



Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 7th July, 2022 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. Declaration of Interests	
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 meeting held on 13 January 2022	3 - 9
4. Minutes of the inquorate meeting held on 7 April 2022	11 - 15
5. Corporate Performance Update	17 - 27
6. Corporate Risks Update	29 - 73
7. Tyne Tunnels Update	75 - 82
8. Tyne Pass Scheme Update	83 - 92
9. Exclusion of the Press and Public	
The Tyne and Wear Sub-Committee may wish to exclude the press and public during consideration of item 11 by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972.	
10. Confidential minutes of the inquorate meeting held on 7 April 2022	93 - 94

11. Date of next meeting

The next meeting of the Tyne and Wear Sub-Committee will be held on Thursday 8 September 2022 at 2pm, venue to be confirmed.

Contact Officer: Emma Reynard
Tel: 0191 433 2280
E-mail: emmareynard@gateshead.gov.uk



JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 13 JANUARY 2022

VENUE: COUNCIL CHAMBER, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: R Berkley, M Brain and J McCarty

In attendance:

Statutory Officers: M Barker (Monitoring Officer – Transport)
E Goodman (NECA Finance Manager)
T Hughes (Managing Director, Transport North East)

Officers: F Bootle, J Fenwick, A Flynn, H Lewis, M Kearney
and E Reynard

Others: K Farn, P Smith and C Ward (TT2 Ltd)

28. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Bell, Councillor J McElroy and Councillor C Rowntree.

29. DECLARATIONS OF INTEREST

There were no declarations of interest.

Request to Speak:

The Chair invited Phil Smith, Chief Executive of TT2 Ltd to address the Committee regarding recent issues relating to Tyne Pass at the Tyne Tunnels. The Committee were also given the opportunity to ask questions.

At the end of the update, Councillor Johnson asked Transport North East Officers and TT2 Ltd to look into creating a hardship fund to assist vulnerable users who may experience financial difficulties if they receive a fine when using the Tyne Tunnels. This was agreed.

Following the discussion, Phil Smith, Chris Ward and Kirsty Farn left the meeting.

30. MINUTES OF THE PREVIOUS MEETING HELD ON 4 NOVEMBER 2022

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

31. TYNE TUNNELS REVISION OF TOLLS AND BUDGET 2022/23

The Sub-Committee received a report which outlined proposals to increase the tolls at the Tyne Tunnel from April 2022 for Class 3 Vehicles (HGVs) from £3.70 to £3.90 (a 20p increase), with no change for Class 2 Vehicles and no change to the 10% discount available to permit holders.

The proposed increase is permissible as inflation, as measured by the Retail Price Index (RPI), has reached a level such that a 20p increase can be applied under the terms of the River Tyne (Tunnels) Order 2005. It will be the first increase for Class 3 vehicles since August 2020.

The report also included budget figures for 2022/23 factoring in the proposed increase which will be included in the budget report presented to the Joint Transport Committee for approval on 18 January 2022.

Councillor McCarty commented that an increase in tolls is unfortunate at the current time, given the increase in the cost of living for residents and the drop in use of the Tyne Tunnels due to the pandemic. She noted that the increase is necessary to ensure that the debt for the Tunnels continues to be paid. However, she felt it was important to recognise that lots of people are struggling financially at the moment.

RESOLVED: the Tyne and Wear Sub-Committee:

- a) Approved the increase in tolls for Class 3 vehicles from £3.70 to £3.90 to take effect from April 2022, as set out in section 2.3 of the report;
- b) Approved the continuation of the 10% discount for permit holders as set out in section 2.4 of the report;
- c) Authorised the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005;
- d) Noted the proposed 2022/23 budget which will be included within the budget report presented to the JTC on 18 January 2022.

32. REVISION TO METRO AND FERRY FARES 2022

The Sub-Committee received a report which proposed a package of changes to fare costs on Metro and Ferry.

It is proposed that a 5.1% increase is applied. However, fare costs will be frozen for the Pop Pay As You Go cards, which are now also available to use on Android mobile phones which equates to a saving of 85p compared to paper tickets.

It is also proposed that the price for Corporate season tickets are also frozen to assist with changes in working patterns since the start of the pandemic. In addition, Gold cards for older and disabled customers will remain at £12 for one year, and £24 for those not resident in Tyne and Wear.

The proposals are designed to ensure that larger fare increases are specifically targeted in a way that ensures those customers affected have access to cheaper alternatives. This is to help drive the transition to more sustainable forms of ticketing by reducing paper waste and managing costs in the business associated with issuing tickets.

The popular Kids Go Free offer that has seen over 85,000 children benefit from free travel, will continue in 2022. It is estimated that the Kids Go Free offer has generated an additional £0.149m in revenue as a result of additional demand from adult fare payers taking their children on Metro for a day out. In addition, the recently launched 19-21 Pop card which provides a 30% discount for those who are starting their careers, apprenticeships, or university degrees, will remain frozen for 2022/23 to match the freeze in adult smart prices.

Nexus will continue to support developments in multi-modal ticketing to improve the overall public transport offering to customers.

Officers advised that they wished to withdraw the recommendation within the report to change the Metro zone boundary along the South Tyneside and Sunderland border at Seaburn, to allow further consultation to take place before a decision is made.

Proposals for Ferry fares mirror the proposals put forward for Metro. Park and Ride pricing, following the popular introduction of the Pay by Phone payment method in January 2021, will remain frozen for 2022/23 to help drive Park and Ride recovery.

The Sub-Committee was also advised that the Omicron variant has impacted on passenger numbers, following Government advice to work from home.

Councillor McCarty noted that fare increases have been applied in January previously and asked why this had been changed to April?

Officers advised that this was to avoid two fare increases in the same financial year, as last years' increase had been delayed due to the pandemic. Councillor McCarty noted that tickets were now available on Android phones and looked forward to this being extended to iPhones. She felt it was important to encourage more people to move to paperless ticketing. She noted that people are struggling financially but agreed that a fare increase was necessary. Councillor McCarty was disappointed that patronage had reduced due to the Omicron variant and felt that this added to the case to continue to lobbying Government to maintain the emergency funding after April.

Councillor Johnson agreed and urged the Government to provide a funding certainty now. He noted that all Government financial support packages required a fare increase, which was being applied. Councillor Johnson added that Pop cards could also be used at the ticket machines within stations and were not limited to being used on an Android phone.

RESOLVED: the Tyne and Wear Sub-Committee:

- (i) Approved the Metro and Ferry fares proposal to be implemented from 1st April 2022 which includes:
 - a. A commitment to introduce a new flexible season ticket to adapt to changing customer travel patterns;
 - b. Freezing Pop Pay as You Go prices; and
 - c. An overall increase in the weighted basket of fares of 5.1%.
- (ii) Approved a freeze in the price of concessionary products (paragraph 2.6 refers);
- (iii) Noted the alternative options explored as part fares review process (Section 4 refers); and
- (iv) Noted that the fares proposal within this report is contained within the Nexus budget for 2022/23 being presented to the Joint Transport Committee on 18 January 2022.

The Tyne and Wear Sub-Committee also agreed to officers' request to allow more consultation on the proposal within the report to a change in the Metro zone boundaries to align better with Network One multi modal ticketing zones.

33. NEXUS CORPORATE PERFORMANCE UPDATE

The Sub-Committee received a report which provided an on the performance of Nexus against its Corporate Business Plan for 2021/22 and covered the period from 22 August 2021 to 16 October 2021.

Metro patronage was 38% above the target set in April 2021, but it remains 17.2% below pre-pandemic levels during the same period in 2019/20. However, patronage has recovered more quickly than it did following the lifting of restrictions in the Summer of 2020, particularly in relation to leisure and retail journeys.

Metro fare revenue was £5.976m which represents a 60% recovery rate against the pre-pandemic budget.

Metro punctuality during the period reported was 85.8% which is 2.5% below target. Punctuality was affected by high sickness levels among train crew, as well as adverse weather conditions.

Ferry patronage was 24.3% above target and Ferry fare revenue was 44.1% above target for the period reported. In addition, secured bus patronage was 38% above target, with fare revenue 36.7% above target for the period. Both Ferry and secured bus patronage have recovered more quickly than expected, following the lifting of lockdown restrictions.

The Ferry service has been reduced to a 12 hour timetable following the impact of the Omicron variant, to allow flexibility in resources. Metro and secured bus services continue to be monitored, but although there has been a large number of people absent, there has been no reduction in service.

Councillor McCarty thanked officers for the report and update. She hoped that things would start to improve regarding the Omicron variant over the next few weeks. Councillor McCarty was pleased to note the good recovery in leisure journeys and added that 'Kids Go Free' offer was a valuable component.

Councillor McCarty added that all councillors are worried about the potential cut to emergency bus funding provided by Government being withdrawn and the impact it will have on services. She acknowledged that this would be discussed at the Joint Transport Committee next week and added that lobbying should continue around funding and subsidy for all public transport.

Councillor Berkley felt that there were some very positive messages within the report and was pleased that Ferry patronage was improving. She added that public transport was key to the economic recovery in the region and that it is often the only means of transport that some women and vulnerable people can use. Councillor Berkley hoped that the public transport offer would be able to continue at current levels.

RESOLVED: The Tyne and Wear Sub-Committee noted Nexus' performance against the key priorities in its Corporate Plan for 2021/22, including Metro performance.

34. NEXUS CORPORATE RISK REGISTER 2021/22

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 and controlled.

There are currently five risks which are rated 'red' due to funding uncertainties. These 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
- Patronage Recovery

Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23, with funding thereafter contingent on the region becoming eligible for a City Region Sustainable Transport Settlement subject to appropriate governance being in place. The allocation is less than the £40m which was originally requested and the lack of a City Region Sustainable Transport Settlement means that no funding for infrastructure renewal is in place beyond 2022/23. However, discussions are continuing with officials from DfT and progress is being made.

The Sub-Committee was also advised that although the Omicron variant has had an impact on staff sickness levels, a full timetable is still being delivered. However, the reduction in patronage due to the variant, has reinforced the need for continued emergency Government funding beyond April.

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

35. TYNE TUNNELS UPDATE

The Sub-Committee received an update on the Tyne Tunnels including the traffic, pedestrian and cyclist tunnels, and an update on the Tyne Pass scheme which was introduced on 8 November 2021.

Traffic Tunnels

Traffic levels through the tunnels have fallen slightly to 94% during October, November and December. It is thought that this is due to the rise in petrol costs and Government advice to work from home if possible.

The Tyne Pass scheme was introduced on 8 November 2021, and although there were traffic delays during the first week of operation whilst drivers got used to the new road layouts, traffic flow has improved.

The tolls at the tunnels must be paid either in advance using a pre-payment account or by midnight the day after the journey. During the first month of operation, 5.93% of users did not pay the toll resulting in them receiving an Unpaid Toll Charge Notice (UTCN). However, the agreed rules in place mean that if users consider they have unjustly been charged they can appeal and if their appeal is upheld, the UTCN will be cancelled. TT2 have agreed in the first months of operation to implement some transitional appeal rules as people get used to new ways of paying. This has the benefit of allowing them to uphold more appeals. During November 2021, a high rate of 43% of appeals were upheld.

TT2 Ltd are motivated to improve the customer experience and have 85 staff working at their call centre. Call waiting time targets are in place and in December, the average waiting for a caller was 2½ minutes. TT2 Ltd continue to monitor customer feedback and make improvements as required.

As mentioned earlier in the meeting, TT2 are looking at how vulnerable people can be helped to pay fines and this will be carried out using the appeals system.

Pedestrian and Cyclist Tunnels

The tunnels continue to be well used and will remain open 24 hours a day, 365 days a year. Although usage is lower in the winter months, around 9,500 people used the tunnels in December.

Refurbishment of the inclined lifts is progressing. Final works are being carried out on the doors, however there is currently a supply chain issue which is causing a delay and a date cannot be given for completion yet.

Councillor Berkley welcomed the proposal to help vulnerable people to pay fines and noted that this shows that TT2 Ltd were listening and responding to concerns.

She also asked whether the Pedestrian and Cyclist Tunnels could link in with heritage or cultural work in the area?

Officers advised that pre pandemic there was lots of activity including with schools. It is hoped that this will return in the future once the inclined lifts re-open and covid cases reduce.

Councillor Johnson was pleased that work was progressing on the inclined lifts as this has been an ongoing issue for many years. He also acknowledged the improvements being made in relation to Tyne Pass.

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

36. DATE OF NEXT MEETING

The next meeting will take place on Thursday 7 April 2022 at 2pm.

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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 7 APRIL 2022

VENUE: COUNCIL CHAMBER, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: R Berkley and J McElroy

In attendance:

Statutory Officers: M Barker (Monitoring Officer – Transport)
E Goodman (NECA Finance Manager)
T Hughes (Managing Director, Transport North East)

Officers: F Bootle, H Lewis, M Kearney, E Reynard, J Sparkes and
C Whittle

37. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Bell and Councillor C Rowntree.

The Monitoring Officer advised that the meeting was inquorate. The Chair and Committee agreed to continue with the meeting and discuss the items on the agenda, noting that no decisions could be made by the Committee.

38. DECLARATIONS OF INTEREST

There were no declarations of interest.

39. MINUTES OF THE PREVIOUS MEETING HELD ON 13 JANUARY 2022

The minutes could not be agreed as the meeting was inquorate and would be presented for agreement at a future meeting.

40. CORPORATE PERFORMANCE UPDATE

The Sub-Committee received a report which provided an update on Nexus' performance against its Corporate Business Plan for 2021/22, covering the period from 17 October 2021 to 5 February 2022.

Patronage remains above the target set in the Nexus Recovery Plan but remains below pre-pandemic levels. Patronage has recovered more quickly in 2021 than it did following the lifting of lockdown restrictions in the summer of 2020, particularly with leisure and retail journeys.

The network was affected by Storms Malik and Arwen in November and January which caused suspensions across the network while overhead lines were repaired and fallen trees removed.

A new customer service structure was introduced in November which provides a greater presence on trains as well as at stations and gatelines. The new structure will allow roving customer support teams to tackle anti-social behaviour and fare evasions.

Work on the new fleet continues with the first new unit expected to arrive later this year. Metro Flow continues to progress on-time.

PAYG Pop Cards are now available on Android Phones via Google Pay. The service was launched on 28 February and offers customers the option to use their phone as a PAYG smartcard.

Councillor McElroy was pleased to note that patronage recovery following the pandemic is moving towards a full recovery. He asked whether patronage patterns on across public, active and sustainable transport are also improving in the same way and whether any new travel patterns are emerging. He also asked about recent changes to bus services north of the river and prospects for those services to improve?

Officers advised that Metro is making a good recovery but still requires more passengers to generate revenue to take it to pre-covid levels. New factors are influencing how and when people use public transport – for example, the recent good weather saw 100% of pre-covid patronage on one day which was mirrored on the buses, but this has dropped to 80% of pre-covid levels since the weather turned cooler again. There has been an increase in leisure journeys over weekends and fewer journeys during the week as people continue to work from home. It is expected it will take around six months to analyse the new trends.

Councillor Berkley placed on record her thanks to staff for ensuring Metro was up and running quickly following the recent storms.

41. CORPORATE RISKS UPDATE

The Sub-Committee received a report which provided an update on the Nexus Corporate Risk Register for 2022/23 based on the approved Corporate Plan.

During March 2022, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2022/23.

There are currently two risks that are red due to funding uncertainties – long term funding for Metro and efficiency of delivery – capital programme. Nexus has received confirmation from DfT that it will receive a £30.2m of capital grant in 2022/23 with funding after that linked to the region becoming available for City Region Substantiable Transport Funding (CRSTF), subject to appropriate governance arrangements being agreed. Positive discussions are ongoing with DfT officials.

The risk that is linked to the North Shields Ferry Landing is also red due to the project currently remaining unfunded. Funding is being sought to progress this project.

The final risk which is red is Metro Performance which is due to recent weather events and staff absence due to Covid.

Councillor McElroy commented that long-term funding is required to ensure public transport is available to encourage people out of cars. He welcomed the news of positive discussions with DfT around this issue. He noted that BSIP funding had been announced which was also good news for the region's buses, but other financial pressures still remain.

Councillor Johnson was pleased that the capital programme funding was guaranteed for this year, but added it was not good that the government was suggesting funding for Metro be pushed through the CRSTF route in the future. This would mean that there wouldn't be the transformational funding for light rail that is required. He added that Metro required a long-term investment from government to allow for long-term planning for the future.

42. TYNE TUNNELS UPDATE

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

Traffic levels have returned to pre-pandemic levels. The Tyne Pass scheme continues to be successful with the rate of non-compliance of paying the toll now at 3.8%. Pre-pay users are now benefitting from improvements to the system including email reminders to top up accounts.

The report also provided information on the hardship fund which the Sub-Committee requested at its last meeting. A pilot scheme has been put in place with support from the nationally recognised independent debt relief service – PayPlan. PayPlan will work in partnership with TT2 Ltd and Transport North East to provide a direct link from TT2 to those individuals who are having difficulties paying the Unpaid Toll Charge Notice. The scheme will initially be in place for three months to allow time for the service to be reviewed in its effectiveness and allow assessment of future costs.

In addition, a link with Citizen's Advice in South Tyneside has been established to provide direct contact between CAB and TT2 to enable access for vulnerable tunnel users. This service will also be monitored, and plans are in place to roll it out regionally to other CAB branches.

The Pedestrian and Cyclist tunnels continue to be well used with more than 11,000 users over the Winter months. This is expected to increase during Spring and Summer.

Work continues on the inclined lifts but is not yet completed due to supply chain issues for new parts.

Councillor Berkley was delighted that the pilot for the Hardship Fund had now commenced, and also commended the work with CAB.

Councillor Johnson noted that there continued to be negativity around the toll charges on social media, even though the raft of changes introduced by TT2 Ltd had improved the customer experience. He suggested that the Sub-Committee address the issues within an online petition at its next meeting.

43. NEXUS CORPORATE BUSINESS PLAN 2022/23 TO 2026/27

The Committee considered a report which set out the aims and objectives of the Nexus Corporate Business Plan for the next five years.

The investment in the new train fleet continues, along with the development of a new maintenance depot at Gosforth. Work on the Metro Flow is continuing with a planned closure of the line from Pelaw to South Shields for three months from 12 September to 5 December 2022, to allow line upgrades to take place.

There is also a drive to improve the customer experience on Metro including promotion of the PAYG Pop Card which links to new ways of working following the pandemic, as well as providing value for money leisure journeys.

The Enhanced Partnership and BSIP also provide opportunities to link with Nexus and provide additional funding to deliver services.

Councillor McElroy noted that there is a sustainability section within the Corporate Plan and asked whether there was any way to influence operators to improve sustainability standards?

Officers advised that Nexus had recently agreed its Environment and Sustainability Strategy which would be shared with the Sub-Committee and the public. The strategy focuses on Nexus' internal processes – for example the new Nexus fleet will use 30% less energy. In addition, Nexus is looking at other aspects of the organisation including the Clean Ferry project and recycling.

Through Nexus' procurement processes for bus services, bids for contracts can only be made where there is a Euro 6 standard in place, which also links to the CAZ standards. The BSIP will also drive up standards around sustainable transport and includes targets to improve bus emissions. In addition, one of the aims of the Transport Plan is to deliver carbon neutral buses.

Councillor Johnson agreed that the BSIP announcement was important and was the largest in the country, which will be good for ticketing, fares, and speed of buses. The Corporate Business Plan themes link with the BSIP and the Transport Plan and provide an excellent opportunity to encourage more patronage on Metro and which is the most sustainable form of public transport in the region. In addition, PAYG Pop Cards give people the opportunity to use Metro as part of new working arrangements and provide good value for money.

44. EXCLUSION OF THE PRESS AND PUBLIC

The Tyne and Wear Sub-Committee agreed to exclude the press and public during consideration of items 9 and 10.

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

Date: 7 July 2022
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 and 2022/23. This report covers Period 12 to 13 of 2021/22 which encompasses 6 February 2022 to 31 March 2022 along with Periods 1 and 2 of 2022/23 which cover 1 April 2022 to 28 May 2022.

2021/22 Period 12 and 13

Between Periods 12 and 13, Metro patronage was 4,033,677 which is 26.0% above the periodic target of 3,200,816. For the whole of 2021/22 Metro patronage was 24,290,634 which is 23.9% above the target of 18,783,968.

These targets for 2021/22 are based on our recovery plan which was submitted to the DfT in April 2021 and are still some way below pre-pandemic levels.

Metro fare and commercial revenue for Periods 12 and 13 was £6.056m. For the whole of 2021/22, the Metro fare and commercial revenue generated was £33.617m, which represents an increase against budget of £3.550m albeit only a 69% recovery rate against pre-Covid actuals.

Metro punctuality in periods 12 and 13 was 81.4% which is 7.6% below the periodic target of 89.0%.

Punctuality during in Period 12 was heavily affected by the collapse of a wall above overhead lines in North Shields following high winds. The danger posed by the damaged wall resulted in a service suspension between North Shields and Tynemouth for four days between 17th and 20th February.

On 5th March, a signal passed at danger (SPaD) on the Gosforth Depot resulted in a reduced number of services being able to enter into service and caused a service suspension between South Gosforth and Four Lane Ends.

Ferry patronage in Periods 12 and 13 was 43,418 which is 47.7% above the target of 29,381. Total ferry patronage for the year was 314,595 which was 16.9% above the target of 268,974.

Ferry fare revenue in Periods 12 and 13 was £48,719 which was 24.4% above the evenly profiled budget of £39,156. For the whole of 2021/22, ferry fare revenue was £299,440 which is 23% above the target of £244,124.

Secured Bus patronage between Periods 12 and 13 was 826,498 which is 23.0% above the target of 671,466 for the period. The annual total patronage for secured bus services was 4,405,849 which is 44.5% higher than the target for 2021/22 which was 3,048,567.

Secured Bus revenue in Periods 12 and 13 was £517,354 which was 124.1% better than the evenly profiled budget target of £230,835. For the whole of 2021/22, secured bus fare revenue was £2,648,026 which was 83% above the target of £1,463,870.

2022/23 Periods 1 and 2

Between Periods 1 and 2 of 2022/23, Metro patronage was 4,320,699 which is 3.0% below the periodic target of 4,452,490.

Metro fare and commercial revenue for the Periods 1 and 2 was £6.539m. Because of the impact that Covid-19 continues to have on journey patterns, patronage and fare revenue recovery remains fragile. It is therefore still very difficult at this stage to determine an accurate profile with which we can compare against actual revenue earned in the period. However, what is encouraging is that when actual revenue earned in the period is compared against an evenly profiled budget, we would be ahead of forecast. Work to develop a more accurate way of profiling this budget will continue throughout the year.

Metro punctuality in periods 1 and 2 was 88.8% which is 0.87% below the periodic target of 89.75% whilst the 13-period moving annual average (MAA) at the end of Period 2 was 82.6% which is 4.6% below target.

Ferry patronage in Periods 1 and 2 was 66,882 which is 22.8% above the target of 54,462.

Ferry fare revenue in Periods 1 and 2 was £67,316 which was 10% above the evenly profiled budget of £61,316.

Secured Bus patronage between Periods 1 and 2 was 896,132 which is 34.5% above the target of 665,832 for the period.

Secured Bus revenue in Periods 1 and 2 was £357,170 which was 46% better than the evenly profiled budget target of £245,372.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against the key priorities in its Corporate Plan for 2021/22 and 2022/23, 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 and 2022/23.
- 1.2 For 2021/22 and 2022/23 the CP has five main themes and 14 key priority workstreams.
- 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	The 2022/23 Safety Plan is now being delivered
Improve Operational Safety	The number of SPADs were below forecast levels in 2021/22
Reduce anti-social behaviour	Additional security presence has been added to the network

Embed a 'Safety First' Culture

- 1.4 Our 2022/23 Safety Plan has been approved and published. The plan contains twenty objectives for the year focussed around a number of priority areas.

Improve Operational Safety

- 1.5 Nexus has produced a new SPAD action plan based on the previous years activities and objectives. This is managed monthly in a forum with Safety and Assurance, Drivers and Operations Manager. The number of SPADs for 2021/22 was below forecast.
- 1.6 The Signal Passed at Danger (SPAD) Reduction Plan 2022/23 has been finalised and builds upon 2021/22's improvements in this area

Reduce anti-social behaviour

- 1.7 In March, Nexus introduced additional staff resource onto the network to deter anti-social behaviour and provide reassurance for customers. Feedback from passengers on this initiative has been well received.
- 1.8 The Nexus Security Team are working together with the Police Crime Commissioners Office following a successful bid named the Safer Transport Northumbria Project. The project aims to improve transport safety throughout the region with a focus on unwanted sexual behaviour towards women and marginalised groups. The project includes; Media Campaigns, a new reporting app, body worn video for staff and

intelligence led response analysis.

- 1.9 As well as this the Security Team are hosting, supporting and working with the MPU (Metro Police Unit) and NPTs (Neighbourhood Patrol Teams) through plain clothes operations, the establishment of a graffiti forum including partners from local authorities, targeted intervention at areas of concern and working with Youth Offending Teams.

Customer Experience	
Workstream	Status
Invest in our infrastructure	Work on Metro Flow and the Fleet Replacement Programme is progressing to plan.
Products and Payments	Pop PAYG has launched on Google Pay
Customer Services	Patronage continues to recover at higher than forecast levels.

Invest in our infrastructure

- 1.10 Work on the delivery of the new depot and train fleet is progressing well, although the ongoing impacts of current global events on the supply chain/logistics represents a heightened risk in some areas, which requires careful management and ongoing monitoring by Stadler. Despite this, there are now 3 trains in final assembly. The first train remains on programme to arrive on the Nexus network in November 2022, however there is an ongoing risk of delays following the first train, and Nexus are working with Stadler to monitor and manage this.

First Article Inspections are nearing completion now, and the focus is on working with Stadler to plan for testing and commissioning of the new metro trains. In addition, the construction of the new depot at Gosforth is progressing well and remains on programme to complete ahead of the arrival of the first new train.

- 1.11 Metro Flow has continued to progress in line with the agreed programme. The projects’ main compound at Wardley has been constructed and detailed designs have progressed following the completion of the site surveys.

Products and Payments

- 1.12 Our customers are the first in the UK and second in Europe to be able to load their transport pay as you go smartcard – the Pop card – through their phone directly from Google Pay. Following the launch of this service, the number of passengers using their phone to store their smart card has shown strong growth.
- 1.13 More than 84% transactions now use cash-free payment methods. As a result we are converting machines steadily to card-only or coin-and-card only, making the machines more efficient to maintain and use.

- 1.14 Nexus has increased the number of secured bus services it contracts through the March 2022 rescue package for Newcastle and North Tyneside in response to cuts made by commercial companies. This has been done, in part, by utilising Local Transport Funding to protect services and mitigate against commercial service reductions. Nexus took this opportunity to introduce a new, simple, two-tier fare structure across all bus services where it holds the revenue risk: Customers pay £1.50 for any journey less than 5km, and £2.10 for any longer journey. Customers aged 19 and under pay a single flat fare of £1.20, the same as Metro and the Shields Ferry, alongside cheaper concessionary fares for those aged 16 and under. This simple fare structure is aimed at encouraging people to use buses and will be regularly reviewed to ensure that it continues to be an attractive travel offer.
- 1.15 A marketing and information campaign to encourage Metro customers to use Pop Pay As You Go (PAYG) and Pop on Android to save money when the travel is proving to be successful. The price of all Pop PAYG journeys on Metro has been frozen until April 2023, with the TWSC taking this decision to support local people through the cost-of-living crisis, encourage use of public transport and encourage people to move to more-convenient smart payment. Since the start of the financial year approximately the number of people using PAYG has increased to 16% of all short-term (single and daysaver) journeys, doubling the number of journeys made using the same method in 2021/22.
- 1.16 The introduction of POP PAYG on Android phones in March has seen a successful uptake from passengers, surpassing the expectations. As of early May 1,700 customers were using PAYG on their android mobile phone after just 8 weeks of the product being available, with that number continuing to grow. Metro is the first UK transport operator to link its smart product directly into Google Pay, and only the second in Europe. Nexus is continuing to work with its supplier base to ensure Metro is an early adopter should other mobile wallet providers introduce equivalent capability.

Customer Services

- 1.17 Between Periods 12 and 13, Metro patronage was 4,033,677 which is 26.0% above the periodic target of 3,200,816. For the whole of 2021/22 Metro patronage was 24,290,634 which is 23.9% above the target of 18,783,968.
- 1.18 Between Periods 1 and 2 of 2022/23, Metro patronage was 4,320,699 which is 3.0% below the periodic target of 4,452,490.
- 1.19 Metro punctuality in periods 12 and 13 was 81.4% which is 7.6% below the periodic target of 89.0% whilst the 13-period moving annual average (MAA) at the end of period 13 was 84.1% which is 3.1% below target.
- 1.20 Punctuality during in Period 12 was heavily affected by the collapse of a wall above overhead lines in North Shields following high winds. The danger posed by the damaged wall resulted in a service suspension between North Shields and Tynemouth for four days between 17th and 20th February.
- 1.21 On 5th March 2021, a signal passed at danger (SPaD) on the Gosforth Depot resulted in a reduced number of services being able to enter into service and caused a service

suspension between South Gosforth and Four Lane Ends.

- 1.22 Metro punctuality in periods 1 and 2 was 88.8% which is 0.87% below the periodic target of 89.75% whilst the 13-period moving annual average (MAA) at the end of Period 2 was 82.6% which is 4.6% below target.
- 1.23 Ferry patronage between Periods 12 and 13 was 43,418 which is 47.7% above the target of 29,381. Total ferry patronage for the year was 314,595 which was 16.9% above the target of 268,974.
- 1.24 Ferry patronage in Periods 1 and 2 was 66,882 which is 22.8% above the target of 54,462.
- 1.25 Secured Bus patronage between Periods 12 and 13 was 826,498 which is 23.0% above the target of 671,466 for the period. The annual total patronage for secured bus services was 4,405,849 which is 44.5% higher than the target for 2021/22 which was 3,048,567.
- 1.26 Secured Bus patronage between Periods 1 and 2 was 896,132 which is 34.5% above the target of 665,832 for the period.
- 1.27 Nexus continues to support TNE and the JTC in the development of and consultation on the Enhanced Partnership for the region.

Assets and Technology	
Workstream	Status
Improve our physical assets	Renewals work is progressing to plan.
Technology	Nexus is leading on a smart multi modal ticketing project.

Improve our physical assets

- 1.28 Planning commenced for the 2022/23 essential renewals programme with track renewal works to be carried out between the Airport and South Gosforth as well overhead line cable replacement and other asset improvement designs being developed.
- 1.29 Full fleet availability was met on 67.4% of occasions in periods 12 and 13, this is 32.6% below target. Whilst in Periods 1 and 2 Full fleet availability was met on 70.9%, this is 29.1% below target.

Technology

- 1.30 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.

Sustainability	
Workstream	Status
Improve environmental performance	We have started to implement our Sustainability Strategy.
Manage our financial standing	Additional funding until October 2022 has been secured.

Improve environmental performance

- 1.31 Following the completion of our Sustainability strategy, a number of actions to improve Nexus' environmental performance are progressing to plan.
- 1.32 We are working with our partners on the CLEANFERRY to explore options to improve the environmental performance of the Shields Ferry.

Manage our financial standing

- 1.33 Nexus continued to receive Light Rail Revenue Restart Grant and Local Authority Coronavirus Bus Services Support Grant funding to offset fare and commercial revenue losses until 5 April 2022. On 1 March 2022 the Government announced a further funding package of £150m for bus and light rail operators which will run for six months until October 2022. It was subsequently confirmed that the region will receive £9.994m of Local Transport Funding (LTF) split £7.300m for light rail (Metro) and £2.664m for bus services across Northumberland, Tyne and Wear and County Durham. The vast majority of this funding will be required to mitigate inflationary pressures on Metro including the rising cost of high voltage power, policing and security and to protect bus services where commercial operators have already made cuts or have signalled their intent to do so.
- 1.34 Metro fare and commercial revenue for Periods 12 and 13 was £6.056m. For the whole of 2021/22, the Metro fare and commercial revenue generated was £33.617m, which represents an increase against budget of £3.550m albeit only a 69% recovery rate against pre-Covid actuals.
- 1.35 Metro fare and commercial revenue for the reporting period was £6.539m. Because of the impact that Covid-19 continues to have on journey patterns, patronage and fare revenue recovery remains fragile. It is therefore still very difficult at this stage to determine an accurate profile with which we can compare against actual revenue earned in the period. However, what is encouraging is that when actual revenue earned in the period is compared against an evenly profiled budget, we would be ahead of forecast. Work to develop a more accurate way of profiling this budget will continue throughout the year.
- 1.36 Ferry fare revenue in Periods 12 and 13 was £48,719 which was 24.4% above the evenly profiled budget of £39,156. For the whole of 2021/22, ferry fare revenue was

£299,440 which is 23% above the target of £244,124.

- 1.37 Ferry fare revenue in Periods 1 and 2 was £67,316 which was 10% above the evenly profiled budget of £61,316.
- 1.38 Secured Bus revenue in Periods 12 and 13 was £517,354 which was 124.1% better than the evenly profiled budget target of £230,835. For the whole of 2021/22, secured bus fare revenue was £2,648,026 which was 83% above the target of £1,463,870.
- 1.39 Secured Bus revenue in Periods 1 and 2 was £357,170 which was 46% better than the evenly profiled budget target of £245,372.
- 1.40 Nexus has now received confirmation from the Department for Transport (DfT) that in addition to it receiving £30.2m of capital grant in 2022/23, a further tranche of capital grant funding totalling £33.8m will be available in 2023/24 and 2024/25. This will enable Nexus to enter into contracts in the current year that give rise to financial obligations over the next two years. Funding to the level Nexus has previously sought and thereafter is still contingent on the region becoming eligible for a City Region Sustainable Transport Settlement (CRSTS), subject to putting in place appropriate governance. Nexus therefore continues its dialogue locally and with DfT to ensure that capital grant funding for Metro renewals is structured in such a way that it has long term surety of funding in order that it can properly plan and deliver its investment programme.

Transform our organisation to be agile, innovative and inclusive	
Workstream	Status
Represent the communities we serve	We have implemented our Recruitment and Selection 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 is progressing to plan.

Represent the communities we serve

- 1.41 We have started recruitment for nine apprentice posts covering a range of service areas including Procurement, Ferry, Signalling and Train Planning. The apprenticeships are all Level 3, and successful applicants will start with us in autumn 2022.

Learning and Development

1.42 We are in the process of finalising our People and Culture Strategy. The strategy will cover areas such as onboarding, career progression and development, ED&I and employee engagement.

1.43 Work to install a simulator for the new train fleet at the Nexus Learning Centre is progressing to plan and is expected to be operational from the summer.

Engagement

1.44 Our engagement process will be refreshed as part of the implementation of our People and Culture Strategy.

Strategy

1.45 Work on our People and Culture, ED&I and Safety and Security 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.
- 15.2 Nexus Corporate Business Plan 2022/23 as considered and approved at the Sub-Committee's meeting in April 2022.
- 16. Contact Officers**
- 16.1 Martin Kearney
Chief Operating Officer
Email martin.kearney@nexus.org.uk
Tel: 0191 2033500
- 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: 7 July 2022
Subject: Nexus Corporate Risks 2022/23
Report of: Chief Operating Officer

Executive Summary

The purpose of this report is to provide an update on the Nexus Corporate Risk Register for 2022/23 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

During June 2022, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2022/23.

A detailed explanation of the risks for 2022/23 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, milestone/next steps.

There are currently 2 risks which are 'red' because of funding uncertainties. These risks are:

- Long Term Funding for Metro,
- Efficiency of Delivery – Capital Programme

Specifically, in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23 along with £33.8m in capital grant funding for 2023/24 and 2024/25. Whilst this allows for some longer term planning it does not allow Nexus to complete its full essential renewals programme. The rising costs of energy and raw materials has also applied additional pressures on budgets.

One additional risk is 'red' is North Shields Ferry Landing which due to the project currently being unfunded. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities.

The final red risk is Metro Performance risk which is red as a result of recent disruptions to service in particular those caused by extreme weather events.

Recommendations

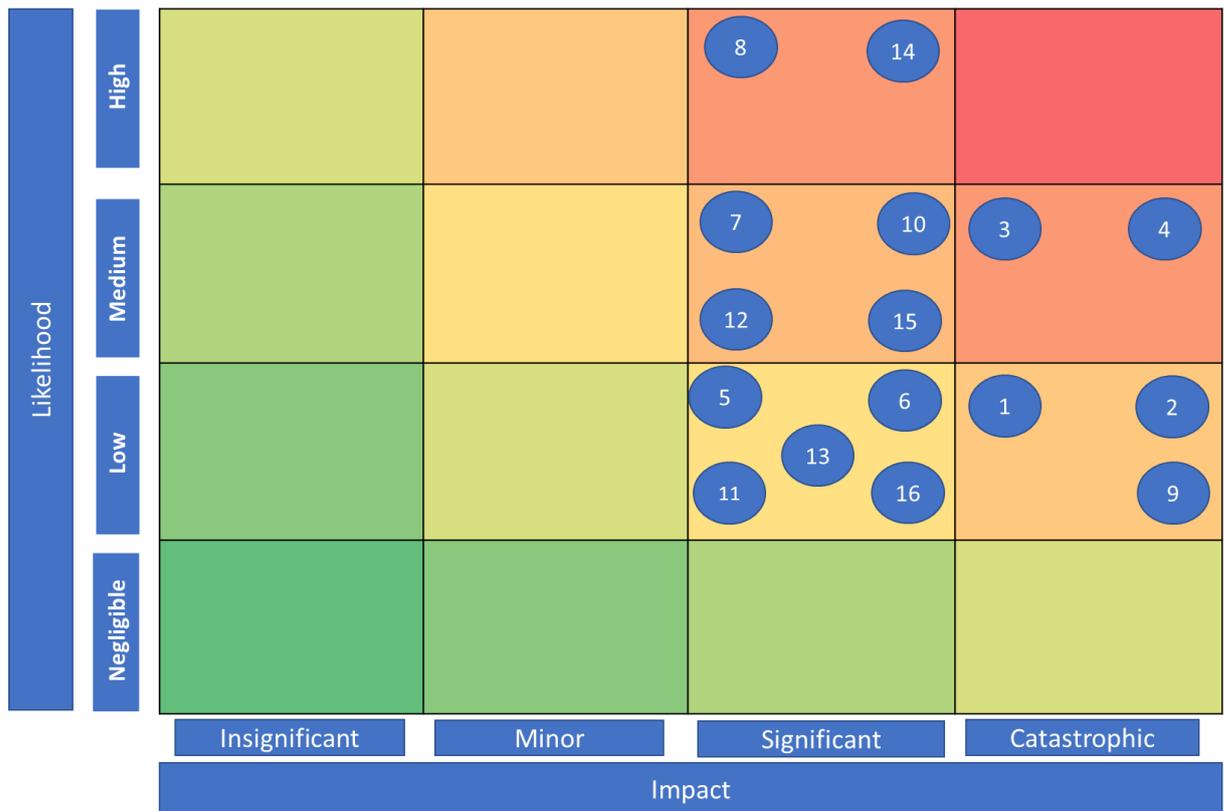
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2022/23

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 2022/23 was provisionally approved by the Sub-Committee at its meeting in January 2022 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 2022/23. The chart below shows an overview of the likelihood and impact of each risk.



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

	Risk	Summary of Changes	RAG status
1	Catastrophic security event	Controls updated	↔ (Stable)
2	Catastrophic infrastructure or operations event	No changes from previous risk	↔ (Stable)
3	Metro Performance	Milestones updated	↔ (Stable)
4	Long Term funding for Metro	<p>Risk likelihood score reduced from 4 to 3 to reflect agreement for renewals funding for 2023/24 and 24/25.</p> <p>Risk description and impact and consequences updated to include details of renewals funding and to highlight the inflationary pressures on Nexus' budget.</p> <p>Controls and Next Steps updated.</p>	↑ (Improving)
5	Frontline services and discretionary travel schemes – Metro services	Risk description updated.	↔ (Stable)
6	Frontline services and discretionary travel schemes – Metro services	Risk description updated.	↔ (Stable)

7	Procurement of the new design, build, maintain and provide contract for the fleet/depot	Controls updated.	↔ (Stable)
8	Efficiency of Delivery of the Capital Programme	Controls updated to reflect agreement for renewals funding for 2023/24 and 24/25.	↔ (Stable)
9	Cybersecurity	Milestones updated to include new cyber security plan.	↔ (Stable)
10	Products and Payments Offer	Due date of Next Steps/Milestones updated	↔ (Stable)
11	Funding Bids	Next Steps/Milestones updated	↔ (Stable)
12	Anti-Social Behaviour	New Controls added and Milestones and Next Steps updated	↔ (Stable)
13	Patronage Recovery	Risk Likelihood and Impact reduced to reflect current levels of patronage and budget security for 22/23 Risk controls updated	↔ (Stable)
14	North Shields Ferry Landing	Next Steps/Milestones updated	↔ (Stable)

15	Delivery of Metro Flow	Next Steps/Milestones due date updated	↔ (Stable)
16	Bus Patronage	Next Steps/Milestones due date updated	New Risk

2.3 Nexus will provide the Sub-Committee with an update on the position of the Corporate Risks at each of its meetings throughout 2022/23

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 2022/23.
- 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' 16 risks for 2022/23
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 2022/23 as submitted to and approved by the Sub-Committee at its meeting on 4 November 2021.
- 16. Contact Officers**
- 16.1 Martin Kearney
Chief Operating Officer
Email martin.kearney@nexus.org.uk
Tel: 0191 2033500
- 17. Sign off**
- 17.1 ¹
- The Proper Officer for Transport: ✓
 - 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 2022/23

RISK 1		
CP Theme: Safety without compromise		
CP Workstream: Put Safety and Security at the heart of everything we do		
Risk Area: Catastrophic security related event	RAG Status (Amber)	Direction of Travel
Risk Owners: Chief Operating Officer	8(2x4)	↔ (stable)
Risk Actionees: Safety and Assurance Director	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 <ul style="list-style-type: none"> • 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 • Extensive liaison between the Security Team and DfT Land Security and compliance to the Light Railway Security Recommended Best Practice • Liaison with National and Regional Counter Terrorism Security Advisors from Home Office and British Transport Police • Participating in joint emergency preparedness exercises with key stakeholders • Participation in multiple joint agency groupings including Serious Crime, ASB, Hate Crime, Prevent and Community Tensions • Communicating regular updates on the current threat from national and international terrorism • Enhanced Customer Service establishment introduced to provide greater coverage on the network with a designated roving capability as well as static coverage at key station locations 		

- All Customer Service Staff are now provided with body worn cameras and all public facing personnel have access
- Nexus Security Manager presents to Customer Service new starters to provide insight, outline suspicious behaviour(s), encourage proactive engagement, explain threats, encourage reporting, all of which leads to enhancing the organisational security culture
- 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
- Multiple security forums, including Crime and Disorder, Vandalism, Graffiti, and CCTV Coordination – all based on internal and internal joint approaches.
- Periodic security reports shared with colleagues across the organisation and relevant external stakeholders
- Security awareness communications posted across network
- Improved front line training for CS team members (starter and refresher) with an emphasis on Security
- Additional radio systems for instant communications supplied to team members
- The production of a Nexus Security Manual and Management plan has been checked and acknowledged by DfT and available to all Nexus personnel.
- The introduction of an outsourced Security Team consisting of SIA trained Security Officers. The team patrol the Metro system, trains, infrastructure, Bus Interchanges, and all Nexus owned land and properties deterring miscreant behaviours.

Next Steps/Key Milestones:	Action owner	Due Date
Physical exercise simulating biological or chemical attack leading from tabletop exercise	Safety and Assurance Director	August 22

Risk 2		
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 Risk Owners: Chief Operating Officer Risk Actionees: Safety and Assurance Director, Head of Engineering	RAG Status (Amber)	Direction of Travel
	8(2x4)	<p style="text-align: center;">↔ (stable)</p>
	Target RAG Status	
	8(2x4)	
Risk: Any public transport system is at potential risk of a catastrophic infrastructure failure or major operational incident		
<p>The impact/consequences should a catastrophic infrastructure failure or major operational incident occur on Metro, bus and ferry could be very significant including:</p> <ul style="list-style-type: none"> • 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. 		
<p>Existing Controls:</p> <ul style="list-style-type: none"> • A Safety Management System (SMS) which is independently accredited by the Office of Rail and Road (ORR); • Robust arrangements for the selection and management of contractors; • Monitoring of assets and development of mitigation plans in the event of catastrophic failure of a key asset; • Development of business continuity plans in the event of major disruption; • Maintaining a comprehensive suite of technical, operational and safety standards, procedures and rules 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. • Implement a risk-based annual safety plan for approval by Nexus Executive Board; • Continuing to engender an organisational safety and security culture. • Measure implemented to review opportunities to reduce the number of Signals Passed At Danger (SPADs); • Using the 'Ruglei' system for strengthening embankments using scrap rails 		

and stone filled mesh baskets.

- Vegetation management processes designed to prevent and/or reduce infrastructure damage;
- Remote temperature monitoring for rails to identify instances of extreme rail temperatures which could lead to rail buckling or breaking;.
- Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature;
- Vegetation strategy commissioned.

Next Steps/Key Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2022/23 Safety Plan.	Safety and Assurance Director	Mar 23
Developing and delivering a programme to reduce planned work using unassisted Lookout protection.	Safety and Assurance Director	Mar 23
Implement outcomes of vegetation strategy	Head of Corporate Planning	Mar 23

Risk 3

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 ICT**

RAG Status (Red)

Direction of Travel

12 (3x4)

Target RAG Status

8(2x4)

↔ (stable)

Risk: There are a number of things which could provide a significant impact on Metro performance, including but not limited to:

- **Ageing fleet and infrastructure leading to increasing numbers of failures.**
- **A lack of a long term funding agreement for asset renewal and vegetation management could result in asset performance declining.**
- **Staffing shortages through, vacancies, illness or industrial action**
- **Extreme weather incidents causing disruption to services**

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 replacement programme
- Close monitoring of key business results such as punctuality, delay minutes and asset reliability.
- Implement better performance management processes such as “right time” departure monitoring.
- Delivery of the Essential Renewals programme for 2022-23
- 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.
- 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
- Established possession planning tool to identify conflicts and opportunities to combine closures to minimize disruption to our customers
- Weather Preparedness Plans in place
- Using the 'Ruglei' system for strengthening embankments using scrap rails and stone filled mesh baskets.
- Vegetation management processes designed to prevent land slips.
- Proactive vegetation management within the bounds of available funding
- Working with neighbours and partners to control vegetation outside the boundaries of Nexus owned land
- Proactive communications with Trade Unions
- Succession planning arrangements for key roles
- Vegetation Management strategy commissioned

Next Steps/Milestones	Owner	Due date
Complete ICT network refresh to improve resilience of digital assets	Head of ICT	Mar 23
Realise the benefits of the new delay attribution system through better data analysis.	Metro Operations Director	Mar 23
Implementation of Asset Maintenance Strategy completed	Metro Infrastructure Director	Oct 23

Risk 4		
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
	12 (3x4)	↑ (improving)
	Target RAG Status	
	3 (1x3)	
Risk: There is no long-term funding agreement in place to replace life expired capital assets, deliver safety and business critical related capital investment. Ongoing revenue support from central government across the medium term is also not keeping pace with inflation.		
Impact/Consequence(s): The lack of external funding for critical asset renewals will lead to a diminution in service, failing infrastructure and major operational disruption. Funding for Essential Renewals of Metro infrastructure has been agreed for 2022/23 along with funding covering 2023/24 and 2024/25 allowing Nexus to enter into longer term contracts. Longer term funding is still reliant on the region becoming eligible for City Region Sustainable Transport Settlement (CRSTS).		
Controls <ul style="list-style-type: none"> • 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 financial monitoring to Nexus' Senior Leadership Team, Executive Board • Regular review of capital programme for 2023/24 – 2024/25 to ensure deliverability 		
Next Steps/Milestones	Owner	Due date

Continue close liaison with Government officials to secure confirmation of capital grant funding for 2023/24 and 2024/25	Director of Finance and Resources	March 23
Nexus' input to the quarterly monitoring of the Revenue budget and Capital Programme submitted to the JTC	Director of Finance and Resources	Quarterly
Continue to lobby DfT for index linked inflation of Metro Rail Grant	Director of Finance and Resources	Ongoing
Working alongside Transport North East on devolution discussions.	Director of Finance and Resources	Ongoing

Risk 5		
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 (Green)	Direction of Travel
	6 (2x3)	 (Stable)
	Target RAG Status	
	3(1x3)	
Risk: The COVID-19 pandemic has significantly impacted on public transport patronage and revenue. The budget proposal agreed by the JTC for 22/23 allows for the continuation of Metro Services. Additional central government funding in the form of LTF (Local Transport Funding) to cover the losses (and increased costs) on the public transport network caused by the COVID-19 pandemic has been announced, with Nexus’ indicative share for Metro in the order of £7.3m. The cost of living crisis means that rising inflation and a stretching revenue target are now more significant risks to the delivery of the 22/23 budget.		
<p>Impact/Consequence(s): There are a number of significant costs linked to inflation within Metro Services such as High Voltage Power and the Metrocar Maintenance Agreement. If inflation rises beyond the levels budgeted and/or the stretching revenue target is not achieved, Nexus will need to consider a range of actions in order to bridge the budget pressure including use of additional grant support from central government.</p>		
Controls <ul style="list-style-type: none"> • Monitoring of Metro patronage and fare revenue, undertake research through the insight panel to gain intelligence on trends and customer behaviours. • Regular financial monitoring to Nexus’ Senior Leadership Team, Executive Board and the JTC. • Regular liaison with DfT in relation to government grant. 		
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 1 October 2022.	Director of Finance and Resources	Sep 22

Nexus' input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of Finance and Resources	Quarterly
Regular monitoring of inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically

Risk 6		
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)	Direction of Travel
	6 (2x3)	 (Stable)
	Target RAG Status	
	3 (1x3)	
Risk: The COVID-19 pandemic has significantly impacted on public transport patronage and revenue. The budget proposal agreed by the JTC for 22/23 allows for the continuation of non-Metro Services. Additional central government funding in the form of LTF (Local Transport Funding) to cover the losses (and increased costs) on the public transport network caused by the COVID-19 pandemic has been announced, with Nexus' indicative share for non-Metro services in the order of £1.5m. The cost of living crisis means that rising inflation and a stretching revenue target are now more significant risks to the delivery of the 22/23 budget.		
Impact/Consequence(s): If inflation rises beyond the levels budgeted and/or ENCTS ridership recovers beyond the level budgeted, Nexus will need to consider a range of actions in order to bridge the budget pressure including use of additional grant support from central government.		
Controls <ul style="list-style-type: none"> Monitoring of public transport patronage, undertake research through the insight panel to gain intelligence on trends and customer behaviours. Periodic financial monitoring by Nexus' Senior Leadership Team and Executive Board. Regular liaison with DfT in relation to government grant. Regular monitoring of concessionary travel patronage. 		
Next Steps/Milestones	Owner	Due date
Continue to pursue recovery funding arrangement with HMT and DfT following the expiration of current funding agreement on 1 October 2022.	Director of Finance and Resources	Sep 22
Nexus' input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of Finance and	Quarterly

	Resources	
Regular monitoring of inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically
Support Transport North East in the development of partnerships with bus operators.	Customer Services Director	Sep 22

Risk 7CP 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**Risk Owners: **Major Projects Director**Risk Actionees: **Head of Fleet and Depot Replacement****RAG Status
(Amber)****9 (3x3)****Target RAG
Status****6(2x3)****Direction of
Travel****↔
(Stable)**

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.

Emerging risks relating to supply chains can be broken down into two categories which have different contractual outcomes:

- **The effects of the COVID-19 pandemic.**
- **Disruption caused by the ongoing conflict in Eastern Europe.**

These risks will continue to be managed using the controls outlined below.

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. In addition, any re-profiling of DfT grant would be subject to agreement with DfT at its sole discretion.

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. This includes comms/media risks management in regards to Nexus reputation.
- 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.
- 4-weekly programme reviews/interrogation and challenge to Stadler.
- Monthly face to face meetings with Stadler now taking place since travel restrictions have lifted.

- 4 weekly progress review meetings with Stadler.
- 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.
- Systems Review Panel being developed to sign off any safety related decisions for Entry into Service for depot and fleet
- Systems Assurance Manager commissioned via Technical Consultants to develop, monitor and manage SRP Governance in regards to safety decision-making for Entry into Service for new depot and fleet.
- Network Rail integrated into project to ensure acceptance of the new train fleet onto Network Rail Infrastructure
- Periodic progress reporting to Nexus' Senior Leadership Team and JTC.

Next Steps/Milestones	Owner	Due date
New Maintenance Depot Completed	Head of Fleet and Depot Replacement	Nov 22
First Train Delivered	Head of Fleet and Depot Replacement	Nov 22
Full Fleet in Service	Head of Fleet and Depot Replacement	Dec 24

Risk 8CP 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	12 (4x3)	↔ (stable)
Risk Actionee: Head of Programme Assurance, Head of Renewals	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): Funding for Essential Renewals of Metro infrastructure has been agreed for 2022/23 along with limited funding covering 2023/24 and 2024/25 allowing Nexus to develop some additional design work , although precludes award of contracts into subsequent years where the funding is below the expected cost. Longer term funding is still reliant on the region becoming eligible for City Region Sustainable Transport Settlement (CRSTS).

Projects committed through Essential Renewals, are not delivered in the most efficient and effective way due to the limitations of funding as noted above and therefore Nexus is unable to forward plan and resource up to take advantage of other emerging funding streams and thereby improve its assets, customer services or operations. This is due to limited resources with project management and supporting functions. Contractual commitments beyond March 2023 will need to be minimised and the continuity of critical asset renewal including Overhead Line Equipment and SCADA remains uncertain.

Planning beyond March 2025 is also extremely challenging as without an understanding of the quantum and duration of funding, it is impossible to develop a programme with any certainty. Late-stage challenges will risk further inefficiency and rework.

Procurement efficiencies are being lost and there is evidence of reduced market interest and competitive tender responses. Staff turnover is increasing – resulting in a loss of loss of key knowledge, skills and experience.

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.
- Procurement and Standing Order reviews to provide efficiencies on delivery programmes and attract a wider market of consultants and contractors.
- Effective more streamlined 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, Local Authorities, 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 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 is being updated with regular reviews planned.

Next Steps/Milestones	Owner	Due date
Continue close liaison with Government officials to secure confirmation of capital grant funding for 2023/24 and 2024/25	Director of Finance and Resources	Mar 23

Risk 9		
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: <ul style="list-style-type: none"> • Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats. • We subscribe to governmental cyber-threat awareness bulletins and are active members of local security working groups. • We participated in a local multi-party cyber-resilience event with local authorities and the emergency services to test the systems in place. • Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up of all essential systems and data so service can be returned safely and efficiently. • Nexus employs security specialists to implement governance and controls. • A cyber-security training standard has been implemented to train all Nexus staff in the basic requirements. • Nexus raises awareness of security threats through the use of internal communications such as Nexus Times & global emails. • Nexus measure awareness through different mediums such as fake Phishing attacks. • All changes to Nexus security assets are subject to tight control. • We have a suite of policies on security controls and an acceptable use. • A security incident response policy is in place. • We utilise segregation to protect critical systems particularly rail based systems. • We manage security risks within Business Change and Technology using a specific risk management process. 		

- 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.
- 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
Create a 3 year Cyber Security review and improvement plan	Head of ICT	Aug 22

Risk 10		
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): Changes to the way in which people choose to travel and technological developments 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. While Nexus has driven innovation in product and payment channels thus far, the next step towards multi-modal smart travel and then multi-modal contactless travel will require new external funding to make it possible.		
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 • Introduction of 19 -21 Pop PAYG ticket. • ‘Take the Kids for Free’ offer launched and marketed to generate new travel markets • Launch of PAYG tickets on Android phones • Increasing the number of card-only and cash and card ticket machines. • Simplified fare structure for secured bus services implemented 		
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	Sep 22

Risk 11CP 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	August 2022
Work with North Tyneside Council to secure funding for the relocation of the Ferry Landing to the Fish Quay	Head of Corporate Planning	October 2022
Develop strategic outline business cases for schemes for the, City Region Sustainable Transport Fund	Head of Corporate Planning	2022-2023
Develop the SOBC for the replacement of the signalling system	Head of Corporate Planning	March 2023
Identify funding opportunities to improve the environmental performance of the Ferry	Head of Corporate Planning	March 2023

Risk 12CP 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
- Regular roving patrols by Security 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.
- Security Working Group implementation and adherence to actions
- Concourse Teams at key locations, and Customer Support Team roving implementation

- Security Team weekly and dynamic direction and support
- Security Team liaison with Youth Justice Teams, to use diversionary and reparation methods.
- Regular review of plans identified in independent security review
- Additional security staff in place to provide a high profile presence on the network.
- Graffiti, vandalism, and crime and disorder forums with key internal and external stakeholders.

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	Mar 23
Deliver TCF funding programme to improve safety and security at car parks	Customer Service Director	Mar 23
Review Safety and Security Strategy	Safety and Assurance Director	Mar 23

Risk 13CP 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)****6 (2x3)****Target RAG Status****4(2x2)****Direction of Travel****↔**
(stable)**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. 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.

- 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
- Horizon scanning and bidding for funding to assist with recovery
- Review services to ensure that service can be adapted to meet new travel patterns.
- Implement a flexible commuter ticket
- Promote Park and Ride offer
- Promote Metro's green credentials
- Implement recommendations to target non-users to try Metro

Next Steps/Milestones	Owner	Due date
Implement actions identified in the Nexus 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	Aug 22
Identify and bid for funding to deliver capital projects to assist with recovery	Head of Corporate Planning	Ongoing
Continue to refresh the recovery plan, taking cognisance of the cost of living crisis in actions developed	Head of Corporate Planning	July 22
Work with partners to expand research activities to develop future service patterns	Head of Corporate Planning	Dec 2022

Risk 14CP 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, Customer Services Director	RAG Status (Red)	Direction of Travel
	12(4x3)	 (stable)
	Target RAG Status	
	9(3x3)	

Risk: The condition of the North Shields Ferry Landing continues to deteriorate and no funding is found to build a replacement

Impact/Consequence(s): Continued deterioration of the North Shields Ferry Landing is likely to lead to prolonged service suspensions and undermine the viability of the service by 2025. This will reduce customer confidence and satisfaction in the service leading to declining patronage putting the long term viability of the service into doubt.

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.

<ul style="list-style-type: none"> 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. 		
Next Steps/Milestones	Owner	Due date
Attend and contribute towards ongoing strategic multi-party meetings facilitated/chaired by North Tyneside Council which embed the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area	Head of Renewals /Major Projects Director	Ongoing
Complete development of ITT for Design and Build Contract for main works ready to be released when funding is secured.	Head of Renewals /Major Projects Director	Jun 2022
Complete development of ITT for Design and Build Contract for main works ready to be released when funding is secured.	Head of Renewals /Major Projects Director	Aug 2022
Nexus to issue a stage one tender to the market based on the outline design.	Head of Renewals /Major Projects Director	Sep 2022
D&B ITT stage one tender contract award	Head of Renewals /Major Projects Director	Nov 2022
Completion of stage one tender works	Head of Renewals /Major Projects Director	Feb 2023
D&B ITT stage two tender contract award	Head of Renewals /Major Projects Director	Mar 2023

Completion of stage two tender works

Head of
Renewals
/Major
Projects
Director

Mar 2024

Risk 15CP 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, safety assurance 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, Metro Asset Renewals and timetable and planning, are understood, prioritised and managed.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties.
- Financial controls in place to manage cash flow during the course of the project.

Next Steps/Milestones	Owner	Due date
Nexus becomes a Service Provider	Head of Metro Flow	Sep 22
Infrastructure <ul style="list-style-type: none"> ○ Blockade Commencing ○ Delivery 	Head of Metro Flow	Sep 22 Mar 23
Uplifted service commences December 2024 to align with the fleet programme	Head of Metro Flow	Dec 24

Risk 16		
CP Theme: Grow our patronage and improve our customer experience CP Workstream: Customer Services		
Risk Area: Bus Patronage Risk Owner: Customer Services Director Risk Actionee: Head of Commercial, Head of Customer Services, Head of Corporate Planning	RAG Status (Green)	Direction of Travel
	6(2x3)	↔ (stable)
	Target RAG Status	
	6(2x3)	
Risk: Failure for bus services to recover patronage lost in the patronage or receive adequate financial support for both services and infrastructure.		
Impact/Consequence(s): Declining bus patronage and reduced funding leading to reduced numbers of commercial and subsidised bus service may lead the bus network in the region into terminal decline. Bus services would cease to provide the necessary transport options for isolated and vulnerable communities reducing access to education, employment and leisure opportunities. Failure to provide adequately fund improvements and repairs to bus infrastructure is likely to exacerbate negative feelings towards bus services.		
Controls: <ul style="list-style-type: none"> • Development of an Enhanced Partnership between Transport North East, Nexus and Bus Companies. • Support local bus boards and bus partnership board • Monitoring of public transport patronage, undertake research through the insight panel to gain intelligence on trends and passenger behaviours. • Lobby Government for additional revenue funding to support bus services. • Develop Capital and revenue led schemes in readiness for funding opportunities • Horizon scanning for funding opportunities to improve bus infrastructure and information provision. 		
Next Steps/Milestones	Owner	Due date
Incorporate Nexus deliverables from the EP Scheme into the Corporate Business Plan and monitor delivery	Head of Corporate Planning	Sept 2022

Liaise with TNE to ensure commitments set out within the EP Scheme are sufficiently developed and adequately funded	Customer Services Director	Ongoing
Deliver and monitor the secured bus network and provide monitoring data as agreed	Head of Commercial	Ongoing
Develop designs to improve Gateshead bus station as part of Interchange redevelopment proposals	Customer Services Director	Apr 23
Develop and lobby for funding for smart and integrated ticketing on Metro to ensure integrated multi-modal ticketing can be delivered.	Customer Services Director	Apr 23

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	3	4	12	2	4	8
Long Term funding for Metro	4	4	16	3	4	12	1	3	3
Frontline services and discretionary travel Schemes – Metro Services	4	4	16	2	3	6	1	3	3
Frontline services and discretionary travel Schemes – Non Metro Services	4	4	16	2	3	6	1	3	3
Procurement of the new design, build, maintain and provide contract for the fleet/depot	4	3	12	3	3	9	2	3	6
Efficiency of Delivery (ARP)	4	3	12	4	3	12	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		2	3	6	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
Bus Patronage	3	4	12		2	3	6	2	3	6

Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

Impact:

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

Assess the likelihood of the risk occurring:

Likelihood:

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

Assess the impact should the risk occur e.g.

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

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

Date: 7 July 2022
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 information on traffic levels at the Tyne Tunnels, which have risen over the last few months and are now above pre-Covid levels.

The report also gives an update on the compliance rate (rate of successful toll payments) under the Tyne Pass Scheme which has risen to 96.7% in May 2022. This is welcome as it shows that the scheme is working and that customers understand the payment systems.

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 inclined lifts. Daily use of the tunnels has increased since the tunnels reopened in 2019.

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.

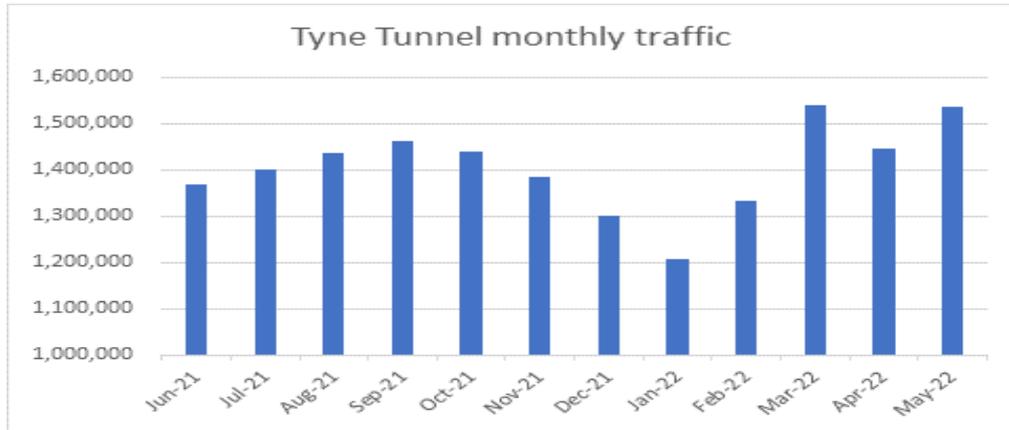
1. Background Information

- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East.
- 1.2 The Tyne Tunnels comprise of two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels all passing under the River Tyne and linking North Tyneside with South Tyneside. The first vehicle tunnel was opened in 1967, and the second was opened in 2011 having been financed and built using a PFI contract. The Tyne Tunnels receive no central government funding nor any local subsidy, with all operational costs and debt financing costs being met from the tolls charged to users of the vehicle tunnels.
- 1.3 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 Transport North East.

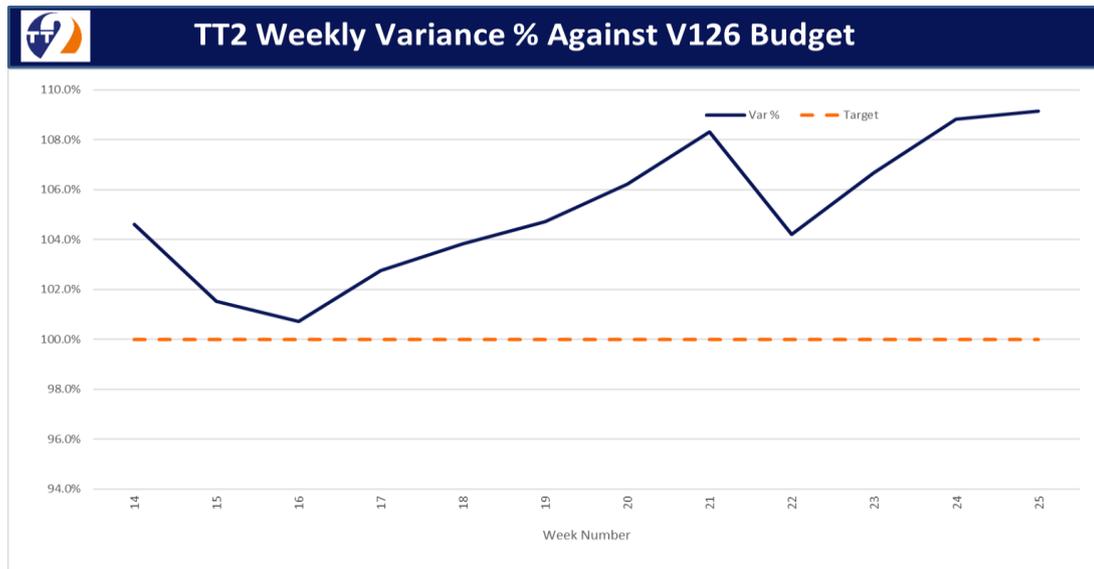
2. Traffic Tunnels Update

Traffic Flows

- 2.1 Traffic flows through the Tyne Tunnels are reviewed daily by TT2 and Transport North East. If traffic levels are low (as they were in 2020 and 2021 due to Covid restrictions), TT2 suffers the income loss from the reduced toll income rather than the JTC, as the JTC income is protected by the nature of the Project Agreement. The agreement is designed so that JTC takes the first share of traffic income while TT2 takes its income from the additional traffic over that level. This means that TT2 takes the main financial risk on a drop in traffic but also benefits financially when traffic is higher.
- 2.2 In recent months traffic has seen a strong recovery to pre-pandemic levels and has risen above target levels. In April 2022 there were **1,445,047** vehicles passing through the tunnels and in May **1,540,348** vehicles. In May traffic numbers are the highest they have been since 2015 and seem surprisingly unaffected by the fuel price crisis.



2.3 The orange line in the graph below shows expected/target traffic levels as 100% while the blue line shows actual traffic levels over the last 11 weeks from April to June 2022. Traffic is currently 9% above the expected level.



Tyne Pass Scheme

2.4 The Tyne Pass Scheme for barrierless open road tolling, has been in operation for over 6 months now and the number of customers paying the toll successfully for their journey is continuing to improve.

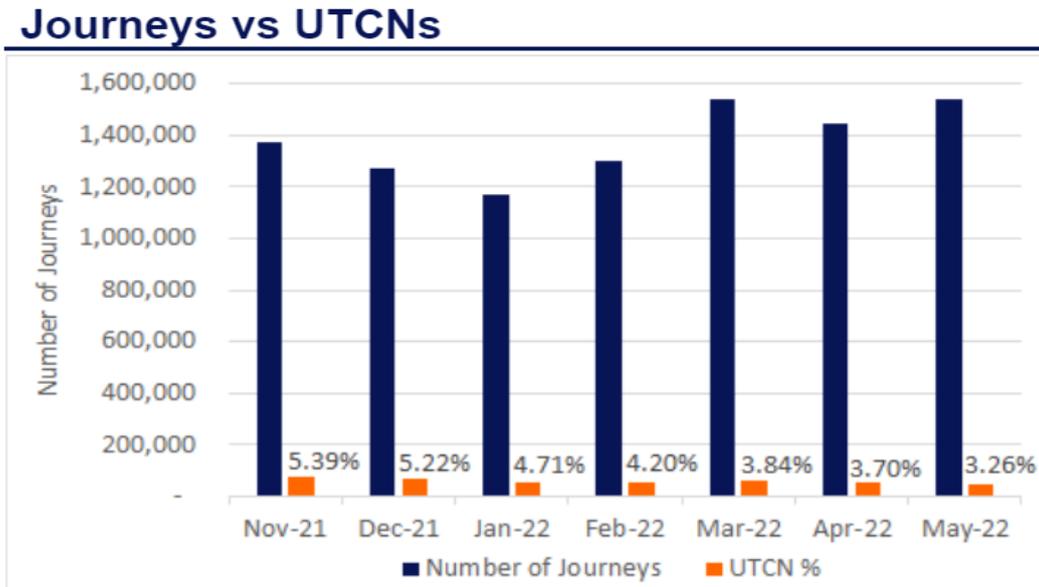
2.5 The majority of customers pay the toll by pre-paid account (78% of all payments). These customers benefit from an optimum service as they can:

- pay before or after their journey;
- use the 'auto-top up' facility with a linked bank card;
- receive regular email alerts and reminders;
- receive a 10% discount on every journey.

2.6 In 96.7% of journeys the toll was paid on time during May meaning only a small percentage of drivers failed to pay and received a UTCN (Unpaid Toll Charge)

Notice.)

The chart below shows that journeys have been increasing (blue columns) while the percentage of tunnel users receiving a UTCN has decreased month on month (orange columns).



Based on previous years' customer data, it is likely that the non-compliance rate may trend slightly upward during the summer months (June, July and August) as there is a different customer profile during those months and more one-off journeys (made by drivers who may be less familiar with the system) rather than regular commuters. It is expected to resume the downward trend in September when the customer profile changes back to more regular users.

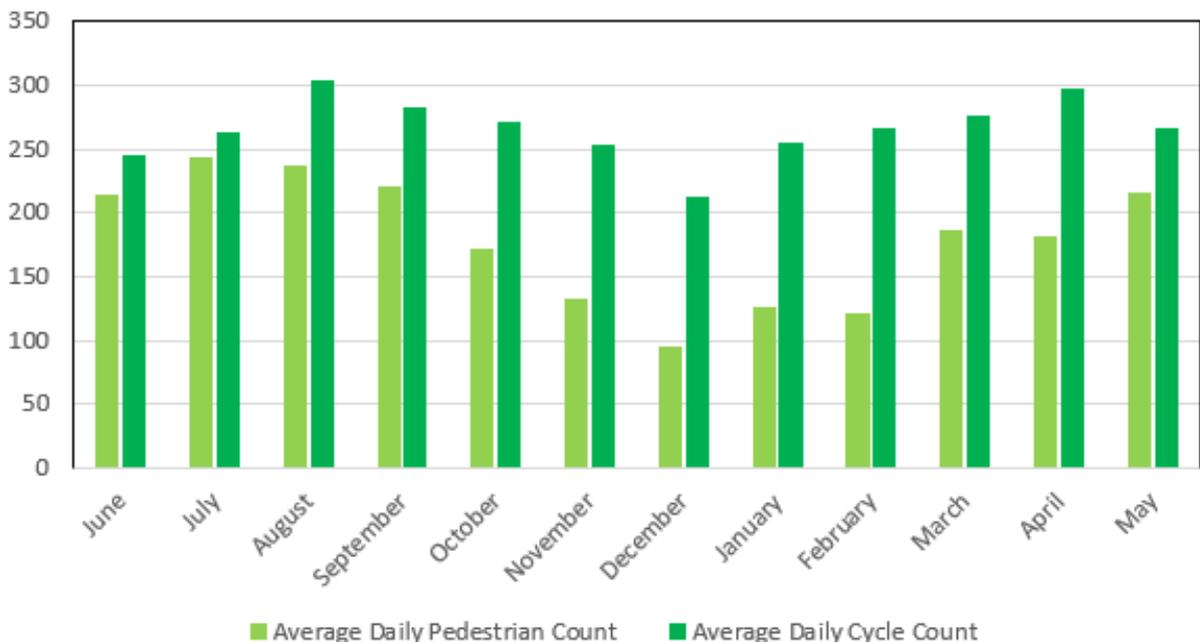
2.7 A more detailed update on the Tyne Pass Scheme is the subject of a separate paper before this committee.

2.8 Tyne Pedestrian and Cyclist Tunnels Update



- 2.9 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. The tunnels are monitored via CCTV by the 24-hour security presence on-site.
- 2.10 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 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.
- 2.11 Following the trial, it was agreed that 24-hour opening should continue throughout 2021 subject to regular reviews. It has continued throughout 2021 and into 2022 without any major issues.
- 2.12 Daily use of the tunnels has increased since the tunnels reopened in 2019. Cycling in particular has increased in popularity. Daily average usage is shown below. Total usage figure (including cyclists and pedestrians) for April 2022 was 14317 and for May 2022 was 15232 journeys.

Tyne Tunnel Average Daily Pedestrian and Cycle Counts
June 2021 to May 2022



- 2.13 Planned maintenance work is due to be carried out on the main vertical lift ropes at the end of July. This will involve lift engineers on site for around 1 week and during that period the tunnels will be closed to cyclists. Disruption to users will be minimised as a replacement shuttle bus with cycle trailer will run between Jarrow and Howden every 15 minutes from 6am to 10pm each day during the maintenance works period.

Inclined lifts refurbishment

- 2.14 The inclined glass lifts are additional lifts which have been planned to increase capacity for cyclists and to provide a tourist attraction, as they are bespoke glass lifts which travel on a steep incline down the historic escalator shaft to the lowest part of the tunnels. Completion and certification of the inclined lifts is due this year and once 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.
- 2.15 As the members of this committee are aware, the completion of the inclined lifts was delayed throughout 2020 with the Italian lift engineers (Maspero) citing Covid-19 travel restrictions as the principal reason for this. Maspero engineers were last on site in January 2020 and have not been back to site since. However, the completion of the inclined glass lifts is a priority and therefore other options have been considered to reach a solution that allows the inclined lifts to be brought into operation as soon as possible.
- 2.16 New lift contractors were appointed in 2021 with works taking place in late 2021 and continuing into spring of 2022. The new specialist lift engineers have made good progress on the wiring and mechanical systems which control the lift. However, there are still works to be completed on the cabin, doors and the door operating mechanisms. New parts are required and have been ordered, although they are subject to a longer delivery process than expected due to supply chain issues. As soon as the parts are installed and fitted the works can move on to the final stage of testing and certification. The new lifts will be able to carry up to 6 cyclists and their bikes in one journey.

3. Reasons for the Proposals

Not applicable.

4 Alternative Options Available

Not applicable.

5. Next Steps and Timetable for Implementation

- 5.1 Officers will continue to work with TT2 on the implementation of the Tyne Pass system which has now been in operation for 7 months.

The lift contractor is continuing work on the inclined lifts to enable them to be brought into operation in 2022.

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 The cost of the original 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. 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 2021 – Tyne Tunnels Update

Report dated 9 September 2021 – Tyne Tunnels Update

Report dated 4 November 2021 – Tyne Tunnels Update

Report dated 13 January 2022 – Tyne Tunnels Update

Report dated 7 April 2022 – Tyne Tunnels Update

16. Contact Officers

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

Mike Barker, Strategic Director, Corporate Services & Governance

Gateshead Council, MikeBarker@Gateshead.Gov.Uk , Tel. No: 0191 433 2100

Alastair Swan, Principal Engineer, alastair.swan@newcastle.gov.uk , Tel: 0191 211 5931

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 TCPT – Tyne Cyclist and Pedestrian Tunnel

PA – Project Agreement (Concession agreement with TT2)

JTC – Joint Transport Committee

UTCN – Unpaid Toll Charge Notice

DfT – Department for Transport

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

Date: 7 July 2022
Subject: Tyne Pass Scheme
Report of: Managing Director, Transport North East

Executive Summary

This report provides an update on the Tyne Pass Scheme at the Tyne Tunnels and its operation during the first months of the scheme.

The report provides information on the payment systems, improved journey times, reduction in carbon emissions and the non-compliance rate.

A number of petitions and campaign groups have proposed changes to the Tyne Pass scheme.

A proposed appraisal of the Tyne Pass scheme is detailed in the report and will be undertaken over the summer months.

Recommendations

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

- i. Note the contents of the update; and
- ii. Agree that an appraisal of the Tyne Pass Scheme should take place over the summer months with a report to be prepared for next meeting.

1. Background Information

- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East.
- 1.2 The Tyne Tunnels comprise of two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels all passing under the River Tyne and linking North Tyneside with South Tyneside. The first vehicle tunnel was opened in 1967, and the second was opened in 2011 having been financed and built using a PFI style contract. The Tyne Tunnels receive no central government funding nor any local subsidy, with all operational costs and debt financing costs being met from the tolls charged to users of the vehicle tunnels.
- 1.3 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 Transport North East with political oversight provided by the TWSC.

2. Tyne Pass Scheme update

- 2.1 The Tyne Pass Scheme for barrierless open road tolling was approved by TWSC in 2020 and was launched on 8th November 2021. The barrierless scheme has modernised the payment system at the Tyne Tunnels and provides other benefits for the area, including significantly reduced carbon emissions.
- 2.2 The scheme was planned with the following aims:
- Modernisation of the toll payment system;
 - Reduced journey times;
 - Reduced carbon emissions;
 - Creation of new local jobs.
- 2.3 These aims have been realised in the first few months of the new system. 80 new local jobs have been created with roles for IT staff and customer service staff working in an expanded customer contact centre onsite at TT2 offices in Howdon. The payment system is now modernised and the main method of toll payment is online, with 96% of payments being made using digital channels. A 24x7 telephone payment option is available and in person cash payments can be made via a Paypoint retailer for those who wish to continue to pay by cash, but to date only 1.4% of payments are made via this method. The outdated payment barriers have now been removed and traffic can flow through without stopping.
- 2.4 Journey times have improved for drivers with average journey times in both directions reduced as shown below, as there is no longer a requirement to stop and queue at payment barriers. At peaks, journey times have been shown to be up to 8

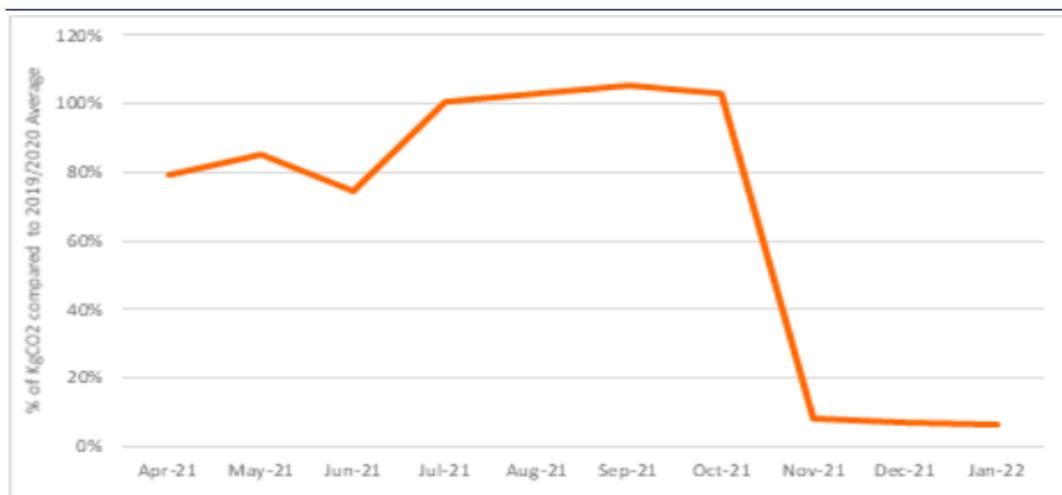
minutes faster.

Journey Times



2.5 The Tyne Pass scheme has been successful in reducing carbon emissions significantly in the local area. The effects of cars and lorries accelerating and decelerating at the toll plaza was the main cause of increased traffic emissions in the area at the mouth of the tunnels. This has been significantly affected by the removal of the toll barriers, in spite of the increase in traffic levels as we emerge from the impact of the Pandemic.

Carbon emissions under Tyne Pass Scheme



Payment of the Toll

2.6 Under the new Tyne Pass system, tolls must be paid by midnight the day after a journey through the Tyne Tunnels.



This timeframe was assessed as the most suitable for barrierless toll payment as it was already in place in Mersey and Dartford (as well as Dublin M50) who operate the same barrierless system. Most users have adapted well to the payment system and during the first two months of operation more than 95% of users used the system correctly making the required toll payment on time.

- 2.7 Under the Tyne Pass system, ANPR cameras in the tunnels take several images of a vehicle's registration number as it passes through. Once payment of the toll is made by a driver, the systems will link up a toll payment with a vehicle registration and will record that the journey taken is paid for. If a journey remains unpaid after the payment deadline, the system will consider the journey as an unpaid contravention and a process will begin to produce a Unpaid Toll Charge Notice (UTCN) to be sent to the registered keeper of the vehicle.
- 2.8 Each UTCN sent out to a registerer keeper for an unpaid toll charge is recorded as 'non-compliant' journey, as they have not paid the toll due for their journey on time. 'Non-compliance' is measured each month to establish whether tunnel users are successfully making a toll payment via the TT2 systems and whether more or less people are receiving a Unpaid Toll Charge Notice (UTCN). TT2 is incentivised by means of a contractual commitment to improve compliance to minimise the number of users receiving a UTCN.
- 2.9 The statistics show that during May 2022 there were **1.5 million journeys** through the Tyne Tunnels. This is a high level of traffic and is detailed in the Tyne Tunnels update report before this committee. During the same month **96.7% of users** were "compliant", i.e. used the payment systems successfully to pay the toll required on time.
- 2.10 The data shows a positive trend, as the non-compliance rate has reduced month on month and the percentage of drivers receiving a UTCN in May 2022 is down to less than 3.3% which compares well with previous months. It was anticipated that the rate of non-compliance would reduce as the system bedded in and users got used to the new ways of paying the toll, and this is proving to be the case.
- 2.11 Similar systems at Dartford and Mersey started at higher levels of non-compliance than the Tyne Pass, but all systems have reported a gradual reduction in non-compliance levels in the first months of the new system. Dartford and Dublin have stabilised at around 5-6%, while Mersey Gateway has reduced to 2.6% after four years of operation. TT2 is targetting to be at or better than the Mersey performance.
- 2.12 Based on previous years' customer data, it is likely that the non-compliance rate may trend slightly upward during the summer months (June, July and August) as there is a different customer profile during those months and more one-off journeys (made by drivers who may be less familiar with the system) rather than regular commuters. It is expected to resume the downward trend in September when the customer profile

changes back to more regular users.

2.13 To prepare for the changing customer profile and one-off journeys expected over the summer period, TT2 has worked on a Summer Holiday Campaign which includes the following:

- Targeted social media adverts to promote Pre-Paid, pre-pay and how to pay with informative graphics and visual North East locations;
- Smooth Radio Morning Partnership beginning on 20 June for 4 weeks;
- Metro Radio Travel Partnership 27 July for 5 weeks;
- Working with North East Family Fun (regional family blogger) on a how to use the tunnels video;
- Contacting the 'Visit' tourism sites to include payment/how to use info on their websites and social media pages.

Customer feedback

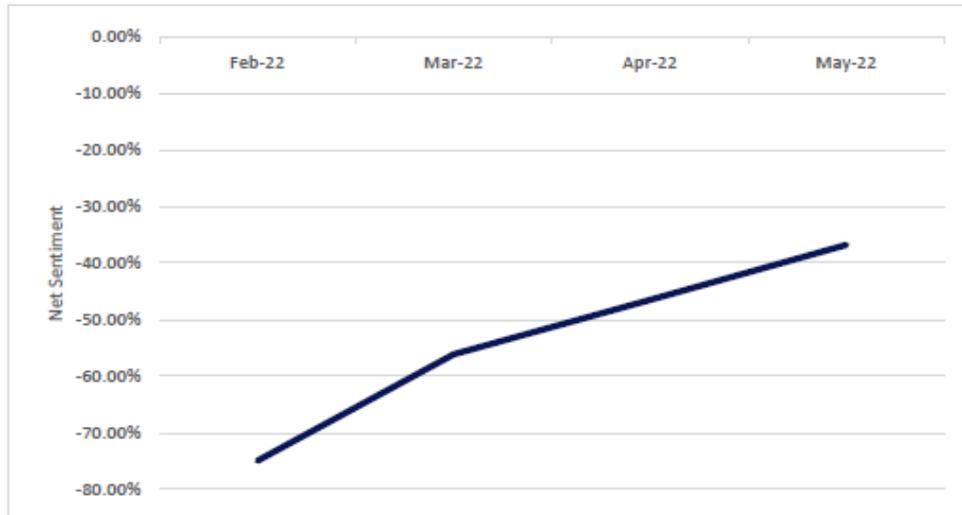
2.14 Whilst only a small percentage of users receive a UTCN, individuals can be active on social media and many are dissatisfied that they have received enforcement charges to pay. There have been two online petitions, a campaign website and a social media campaign group set up by tunnel users who are dissatisfied with the enforcement element of the Tyne Pass Scheme.

2.15 Although we would always recommend that users go to the TT2 website for the most accurate information about using the Tyne Tunnels and paying the toll, we accept that independent user groups can play a useful role. One campaign website for example has been providing some advice to tunnel users that we consider to be reasonable and accurate, and the same group has provided some helpful feedback direct to Transport North East in terms of specific common issues experienced by customers using the payment systems. This has been passed on to TT2 who have used it to inform decisions over improvements to systems and processes.

2.16 We have on the other hand been concerned that at least one group on social media has been giving advice that we consider misleading, by recommending that tunnel users should not pay charges on the basis that they 'will never be taken to court'. This is incorrect, as there is a court process as part of the last stage of enforcement. This has been raised with the group involved.

2.17 Customer sentiment has, as with Dartford and Mersey when they went live, steadily improved as motorists become used to the new ways of payment, systems have bedded in and locals become aware of the new road layout.

Net Sentiment:



Net sentiment is calculated by a sophisticated tool designed to obtain consumer intelligence. It is determined from data obtained across all online mentions of the Tyne Tunnels including various forms of social media, blogs, and websites.

- 2.18 Whilst two online petitions in particular have gathered a large number of electronic signatures, it has been unclear to whom the petitions are addressed and they have never been formally presented to the Joint Transport Committee, the TWSC or Transport North East. Nevertheless, we have reviewed the petitions to see whether any of the issues being raised can reasonably be addressed.
- 2.19 Some of the proposals can be responded to positively including requests for:
- a marketing campaign for pre-paid customers
 - clearer website information on the appeal and enforcement processes
- 2.20 TT2 Ltd has engaged and will continue to engage in the extensive marketing of pre-paid accounts. At the start of the Tyne Pass scheme there was a contractual obligation on TT2 to carry out an extensive PR and marketing campaign pre-launch. This was delivered and marketing is ongoing. The campaign so far has been highly effective and has brought about the highest level of pre-paid account take-up in the UK. 78% of users now pay for their journey via a pre-paid account which shows the success of the campaign. Pre-paid customers have lower levels of non-compliance than occasional customers who have more of a tendency to forget to pay.
- 2.21 The TT2 website has recently been updated to provide clearer information about the appeals process: see <https://www.tt2.co.uk/help/customer-faqs/appeals-process-info/>
- 2.22 An additional recent proposal, which has been discussed with representatives from the campaign website, is for an Enforcement Policy document to be published to assist members of the public in understanding what processes are in place for recovery of unpaid tolls. It is hoped that representatives from the campaign website will agree to work with Transport North East in a collaborative way over the next few months on this Enforcement Policy document which should benefit all tunnel users.

- 2.23 Some other petition proposals are not practical and cannot be taken forward without significant funding from local or central government. For example, a request to cancel all UTCNs prior to January 2022 or reduce the UTCN rate. The current UTCN charge of £30 is based on the actual recovery costs to ensure that the costs of enforcement are met by drivers who have not paid the toll. The initial sum was agreed with the Department for Transport in 2020 and is in line with other similar schemes (local parking £35, Dartford tunnel £35, Mersey Gateway £25). If this cost is not covered by those who do not pay the toll, then the costs will need to be recovered either by increasing the toll for all tunnel users, or by asking national or local government to provide a subsidy – which ultimately would be funded by taxpayers. We do not therefore consider that arbitrarily reducing or abolishing the UTCN charge is in the interests of most tunnel users or of taxpayers.
- 2.24 The tunnels are currently self-funding using toll income and require no funding from local council tax or other government funding. However, the toll needs to be collected from every driver to keep the tunnels funded into the future, as there is still a significant amount of debt to be repaid which was incurred in the building of the second road tunnel.
- 2.25 At the TWSC meeting in January 2022, members requested that a scheme was put in place to offer a form of support for tunnel users who had received a charge but were in financial hardship and were struggling to pay. This was actioned and a scheme was put in place from April 2022 involving a process with links via Payplan and Citizens Advice Bureau to help vulnerable people in financial hardship to access assistance, advice, and in some cases remission of the enforcement costs incurred via an Unpaid Toll Charge Notice (UTCN).

Proposal

- 2.26 Given that the Tyne Pass scheme has been fully operational for six months, it is proposed that an appraisal is carried out to assess the effectiveness of the scheme so far, and to consider areas where further improvements can be made, focussing on:
- how the Tyne Pass scheme functions;
 - what the original aims were and what they are currently;
 - how effective the scheme is in achieving those aims; and
 - whether any further improvements can be made to increase its effectiveness.
- 2.27 Taking into account the feedback from all sources it is considered that the following areas are worthy of inclusion in the review:
- Roadworks and traffic management
 - Payment system and customer service
 - Payment window 'Pay by Midnight tomorrow'
 - Level of enforcement charges
 - Pre-paid customers
 - One-off customers

- Hardship support
- Misread registration plates
- Appeals
- Blue badges
- Signage
- 3rd Party Enforcement

2.28 If members agree to this proposal, the appraisal of the Tyne Pass scheme will take place over the summer months with a report to be prepared for the TWSC meeting in September 2022.

3. **Reasons for the Proposals**

The review of the Tyne Pass scheme is proposed as a timely appraisal of the scheme following its first few months of operation. It will include a response to feedback received over the first few months from customers and stakeholders.

4 **Alternative Options Available**

Alternative options would be:

- a) not to carry out any appraisal or
- b) to delay an appraisal until a later date.

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

5.1 The appraisal of the Tyne Pass Scheme can take place over the summer months with a report to be prepared for next Tyne & Wear Subcommittee meeting in September 2022.

Any improvements to be implemented as a result of the appraisal will be set out in the report with a timetable for implementation.

6. **Potential Impact on Objectives**

The Tyne Pass scheme continues to operate and any proposed improvements to its effectiveness will be beneficial to customers. The 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. The appraisal will be carried out in the main by Transport North East officers. Any external support which may be required will be funded from the tunnels

revenue budget for 2022/2023.

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:

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Report dated 9 September 2021 – Tyne Tunnels Update

Report dated 4 November 2021 – Tyne Tunnels Update

Report dated 13 January 2022 – Tyne Tunnels Update

Report dated 7 April 2022 – Tyne Tunnels Update

16. Contact Officers

16.1 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 (Concession agreement with TT2 Ltd)
JTC – Joint Transport Committee
UTCN – Unpaid Toll Charge Notice
DfT – Department for Transport

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