefiting shift workers who cycle to work at night.
- 2.26 Following the trial, it was agreed that 24-hour opening should continue throughout 2021 subject to regular reviews. It has continued throughout 2021 without any major issues.
- 2.27 Daily use of the tunnels has increased since the tunnels reopened in 2019. Cycling in particular has increased in popularity over the last 12 months.
- Daily average usage is shown below. Total usage figure (including cyclists and pedestrians) for June 2021 was 13,709 journeys and for July 2021 was 15,633 journeys.

Tyne Tunnel Average Daily Pedestrian and Cycle Counts
September 2020 to August 2021



Inclined lifts refurbishment

- 2.28 The completion and certification of the inclined lifts is now the only major outstanding work required to complete the full refurbishment. Once this is completed, the Tunnels will be handed over from the Newcastle City Council project team, who are continuing to oversee their operation, to TT2 Ltd, who will then manage the operation of the Tunnels for the remainder of the Concession.
- 2.29 As this committee are aware, the completion of the inclined lifts has been delayed throughout 2020 with the Italian lift engineers (Maspero) citing Covid-19 travel restrictions as the principal reason for this. Engineers were last on site in January 2020 and not been back to site since.
- 2.30 However, the completion of the inclined glass lifts is a priority and therefore other options have been considered to reach a solution in 2021 which allows the inclined lifts to be brought into operation as soon as possible.
- 2.31 Officers have now appointed an alternative lift specialist to complete the works required on the inclined lifts in order to bring them into operation. Work began in the first week of July 2021 and has continued throughout July and August. The specialist lift engineers have made good progress within the planned budget and it is likely that the works can be completed in the next 8 weeks. Following completion of the works testing will be carried out and the lifts need to be safety certified by a Notified Body before they can be opened to the public.
- 2.32 Members will no doubt welcome the news that work is underway on these lifts and that the target of having the lifts operational in 2021 is a possibility as the delays during 2019 and 2020 have been frustrating for both the public and this Committee. Further updates will be provided to this Committee on the progress of the works and

the certification at the next meeting.

3. Reasons for the Proposals

Not applicable.

4 Alternative Options Available

Not applicable.

5. Next Steps and Timetable for Implementation

5.1 Officers are working with TT2 on the implementation of the Tyne Pass system which is due to go-live in November 2021.

The lift contractor is continuing work on the inclined lifts over the next 8 weeks to enable them to be brought into operation during 2021.

6. Potential Impact on Objectives

The promotion of cycling and walking is in line with the JTC objectives on sustainable transport.

The Tyne Pass scheme provides significant environmental benefits which contribute to the Combined Authorities' objective to improve air quality and reduce carbon emissions. This is also in line with the Transport Plan objectives and the Combined Authorities' objectives to respond to the Climate Change Emergency which has been declared by all constituent authorities.

The Tyne Pass scheme creates new jobs for local people which contributes to the Combined Authorities' objectives to improve employment opportunities in the region and reduce levels of unemployment.

7. Financial and Other Resources Implications

7.1 There are no financial implications arising directly from this report, which is for information.

7.2 Due to the structure of the contract with TT2 Ltd, the reduced traffic has not had an impact on the net budget for the Tyne Tunnels managed by the Joint Transport Committee.

7.3 The cost of the refurbishment works on the Tyne Pedestrian and Cyclist Tunnels were included in the JTC capital programme and have been funded from Tyne Tunnel reserves and from prudential borrowing in line with the original approval for the project. The works so far are on budget and progressing as planned. It is important to note that the Tyne Tunnels reserves are ring-fenced for use on the tunnels.

8. Legal Implications

There are no legal implications arising directly from this report.

9. Key Risks

There are no key risks associated with this report.

10. Equality and Diversity

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

11. Crime and Disorder

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. TT2 website and the Pedestrian and Cycle Tunnel website both provide updates to the public on all matters related to the Tunnels.

13. Other Impact of the Proposals

Not applicable.

14. Appendices

None.

15. Background Papers

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnel Update reports to the scheduled meetings of the Tyne and Wear Sub-committee:

Report dated 9 July 2020 – Tyne Tunnel Update

Report dated 5 September 2020 – Tyne Tunnel Update

Report dated 5 November 2020 – Tyne Tunnel Update

Report dated 14 January 2021 – Tyne Tunnels Update

Report dated 8 April 2021 – Tyne Tunnels Update

Report dated 9 July 2021 – Tyne Tunnels Update

16. Contact Officers

- 16.1 Paul Darby, NECA Chief Finance Officer, paul.darby@durham.gov.uk, Tel: 03000 261930

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Fiona Bootle, Tyne Tunnels Manager, Fiona.bootle@transportnortheast.gov.uk.

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

PA – Project Agreement (relating to the contract for the provision of the New Tyne Crossing)

JTC – Joint Transport Committee

UTCN – Unpaid Toll Charge Notice

DfT – Department for Transport

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