



Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 3rd November, 2022 at 2.00 pm

Meeting to be held in a Lamesley - Civic Centre

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
<p>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.</p>	
3. Minutes of the Meeting held on 13 January 2022	3 - 10
<p>The Committee is asked to approve the minutes of the meeting held on 13 January 2022.</p>	
4. Notes of Inquorate Meetings Held on 7 April, 7 July and 8 September	11 - 26
5. Proposed £2 Fare Offer for Metro	27 - 32
6. Tyne Tunnels Toll Revision	33 - 42
7. Corporate Risk Register	43 - 86
8. Corporate Performance Update	87 - 96
9. Corporate Business Plan 2023-24 - 2027-28	97 - 116
10. Tyne Tunnels Update	117 - 128

11. Exclusion of the Press and Public

The Tyne and Wear Sub-Committee may wish to exclude the press and public during consideration of item 10 by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

12. Notes of the Confidential Part of the Inquorate Meeting held on 7 April 2022 129 - 130

Contact Officer: Sonia Stewart Tel: 0191433 3045 E-mail: soniastewart@gateshead.gov.uk

To All Members



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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JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 7 JULY 2022

VENUE: LAMESLEY ROOM, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: J McElroy and P Dean

In attendance:

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

Officers: F Bootle, M Kearney, P Smith, R Birch and S Clarke

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Miller and Councillor J Byrne.

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.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. 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.

4. MINUTES OF THE INQUORATE MEETING HELD ON 7 APRIL 2022

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

5. CORPORATE PERFORMANCE UPDATE

The Sub-Committee received a report providing an update on the performance of Nexus against its Corporate Business plan for 2021/22 and 2022/23. Also reported was period 12 to 13 of 2021/22 which encompasses 6 Feb 2022 to March 2022 along with period 1 and 2 of 2022/23 which covers 1 April 2022 to 28 May 2022.

2021/22 Period 12 and 13: It was reported that Metro patronage was 26% above the periodic target for the period, it was also noted that for the whole of 2021/22 patronage was 23.9% above target.

The Sub-Committee were also provided with a summary of Metro punctuality for the reporting period; it was highlighted that punctuality was 7.6% below the periodic target. It was further noted that punctuality was heavily affected by the collapse of a wall above overhead lines in North Shields following high winds; this resulted in temporarily service suspension.

From the report, the Sub-Committee were also provided with a summary of ferry patronage and secured bus patronage for the reporting period. It was noted that secured bus revenue for periods 12 and 13 was 124.1% better than the evenly profiled budget target and for the whole of 2021/22 revenue was 83% above target.

It was noted that for periods 1 and 2 of 2022/23 Metro patronage was 3% below the periodic target. It was also reported that the impact of the Covid-19 pandemic is still being felt across services making it difficult to determine an accurate profile which can be compared to revenue earned during the period.

The Sub-Committee noted it's disappointment with the Metro punctuality information reported; officers advised that driver recruitment was underway coinciding with inks with the wider railway industry which would ease the pressures on services and improve punctuality.

The Sub-Committee acknowledged the fast recovery made by transport services following the pandemic. It was stated that public transport is an essential service to improve prosperity across the region. The Sub-Committee also noted that long term funding and investment in Metro services is important.

The Sub-Committee noted the update contained within the report.

6. CORPORATE RISKS UPDATE

The Sub-Committee received a report providing an update on Nexus Corporate Risk Register for 2022/23 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

It was reported that during June 2022, Nexus undertook a formal review of its risk register in line with the Corporate Plan 2022/23. It was highlighted that there are currently two risks reported as 'red' due to funding uncertainties, these were:

- Long term funding for the Metro
- Efficiency of delivery – Capital Programme

From the report, it was also noted that an additional 'red' risk is North Shields Ferry Landing which is due to the project being underfunded.

Officers advised the Sub-Committee that there continues to be a business continuity plan for all services, this includes pandemics. It was further noted that the new Metro train fleet will start rolling out from late 2022; it was stated that the new fleet is more environmentally friendly and that this is in line with Nexus' Environmental Strategy.

The Sub-Committee noted the report.

7. TYNE TUNNELS UPDATE

The Sub-Committee received a report providing an update on activities relating to the management and operation of the traffic tunnels and the management and operation of the Tyne Pedestrian and Cyclist Tunnels (TPCT).

From the report, the Sub-Committee noted the information on traffic levels for the Tyne Tunnels, it was reported that traffic levels at the Tyne Tunnels has risen over the last few months and is now above pre-Covid levels.

The Sub-Committee also noted that compliance rate (rate of successful toll payments) under the Tyne Pass Scheme had risen to 96.7% in May 2022. Officers advised that this showed that the scheme is working well and that customers understand the payment system.

The Sub-Committee noted the report.

8. TYNE PASS SCHEME UPDATE

The Sub-Committee received a report providing an update on the Tyne Pass Scheme at the Tyne Tunnels and its operation during the first few months of the scheme.

From the report, the Sub-Committee were provided with information on the payment systems, improved journey times, reduced carbon emissions and the

non-compliance rate. The Sub-Committee were advised that a number of petitions and campaign groups had proposed changes to the Tyne Pass Scheme, officers advised that the constructive feedback received from these groups had been considered and that a proposed appraisal of the Tyne Pass Scheme would take place.

It was highlighted that a summer holiday marketing campaign would be implemented this year to encourage travellers to register for a pre-paid account; it was noted that pre-paid accounts offer a discount for users. It was noted that a further update on the Tyne Pass Scheme would be brought to the Sub-Committee in September 2022.

The Sub-Committee noted the report.

9. EXCLUSION OF THE PRESS AND PUBLIC

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

JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 8 SEPTEMBER 2022

VENUE: LAMESLEY ROOM, GATESHEAD CIVIC CENTRE

Committee Members Present:

Councillor: C Johnson (Chair)

Councillors: J McElroy and P Dean

In attendance:

Statutory Officers: T Hughes (Managing Director, Transport North East)
L Keating (Deputy Monitoring Officer)
P O'Reagan (NECA Finance Officer)

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

In attendance: P Smith (TT2 Ltd)

11. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Miller and Councillor J Byrne.

The Deputy 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.

12. DECLARATIONS OF INTEREST

There were no declarations of interest.

13. MINUTES OF THE 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.

14. NOTES OF THE INQUORATE MEETINGS HELD ON 7 APRIL 2022 AND 7 JULY 2022

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

15. NEXUS CORPORATE RISKS 2022/23

The Sub-Committee considered a report which provided 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. All of the risks were reviewed in August 2022 and remain stable. There are four risk which are 'red' due to funding uncertainties. These are:

- Metro Performance
- Long Term Funding for Metro
- Efficiency of Delivery – Capital Programme
- North Shields Ferry Landing

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 allowed for some longer term planning, it does not allow Nexus to complete its full essentials renewals programme planned across the same timeframe, although a further approval of grant funding is expected later in the year. The rising costs of energy and raw materials has also applied additional pressures on budgets. However, discussions with officials from DfT are ongoing.

The new ferry landing at North Shields remains unfunded, however grant funding from the Levelling Up programme is being sought and the project is progressing through the development stage so it is ready should the Levelling Up bid be successful, or for future funding opportunities if not.

Metro performance has been affected by recent disruptions to service by extreme weather conditions.

Councillor McElroy noted that long-term funding for buses is also an issue with services recently being curtailed or removed completely by bus companies as a result of recovery grants provided by the Government ceasing. He commented that service withdrawal would not encourage people back to using public transport.

Officers advised that Nexus has reconfigured its secured network in response to unprecedented changes in the commercial market and has also used Local Transport Funding to secure other services that would otherwise have been lost, although this funding is time limited and will cease after 12 months. If the Bus Service Improvement Plan goes ahead, it is envisaged that this will contribute to maintaining and improving services.

The Sub-Committee was also advised that bus patronage in the area has recovered well but it is still only 80% of the levels pre-covid, but this is better than a lot of the rest of the country.

Councillor Johnson asked what the impact is of the increase in costs for High Voltage Power and noted that nothing had been included in the recent Government announcement regarding energy costs.

Officers advised that the budget for power was set at £8.4m for the financial year, however the forecast is that it will now be in excess of £17.9m. Discussions are ongoing with DfT regarding this issue.

Councillor Johnson suggested that the Tyne and Wear Sub-Committee should also make representations to the Department for Transport as this issue is a huge risk for Metro. The Sub-Committee agreed with this proposal.

Councillor Johnson also asked whether there was an option for Nexus to introduce a capped fare of £2 in line with that announced by the bus companies which is due to start in January.

Officers advised that a report would be presented to the Sub-Committee at its next meeting.

The Sub-Committee noted the report.

16. NEXUS CORPORATE PERFORMANCE UPDATE

The Sub-committee received a report which provided an update on the performance of Nexus against its Corporate Business Plan for 2021/222. The report covered periods 3 and 4 (29 May 2022 – 23 July 2022).

During the timescale, patronage was 1.9% below target. Metro fare and commercial revenue for the reporting period fare was ahead of target and appears to be recovering better than originally anticipated. However, Nexus is mindful of the current economic crisis so the position will be monitored closely over the coming months. As previously reported in the meeting, the increasing costs of high voltage power remain an ongoing concern.

Metro punctuality was 5.2% below target during the reporting period mainly due to the exceptionally hot weather conditions experienced in July. This caused overhead lines to sag which resulted in service suspensions so that repairs could be carried out.

Customer experience was affected by the national rail strikes in June which meant that no services could be operated between Pelaw and South Hylton on 21 June 2022. However, additional services were provided to enable concert goers to travel to and from the Stadium of Light when three high profile concerts were held.

Ferry patronage and ferry fare revenue are both above the expected targets.

Work on the Metro Flow project will commence on Monday 12 September. This will be a challenging time for customers due to the reduction in Metro services, however it will enable service improvements in the future once completed. Nexus continues to work closely with the PCC on positive improvements across the network to tackle anti-social behaviour. Additional customer services staff have now been made permanent.

Councillor Dean was concerned about the recent cuts to services in South Tyneside where it appears services to take children to school have been cut. Officers agreed to discuss specific issues further with Councillor Dean.

Councillor McElroy thanked Nexus for their hard work to mitigate the cuts to bus services and added that the situation was handled well. Members in Gateshead had been involved in discussions with the bus companies and Nexus via the Local Bus Board.

Councillor McElroy also asked whether there was investment planned in the future around climate change given the recent extreme weather conditions.

Officers advised that lessons had been learnt from Storm Arwen last winter and from the recent extreme hot weather in July. In particular, Nexus' vegetation management policy will be reviewed. Renewal of overhead lines is ongoing but older areas of the track will be prioritised first.

The Sub-Committee noted the report.

17. TYNE PASS APPRAISAL

The Sub-Committee considered a report which provided a detailed appraisal of the Tyne Pass Scheme, focussing on:

- The aims of the Tyne Pass scheme
- How the scheme has operated in its first few months
- What the feedback and customer response has been; and
- What actions have been taken or are required to improve the scheme

The main objectives of the appraisal have all been achieved and the Tyne Pass scheme has had a very positive outcome. There has been some negative feedback from tunnel users regarding payment of the tolls which has resulted in some recommendations for improvement by TT2 Ltd. It was also noted that 97% of tunnel users pay the tolls, and that the criticism of the scheme in this regard is disproportionate.

Officers suggested that the report be discussed more fully at the next Sub-Committee meeting.

Councillor McElroy agreed with this suggested and also proposed that the views of the JTC OSC be sought on the scheme so that its comments could also be considered by the Sub-Committee at its next meeting.

Councillor McElroy also commented that the hardship fund that had been set up had helped to identify issues which wouldn't have been raised before and felt that this was a good improvement.

Councillor Johnson noted that the Tyne Pass Scheme had enabled quicker journey times for users and had also achieved a reduction in carbon emissions which were both very positive outcomes. He added that it was a very different scheme to the original proposal but felt that it was important that changes had been made as required and welcomed the proposal to continue to monitor and improve. He also noted that the non-compliance rates regarding payment of tolls were lower than other tunnels, such as the Dartford or Mersey tunnels.

The Sub-Committee noted the report and agreed to a further discussion at the next meeting.

18. TYNE TUNNELS UPDATE

The Sub-Committee considered a report which provided an update on the activities at the Tyne Pedestrian and Cyclist Tunnels.

Traffic levels at the Tyne Tunnels have risen considerably over the last few months with July 2022 being the busiest month on record.

Work is ongoing to complete the refurbishment of the inclined lifts within the Pedestrian and Cyclist Tunnels. Good progress continues to be made by the new contractors appointed to complete the project. However, there are supply change issues in relation to new parts so completion of the project continues to be delayed.

The Sub-Committee noted the report.

19. EXCLUSION OF THE PRESS AND PUBLIC

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

20. MINUTES OF THE CONFIDENTIAL MEETING HELD ON 7 APRIL 2022

The Monitoring Officer advised that the minutes could not be agreed as the meeting was inquorate. The minutes will be presented at a future meeting for agreement.

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

Date: 3 November 2022
Subject: Proposed £2 Fare Offer for Metro
Report of: Chief Operating Officer, Nexus

Executive Summary

The proposal contained in this report is presented following national government funding being announced in September 2022 to stimulate public transport use by providing financial support to bus operators to cap adult fares for any single bus journey in England at £2 from January to March 2023.

It would seem that this financial support does not extend to other public transport modes. However, with Metro and bus services in the region generally complementing each other rather than competing, concern was expressed at the previous meeting of the Sub-Committee that a corresponding intervention to that being offered on buses should also be applicable on Metro so as to not disadvantage Metro customers who do not have access to bus services and also ensure that Metro does not lose customers to bus where there is a cheaper alternative.

As explained at the previous Sub-Committee, the Chief Operating Officer had previously written to Department for Transport officials, seeking an extension to the Scheme to cover the Tyne and Wear Metro. At the time of writing, no response has been forthcoming, and it seems unlikely that any additional financial support will be made available. The estimated cost is highlighted within the Financial Implications section of this report.

This proposal therefore includes the following measures being implemented to Metro prices from January to March 2023:

- Adult travel using a Pop Pay As You Go smartcard will be capped at a maximum of £2 for a single journey, with corresponding prices for a day's travel capped at a maximum of £4.
- Travel by customers aged 19 to 21 using a Pop 19-21 smartcard will be capped at a maximum of £2 for a single journey, ensuring parity with adult prices.

Recommendations

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to approve the fares proposal to be implemented from 2nd January 2023 until 31st March 2023, which includes:

- Adult travel using a Pop Pay As You Go smartcard capped at a maximum of £2 for a single journey, with corresponding prices for a day's travel capped at a maximum of £4.
- Travel by customers aged 19 to 21 using a Pop 19-21 smartcard capped at a maximum of £2 for a single journey, ensuring parity with adult prices.
- Fares on minimum cost bus services operating under contract to Nexus capped at a maximum £2.

1. Background Information

- 1.1 Throughout the Covid-19 pandemic, bus services have been supported financially by national government, initially through the COVID-19 Bus Service Support Grant (CBSSG) and more recently the Bus Recovery Grant (BRG), which expires on 31st March 2023. The Department for Transport (DfT) announced further financial support in addition to BRG on 3rd September 2022, supporting adult single fares on most bus services in England outside London being capped at £2 from January to March 2023. The DfT is aiming for this initiative to help passengers with travel costs over the winter months while they are facing pressures from the rising cost of living, as well as encouraging greener travel. The Chief Operating Officer had previously written to Department for Transport officials, seeking an extension to the Scheme to cover the Tyne and Wear Metro. At the time of writing, no response has been forthcoming, and it seems unlikely that any additional financial support will be made available.
- 1.2 In response to the announced further financial support, bus operators in Tyne and Wear are planning to introduce capped £2 single fares on their commercial services. With Metro and bus services in the region generally complementing each other rather than competing, Nexus needs to make corresponding interventions so as to not disadvantage Metro customers who do not have access to bus services and to also ensure that Metro does not lose customers to bus where there is a cheaper alternative.

2. Proposals

- 2.1 Metro fares will be aligned with the £2 cap on buses, to be implemented through Pop Pay As You Go (PAYG) fares rather than paper Single and Day tickets in order to encourage further take up of Pop PAYG. All Pop PAYG Single prices currently above £2 (i.e. 2 Zones and All Zones prices of £2.55 and £3.25 respectively) will be reduced to £2, with current Pop PAYG Single prices below £2 (i.e. 1 Zone price of £1.65) remaining as they are. The existing £4.85 Pop PAYG All Zones Daily Cap will be reduced to £4.00 to ensure parity with the corresponding £2 Single price. Please see Appendix A for more details.
- 2.2 The Pop 19-21 Single All Zones fare of £2.30 will also be reduced to £2 to align with the £2 cap on adult fares and not disadvantage younger customers. Please see Appendix A for more details.
- 2.3 These prices will come into effect from 2nd January 2023 and be in place until 31st March 2023, after which they will change to those agreed as part of the Metro annual fares review, which is in progress separately to this proposal and will be presented at a future Sub-Committee.
- 2.4 No corresponding changes are proposed to fares on the Shields Ferry, with a PAYG Single ticket already priced at £1.45.
- 2.5 On bus services operating under contract to Nexus on a minimum cost basis, the current fare offer is £1.50 singles for journeys less than 2km and £2.10 singles for

all other journeys. The £2.10 fare will be lowered to £2 in line with Metro and commercial bus operators.

3. Reasons for the Proposals

- 3.1 The proposals will ensure Metro fares remain in line with bus services so as to not disadvantage existing Metro customers, as well as support the objectives of the DfT in its bus fares initiative, supporting people with travel costs during the cost of living crisis and encouraging greener travel.

4. Alternative Options Available

- 4.1 The alternative option to this proposal is a 'Do Nothing' scenario in which Metro fares remain at their current levels from January to March 2023. Not offering the interventions outlined would mean Metro customers who do not have direct access to buses being disadvantaged and not being offered the same incentives to use public transport as bus users.

5. Next Steps and Timetable for Implementation

- 5.1 Should the Sub-Committee approve the proposed changes set out in this report, the new fares will be implemented from 2nd January 2023 until 31st March 2023.

6. Potential Impact on Objectives

- 6.1 The proposals in this report are intended to support Nexus' corporate objectives, including helping to provide access to employment and leisure, encouraging public transport use, promoting sustainable travel, and supporting economic growth and regeneration.

7. Financial and Other Resources Implications

- 7.1 Nexus' Director of Finance and Resources confirms that these measures will cost an estimated £304k over the course of the 3 months and generate an estimated 9k additional Metro journeys.

8. Legal Implications

- 8.1 There are no known legal implications associated with this report.

9. Key Risks

- 9.1 If the recommended proposal contained in this report is not approved, there could be significant customer abstraction from Metro to bus services.

10. Equality and Diversity

10.1 There are no specific equality and diversity considerations arising from this report.

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 There are no specific consultation / community engagement considerations.

13. Other Impacts of the Proposals

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

14. Appendices

14.1 Appendix A – Proposed prices.

15. Background Papers

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

16. Contact Officers

16.1 Martin Kearney, Chief Operating Officer, Nexus
Email: martin.kearney@nexus.org.uk

17. Sign off

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

18. Glossary

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

Appendix A – Proposed prices

Metro Fares - Temporary prices effective 2nd January to 31st March 2023					
Product		Current 2022 price	Proposed temporary price	Change £	Change %
Pop PAYG	Single 1 Zone	£1.65	£1.65	£0	0%
	Single 2 Zone	£2.55	£2.00	-£0.55	-22%
	Single All Zones	£3.25	£2.00	-£1.25	-38%
	Daily Cap 1 Zone	£2.75	£2.75	£0	0%
	Daily Cap 2 Zone	£3.85	£3.85	£0	0%
	Daily Cap All Zones	£4.85	£4.00	-£0.85	-18%
Pop 19-21	Single 1 Zone	£1.10	£1.10	£0	0%
	Single 2 Zone	£1.80	£1.80	£0	0%
	Single All Zones	£2.30	£2.00	-£0.30	-13%
	Daily Cap 1 Zone	£1.90	£1.90	£0	0%
	Daily Cap 2 Zone	£2.70	£2.70	£0	0%
	Daily Cap All Zones	£3.40	£3.40	£0	0%

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

Date: 3 November 2022
Subject: Tyne Tunnels Toll Revision
Report of: Managing Director, Transport North East

Executive Summary

This report provides information to enable members to make a decision on a toll increase at the Tyne Tunnels, which is required to maintain a “self-funded” balance on the Tyne Tunnels Account and keep pace with the toll payable to the operator under the concession agreement.

The report provides information on the toll increase mechanism set out in legislation and explains that the level of inflation, as measured by the Retail Price Index (RPI), has reached a level such that an increase can be applied from 1 February 2023 under the terms of the River Tyne (Tunnels) Order 2005.

It will be the first increase for Class 2 vehicles since April 2021. The calculated increase based on RPI is an increase for Class 2 vehicles (cars) from £1.90 to £2.20.

An increase to the toll payable for Class 3 vehicles is also proposed from May 2023 (the earliest date an increase can be applied) and the calculated RPI-based increase is from £3.90 to £4.40.

The report highlights that under normal circumstances the toll should be increased from 1 February 2023 to keep a balanced budget; however, members could consider a delay to implementing the increase by way of a toll freeze on the Class 2 toll, holding it at £1.90 per car until May 2023. This would keep the toll at an artificially lower level throughout the winter to provide relief for tunnels users during this period taking into account winter fuel bills and the current cost-of-living crisis. The income lost by holding the Class 2 tolls at the current levels for that period could be funded from Tyne Tunnel reserves on a short-term basis, but is not a sustainable long term solution.

No change is proposed to the 10% discount available to Pre-Paid account holders or the toll exemptions for ambulances, police vehicles, public bus services and disabled users.

Recommendations

The North East Joint Transport Committee's Tyne and Wear Sub-Committee is recommended to:

- i. Approve an increase in tolls for Class 2 vehicles from £1.90 to £2.20 in line with the RPI calculation, but delay the increase until 1 May 2023 with toll levels frozen until that date, in a measure to assist tunnel users with the fuel crisis and cost-of-living crisis.
- ii. Agree to utilise c£1.545 million of the Tyne Tunnel Reserve to offset the delay in increasing the tolls for Class 2 vehicles from 1 January to 1 May 2023;
- iii. Approve an increase in tolls for Class 3 vehicles from £3.90 to £4.40 to take effect from 1 May 2023.
- iv. Approve the continuation of the 10% discount for Pre-Paid account holders.
- v. Authorise the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005.

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 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 opened in 2011 having been financed and built using a PFI-style Concession contract.
- 1.3 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. The toll charges are necessary to repay the significant debts which were incurred by TT2 and the local authorities in the building of the second tunnel.
- 1.4 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. Toll revision background

- 2.1 The first 'Concession Toll' was implemented on 1 January 2014, at a level of £1.60 for cars and £3.20 for HGVs with a 10% discount for permit holders.
- 2.2 The Tyne Tunnels toll revision mechanism is set out in the **River Tyne Tunnels Order 2005** and allows the Joint Transport Committee Tyne & Wear Subcommittee (TWSC) to increase the toll paid by customers (the '**Real Toll**') every 12 months. The calculation for the toll increase is set out in the legislation and is based on the Retail Prices Index (RPI) from the application of the last increase.
- 2.3 Separately, a '**Shadow Toll**' sets the amount paid to TT2 per journey, also based on RPI. It increases every January and is a contractual commitment as set out in the **Project Agreement** agreed in 2007.
- 2.4 The Real Toll charged to users needs to be the same amount or similar to the Shadow Toll paid to TT2 per journey, otherwise the JTC would incur a loss on each tunnel journey. Keeping them in alignment means that JTC toll income is sufficient to make the appropriate monthly payment to TT2 for operating the tunnels.
- 2.5 The current Real Toll lags slightly behind the Shadow Toll (10p lower) due to a decision taken by the Tyne and Wear Integrated Transport Authority (TWITA) in August 2011. This came about because of a conflict between the construction period and the date that the Shadow Toll increased, where the TWITA felt it was inappropriate to raise tolls for tunnel users during a period of major road disruption. However, this has been the

position for several years and is accounted for each year within the budget. The current Real Toll is £1.90 and the Shadow Toll is £2.00.

Current toll position

2.6 The legislation that governs the tunnels permits the JTC (via TWSC, to whom tolling decisions are delegated) to revise the Real Toll no more than once every 12 months. The last revision for cars was in May 2021, so an increase can be proposed to take effect any time after May 2022. To allow the Real Toll to promptly follow the increase in the Shadow Toll which will increase on 1 January 2023, it is necessary for members to make a decision at this November 2022 committee meeting.

2.7 However, members should note that, due to RPI being at higher levels over recent months than experienced for many years, the Shadow Toll will increase significantly in January 2023 and the Real Toll therefore also needs to increase significantly. To complicate matters further, both the Real and Shadow Tolls are rounded to the nearest 10 pence. However, the legislation also permits a 10% discount to be offered to users with pre-paid accounts.

2.8 The current toll position is:

	Class 2 toll (Cars)	Discounted toll for pre-paid customers (Cars)	Class 3 toll (HGVs)	Discounted toll for pre-paid customers (HGVs)
Real Toll paid by users November 2022:	£1.90	£1.71	£3.90	£3.51
RPI calculation gives a proposed increase in Feb 2023 to:	£2.20	£1.98	£4.40	£3.96

2.9 Under normal circumstances therefore it would be proposed that members approve an increase in tolls for Class 2 vehicles (cars) from £1.90 to £2.20 to take effect from February 2023, and an increase in tolls for Class 3 vehicles (HGVs) from £3.90 to £4.40 to take effect in May 2023. (The Class 3 increase must be at least 12 months after the last increase in Class 3 tolls, which was May 2022).

2.10 The Class 3 increase proposed to take effect in May 2023 would be an increase to £4.40 for one-off users or £3.96 for pre-paid account holders which make up the majority of Class 3 users. This increase maintains the long-term strategy whereby

the toll level for Class 3 is targeted at twice the Class 2 toll level. This is in line with the intention of the Project Agreement which was that Class 3 vehicles (vehicles over 3.5 tonnes) should pay twice the charge of cars. Other similar operations such as Dartford Crossing, Mersey Tunnel and Mersey Gateway Bridge have much higher charges for HGV's than cars (around three times the cost).

- 2.11 The new Real Toll charge of £2.20 for Class 2 vehicles from February 2023 would represent an increase of 30p in the toll over an 18-month period, as the last increase was in May 2021. The legislation and the Project Agreement operate on the basis that this increase is necessary in order to make the required payments to TT2 as the Shadow Toll will increase to £2.30, and therefore to keep a balanced budget the increase is necessary.
- 2.12 The legislation does not provide for any alternative to the RPI based increase in the Real Toll and assumes that the authority will always increase user charges in line with the RPI calculation. The Project Agreement similarly prescribes the calculation for the Shadow Toll increase without any alternative. Based on the calculation, TT2 has confirmed that the Shadow Toll will increase to £2.30 on 1 January 2023; therefore, to fund this, members should consider an increase in the Real Toll to £2.20 in early 2023, in order to fund the payments to TT2 under the Project Agreement.
- 2.13 However, given the current cost of living crisis and fuel cost crisis, members have raised concerns that this RPI-based increase in the toll is significant for Tyne Tunnel customers. On this basis there has been consideration given to whether there are any alternative options which could provide some relief to tunnel users during this difficult period.

Alternative option – Toll freeze until May 2023

- 2.14 Officers have considered whether there are any alternative options for members. Any option would need to be a short-term form of relief to assist local people in a particularly difficult period and would need to be funded from the JTC Tyne Tunnel budget involving the use of Tyne Tunnel reserves.
- 2.15 An alternative which could be proposed is to delay the toll increase beyond February 2023, effectively freezing the Real Toll at its current level. It is anticipated this would have the most impact during the winter months given the current cost of living crisis. A decision to freeze the Real Toll would mean implementing the appropriate increase of 30p to take the toll to £2.20, but delaying it until late spring (March, April or May 2023) rather than implementing it during the winter in February 2023. This would benefit tunnel users as it would mean that the difficulties faced by customers with higher fuel bills in the cold weather would be reducing before the toll increase affected their household budget.
- 2.16 A toll freeze would require JTC to artificially hold the Real Toll at its lower level and fund the lower toll for several months using Tyne Tunnel reserves. The cost per month of funding a toll freeze at the £1.90 toll for customers (when the RPI based toll should be £2.20) would be approximately £310,000 per month at current traffic levels, so if considered, it would be prudent for members to minimise the number of months with this funding in place and to consider the toll increase taking place as soon as possible.

- 2.17 Finance officers calculate that Tyne Tunnel reserves could be used to fund the toll freeze up to 1 May 2023 to provide 'cost-of-living relief' to customers. This would be at an estimated cost of £620,000 in 2022/23 and approximately £925,000 in the 2023/24 financial year. Beyond that reserves would be reduced to an unacceptable level and a further freeze is not recommended. TT2 have also been involved in discussions and have been asked to consider supporting a short term toll freeze.
- 2.18 It is clear that the increase in the Shadow Toll of 30p in January 2023 will increase TT2's monthly income from the toll under the Project Agreement. TT2's operational costs have also significantly increased recently, including due to a large increase in electricity costs which have gone up by over £1 million compared with electricity costs 2 years ago (the bulk of electricity used by TT2 is to power the huge jet fans and other critical equipment inside the traffic tunnels). Notwithstanding the contractual entitlement to the increase, which largely balances out the several recent years of low inflation, officers have asked TT2 to look at whether it can offer some additional support to customers who face a cost-of-living crisis and a significant increase in the toll.
- 2.19 TT2 management have considered this and have expressed a willingness to see if they can obtain agreement to allow TT2 to provide additional payments into Tyne Tunnels reserves from 2024. This relates to bringing forward repayments to the JTC for the supplier relief that was made during a period of major losses caused by the impact of the Covid-19 pandemic, which TT2 is contractually bound to make from 2027. However, in order to assist with the current toll increase decision, TT2 has indicated that approval could be requested (as required under its banking covenants) to start repayments earlier in 2024.
- 2.20 If a decision was made to freeze the toll until May 2023 this would equate to a 2 year period where the Real Toll has not risen in line with RPI, as the last increase for cars (Class 2 vehicles) was in May 2021. Therefore the 30p increase would come after 2 years of tolls being held at £1.90 for car users.
- 2.21 It is important to note that most users of the tunnels are Class 2 vehicles (cars) which make up 90.4% of journeys. Class 3 HGV journeys make up 5.8%.
- 2.22 There is no change is proposed to the 10% discount available to Pre-Paid account holders or the toll exemptions for ambulances, police vehicles, public bus services and disabled users.
- 2.23 When a decision has been made to increase the toll, the River Tyne Tunnel Order 2005 prescribes the process to effect an increase in the tolls at the Tyne Tunnels. Following a decision to increase the tolls, the Authority is required to publish in at least one local newspaper circulating in the area a notice substantially in the form set out in the Order. Following publication of the notices, the Authority is required to apply to the Secretary of State for a toll revision order.

3. **Reasons for the Proposals**

Responsibility for setting tolls for the Tyne Tunnels is a function delegated by the Joint Transport Committee to the Tyne and Wear Sub Committee. The financial model for the Tyne Tunnels assumes that increases to the tolls in line with inflation will be

applied when available to keep pace with inflationary increases in contract payment to the Concessionaire.

4 Alternative Options Available

Option 1 – The North East Joint Transport (Tyne and Wear) Sub-Committee may accept the recommendations set out in this report to freeze the toll at current levels until May 2023 when the Class 2 toll would increase to £2.20 and the Class 3 toll would increase to £4.40. This is the recommended option as it provides relief for tunnel users in a fuel crisis and cost-of-living crisis.

Option 2 – The North East Joint Transport (Tyne and Wear) Sub-Committee may decide to increase the Class 2 toll to £2.20 from February 2023 as suggested by the RPI calculation. This is not the recommended option as it provides no relief for tunnel users during this difficult period.

Options 3 – The North East Joint Transport (Tyne and Wear) Sub-Committee may decide not to effect any toll increase. This is not recommended as it would mean the Tyne Tunnels budget would not be balanced and the tunnels could not continue to be self-funding and would require additional funding from other sources.

5. Next Steps and Timetable for Implementation

Should the Sub-Committee approve the proposed toll increase, the process as specified in the 2005 Order and detailed in the report will be enacted. The increase will be applied from the month proposed by the committee, with the specific date to be agreed with TT2 Ltd taking into account operational considerations.

6. Potential Impact on Objectives

The need to increase the toll at the Tyne Tunnels is essential to meet the financial commitments of the JTC in relation to the Tunnels.

7. Financial and Other Resources Implications

7.1 The legislation and the Project Agreement operate on the basis that tolls will be increased in line with inflation. The legislation does not provide for any alternative to the RPI based increase in the Real Toll and assumes that the authority will always increase user charges in line with the RPI calculation. The Project Agreement similarly prescribes the calculation for the Shadow Toll increase without any alternative.

7.2 Based on the calculations, TT2 has confirmed that the Shadow Toll for Class 2 vehicles will increase on 1 January 2023 and for Class 3 vehicles on 1 May 2023. Members should therefore consider an increase in the Real Toll in order to fund the payments to TT2 under the Project Agreement and ensure that the Tyne Tunnel Account is balanced. A decision to delay implementation of the toll Class 2 increase to 1 May 2023 would require use of Tyne Tunnels reserves to balance the budget in 2023/24.

7.3 At 31 March 2022, the Tyne Tunnel reserve was £9.782m. Delaying the implementation of the Class 2 vehicle increase to 1 May 2023 would cost an estimated

£620,000 in 2022/23. There would be a further cost in 2023/24 as tolls can only be increased once every 12 months, therefore any increase required in 2023/24 would need to be delayed until May 2024. This cost is calculated to be approximately £925,000 in 2023/24. This would reduce the Tyne Tunnel Reserve to approximately £9.16m at 31 March 2023 and £8.24m at 31 March 2024. Beyond that reserves would be reduced to an unacceptable level and a further freeze is not recommended beyond 1 May 2023.

8. Legal Implications

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

9. Key Risks

A ringfenced reserve is held to manage financial risk associated with the Tyne Tunnels. Approval of the toll increase will enable a balanced budget to be set for 2023/24 including the planned use of reserves if required.

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 Managing Director Transport North East, 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 4 November 2021 – Tyne Tunnels Update

Report dated 13 January 2022 – Tyne Tunnels Update

Report dated 7 April 2022 – Tyne Tunnels Update

Report dated 7 July 2022 – Tyne Tunnels Update

Report dated 8 September 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 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

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

Date: 3 November 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 October 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 3 risks which are 'red', of these 2 risks are red because of funding uncertainties. These risks are:

- Long Term Funding for Metro,
- North Shields Ferry Landing

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.

The project to replace North Shields Ferry Landing is currently 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 temperatures.

In the current review, one risk has seen its score improve. Following the confirmation of essential renewals funding for 2023/24 and 2024/25 the 'Efficiency of delivery of the Capital programme' risk has reduced in likelihood.

Recommendations

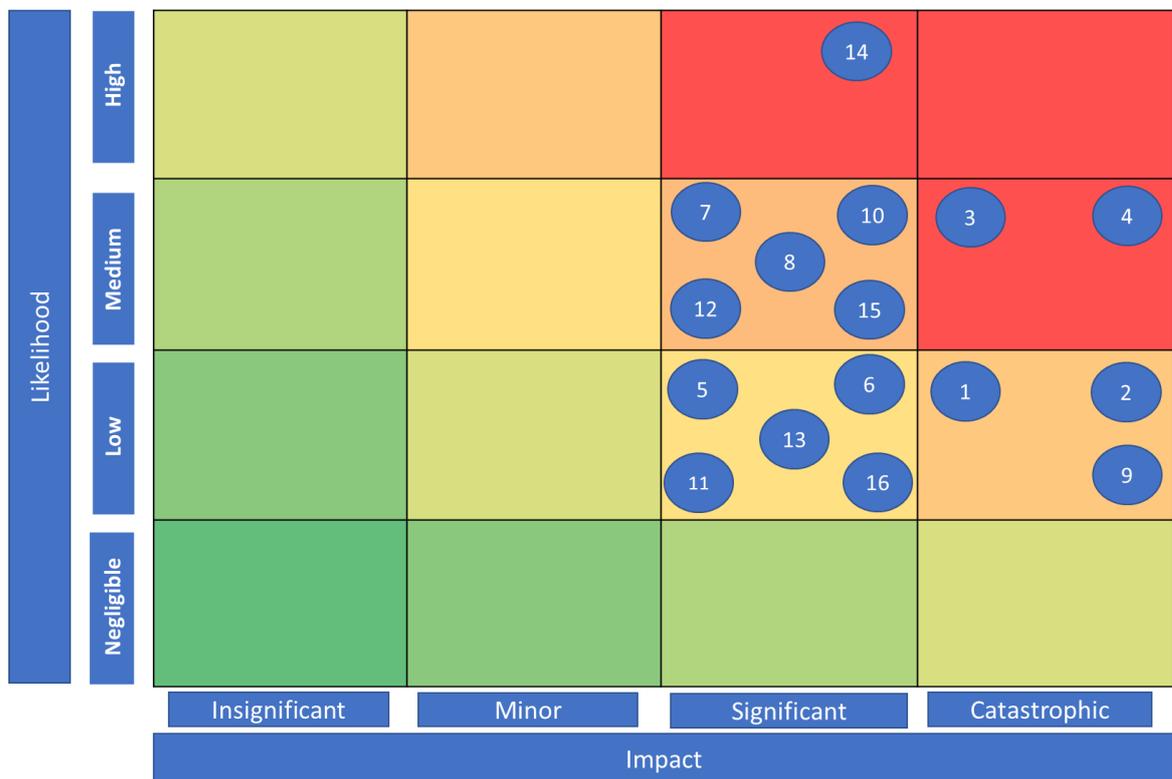
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2022/23

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	No changes from previous review	↔ (Stable)
2	Catastrophic infrastructure or operations event	No changes from previous review	↔ (Stable)
3	Metro Performance	Due date for Controls/Next Steps updated	↔ (Stable)
4	Long Term funding for Metro	No changes from previous review	↔ (Stable)
5	Frontline services and discretionary travel schemes – Metro services	Risk Description updated to include details of energy price rises and support provided by government. Controls updated to reflect Energy Bill Relief Scheme.	↔ (Stable)
6	Frontline services and discretionary travel schemes – Metro services	Risk Description updated to include details of energy price rises and support provided by government. Controls updated to reflect Energy Bill Relief Scheme.	↔ (Stable)
7	Procurement of the new design, build, maintain and provide contract for the fleet/depot	Controls updated to include recruitment of Transition Manager.	↔ (Stable)

8	Efficiency of Delivery of the Capital Programme	Risk likelihood reduced to reflect funding agreement for 2023/24 and 2024/25	<p style="text-align: center;">↑</p> <p style="text-align: center;">(Improving)</p>
9	Cybersecurity	Milestones updated to include new cyber security plan.	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
10	Products and Payments Offer	Due date of Next Steps/Milestones updated	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
11	Funding Bids	Controls updated to include regional business case for CRSTF.	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
12	Anti-Social Behaviour	Controls updated to include details of Multi Agency Transport Team	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
13	Patronage Recovery	Risk updated to reflect growing challenge of cost of living crisis. Controls updated.	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
14	North Shields Ferry Landing	Next Steps/Milestones updated to include expected announcement date of Levelling Up bid.	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>
15	Delivery of Metro Flow	Completed Milestone/Next Steps removed.	<p style="text-align: center;">↔</p> <p style="text-align: center;">(Stable)</p>

16	Bus Patronage	No changes from previous review	
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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
- The Proper Officer for Transport: ✓
 - Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

18. **Glossary**

18.1 **CRR** – Corporate Risk Register

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

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

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

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

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

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

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

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 Risk Owners: Chief Operating Officer Risk Actionees: Safety and Assurance Director	RAG Status (Amber)	Direction of Travel
	8(2x4)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic security related event may occur, such as a terrorism incident.		
Impact/Consequence(s): The consequences of a catastrophic security related event on Metro, bus or ferry could be significant, including loss of life, prolonged service suspension, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.		
Existing Controls: <ul style="list-style-type: none"> • Emergency preparedness plans and ROGs published • Continuously monitoring & controlling the precursors of these events with a detailed 2-weekly safety reporting to Nexus' Senior Leadership Team and weekly safety briefing • Produce and implement an annual safety plan for approval by Nexus Executive Board • Station security plans for the entire network have been published • 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
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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)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: Any public transport system is at potential risk of a catastrophic infrastructure failure or major operational incident		
The impact/consequences should a catastrophic infrastructure failure or major operational incident occur on Metro, bus and ferry could be very significant including: <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. 		
Existing Controls: <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. 		

<ul style="list-style-type: none"> • 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 Maintenance Delivery	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)	↔ (stable)
	Target RAG Status	
	8(2x4)	
Risk: There are a number of things which could provide a significant impact on Metro performance, including but not limited to: <ul style="list-style-type: none"> • 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): <ul style="list-style-type: none"> • 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 24
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)	↔ (stable)
	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, with particular concern over the cost of High Voltage Power. The government has now announced an Energy Bill Relief Scheme to provide support on energy costs between 1 October 2022 and 31 March 2023.		
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.		
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 the extension of the Energy Bill Relief Scheme with HMT and DfT which is due to expire on 31 March 2023.	Director of Finance and Resources	March 23

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)	
<p>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, with particular concern over the cost of High Voltage Power. The government has now announced an Energy Bill Relief Scheme to provide support on energy costs between 1 October 2022 and 31 March 2023.</p>		
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 during the pandemic, 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 the extension of the Energy Bill Relief Scheme with HMT and DfT which is due to expire on 31 March 2023.	Director of Finance and Resources	March 23

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
Support Transport North East in the development of partnerships with bus operators.	Customer Services Director	Mar 23

Risk 7		
CP Theme: Customer Experience		
CP Workstream: Grow Patronage and improve our customer experience		
Risk Area: Delivery of the contracts to provide a new depot and a new fleet of trains for the Metro Risk Owners: Major Projects Director Risk Actionees: Head of Fleet and Depot Replacement	RAG Status (Amber)	Direction of Travel
	9 (3x3)	
	Target RAG Status	
	6(2x3)	
<p>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.</p> <p>Emerging risks relating to supply chains can be broken down into two categories which have different contractual outcomes:</p> <ul style="list-style-type: none"> • The effects of the COVID-19 pandemic. • Disruption caused by the ongoing conflict in Eastern Europe. <p>These risks will continue to be managed using the controls outlined below.</p>		
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 <ul style="list-style-type: none"> • 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. 		

- Delivery of interdependent projects and enabling work is monitored by Capital Steering Group on a monthly basis and reported to Senior Leadership Team.
- Keeping key stakeholders informed regarding progress of the programme.
- Established project controls have been adopted to assist with the management of the contracts including CSM and other safety processes.
- Operational risks associated with the delivery of the new fleet are managed through the Operational Readiness Meeting.
- Quarterly meetings of the joint Nexus/DfT Programme Board to report on project performance, risks and any requirements to reprofile funding.
- Quarterly meetings of the joint Nexus/Stadler Programme Board to report on project performance, risks and any commercial matters.
- Metro Systems Assurance Panel (MSAP) developed and in place to accept and validate safety related decisions for Entry into Service for depot and fleet
- Fleet and Depot Project Assurance Plan developed for verification and validation for fleet and depot introduction, and sits under the MSAP process.
- Systems Assurance Manager commissioned via Technical Consultants to develop, monitor and manage MSAP 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.
- Recruitment of a Transition Manager commenced, who will sit within Metro Operations Directorate and lead on the operational implementation of the fleet including the transition from existing/old fleet to new fleet.

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	Dec 22
Full Fleet in Service	Head of Fleet and Depot Replacement	Dec 24

Risk 8		
CP Theme: Assets and Technology		
CP Workstream: Improve our physical assets		
Risk Area: Efficiency of delivery of the Capital Programme	RAG Status (Red)	Direction of Travel
Risk Owner: Major Projects Director	9 (3x3)	↑ (Improving)
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		
<p>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. This allows Nexus to develop some additional design work, although it 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).</p> <p>Projects committed through Essential Renewals, are therefore not delivered in the most efficient and effective way due to the limitations of funding as noted above. Consequentially 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. Nexus is also unable to expand its limited resources with project management and supporting functions. Contractual commitments beyond March 2023 can therefore not be made and the continuity to maintain and repair critical asset renewal including Overhead Line Equipment and SCADA remains uncertain.</p> <p>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 robust programme of works with any certainty.</p> <p>Due to the above, procurement efficiencies are being lost and there is evidence of reduced market interest with very limited competitive tender responses being received by Nexus. Staff turnover is also increasing due to market demands and increased salary offers elsewhere for rail expertise, resulting in a loss of key knowledge, skills and experience.</p> <p>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 without further longer term investment.</p>		

Controls:

- Continue to make the case for ongoing funding from the Department for Transport (DfT) with continued engagement of the DfT via Programme Board and HMT regarding future Metro funding arrangements.
- Seek flexibility from the DfT over virement/ acceleration of funding to optimise programme delivery.
- Procurement and Standing Order reviews and amendments to attract a wider market of consultants and contractors with review of contractual terms and conditions responding to changing market conditions to ensure successful procurement.
- Effective more streamlined, dynamic 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.
- 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 and 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 ICT	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. • Security patching for systems including servers, workstations is undertaken on a high frequency level. • Significant technical controls are in place to manage the use of internet, email and reduce potential data loss • Significant technical controls are in place for anti virus and anti malware on workstations and servers • We subscribe to governmental cyber-threat awareness bulletins and are members of local security working groups. • Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up all essential systems and data so service can be returned safely and efficiently. • Governance and user guidance is published, users are aware of their responsibilities. • Nexus staff complete a yearly cyber security eLearning module to ensure their knowledge is kept updated • Nexus raises awareness of security threats through the use of internal communications such as Nexus Times & global email bulletin's. • Nexus measure awareness through different mediums such as fake Phishing attacks. • All changes to Nexus ICT assets are subject to a robust change control process. • We have a suite of policies on security controls and acceptable use. • The ICT department maintain DC/BR and cyber incident security policies to respond and manage incidents. 		

- Network segregation to protect critical systems and mitigate risk in particular to rail based systems is in place.
- Security risks within ICT are managed using a suitable risk management process.
- Regular review of ongoing notifications from key suppliers regarding vulnerabilities in order to ensure timely notification and action.

Next Steps/Milestones	Owner	Due date
Create a 3 year Cyber Security review and improvement plan	Head of ICT	Nov 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 across 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.	Head of Commercial	Dec 22
Develop plans and seek funding for a multi-modal price-capped pay-as-you-go product	Head of Commercial	Mar 24

Risk 11		
CP Theme: Grow our patronage and improve our customer experience		
CP Workstream: Invest in our infrastructure		
Risk Area: Funding public transport network improvements Risk Owner: Director of People and Culture	RAG Status (Green)	Direction of Travel
	6(2x3)	↔ (stable)
	Target RAG Status	
4 (2x2)		
Risk: That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful		
Impact/Consequence(s): Nexus will rely on external funding opportunities to implement enhancements to the public transport infrastructure that it is responsible for. Without this funding existing resources will, at best, only be able to maintain assets to their current condition and in some cases assets will deteriorate due to lack of funding. This will impact on customer perceptions as public transport will not meet expectations leading to reduced patronage and revenue and Nexus will not meet the aspirations set out in the Recovery Plan to attract customers back to Metro and to replace journeys no longer being made with new markets.		
Controls: <ul style="list-style-type: none"> • Nexus schemes are included in the Regional Transport Plan pipeline and Regional business case for CRSTF. • 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. 		

<ul style="list-style-type: none"> Continuous horizon scanning for new funding opportunities. 		
Next Steps/Milestones	Owner	Due date
Work with North Tyneside Council to secure funding for the relocation of the Ferry Landing to the Fish Quay	Head of Corporate Planning	Nov 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 12		
CP Theme: Putting Safety and Security at the heart of everything we do CP Workstream: Reduce Anti-social Behaviour		
Risk Area: Antisocial behaviour Risk Owner: Chief Operating Officer Risk Actionees: Safety and Assurance Director, Metro Operations Director	RAG Status (Amber)	Direction of Travel
	9(3x3)	<div style="text-align: center;">  (stable) </div>
	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: <ul style="list-style-type: none"> • 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 • Customer Support Team roving throughout the operational day • Customer Service concourse teams' static at ticketing gate lines at key locations throughout the Metro system • Regular roving patrols by Security staff around network • Targeted patrols in areas with higher levels of ASB • 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 outsourced security personnel in place to provide a high-profile presence on the network
- Graffiti, vandalism, and crime and disorder forums with key internal and external stakeholders
- Attendance at multiple Local Authority/Police led strategic and operational forums aimed at targeting ASB.
- Attendance at the Safer Transport Northumbria Project where we have been successful again for funding from the Home Office. The introduction of the Multi Agency Transport Team is expected to occur by late 2022 and will provide an additional resource to target crime and unacceptable behaviours on our transport networks.

Next Steps/Milestones	Owner	Due date
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 13		
CP Theme: Grow our patronage and improve our customer experience		
CP Workstream: Customer Services		
Risk Area: Patronage Recovery Risk Owner: Chief Operating Officer Risk Actionee: Head of Corporate Planning, Head of Finance, Customer Services Director, Head of Commercial, Head of Marketing, Communications and Information	RAG Status (Red)	Direction of Travel
	6 (2x3)	 (stable)
	Target RAG Status	
	4(2x2)	
Risk: Public transport patronage does not improve from current levels or declines as a result of the cost of living crisis.		
Impact/Consequence(s): Failure to grow, or loss of, patronage on public transport would make bus, Metro and ferry services unsustainable. The resulting 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 <ul style="list-style-type: none"> • On-going programme of marketing and communications aimed at reassurance and encouraging customers back to Metro. • Regular reviews of progress with DFT/HMT. • Regular review of actions identified in recovery plans • Horizon scanning and bidding for funding to assist with recovery • Review services to ensure that service can be adapted to meet new travel patterns. • Develop and market new, more flexible and good value products including PAYG on mobile, Take The Kids For Free and discounted smart travel for young people. • Promote Park and Ride offer • Promote Metro's green credentials • Implement recommendations to target non-users to try Metro • Develop research led trials to appeal to new markets and new customers. 		
Next Steps/Milestones	Owner	Due date
Design and deliver new products and services to reflect changing patterns of travel and make public transport attractive.	Head of Commercial	Ongoing

Target new customers and markets including new products services, capital investment (subject to funding) and communications and marketing activities	Various	Ongoing
Work with Transport North East to deliver partnerships with bus operators.	Customer Services Director	Mar 23
Identify and bid for funding to deliver capital projects to assist with recovery	Head of Corporate Planning	Ongoing
Work with partners to expand research activities to develop future service patterns	Head of Corporate Planning	Dec 22

Risk 14		
CP Theme: Grow Patronage and Improve our customer experience		
CP Workstream: Invest in our infrastructure		
Risk Area: North Shields Ferry Landing Risk Owner: Major Projects Director Risk Actionee: Head of Renewals, 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: <ul style="list-style-type: none"> • Establish an internal project team-level Steering Group/working group • Regular updates to the Major Projects Directorate Steering Group • Periodic progress reporting to Nexus' Senior Leadership Team and JTC • Continued advance planning and collation of information in identified risk areas to mitigate future deliver risks. • Apply effective and proven project management controls, risk management planning and governance processes with appropriately skilled resources employed in these areas. • Active stakeholder engagement to obtain involvement and co-operation of third/interested parties • Regular assessment of programme delivery against grant funding conditions and meeting with funding bodies to provide up to date progress. • Hold funding strategy workshops facilitated by North Tyneside Council and progress agreed actions as a priority. • Ensure a strategic multi-party meeting facilitated/chaired by North Tyneside Council is set up which embeds the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area and both North and South Shields, ensuring strategic foresight and all schemes are joined up. • Horizon scanning and bidding for funding to continue to develop the project. • Progression of development project tasks to ensure the project is "shovel ready" in the event of funding being secured. For example, form A design, navigational 		

assessments, operational assessments, preparation of planning application, and ground investigations works.		
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	Ongoing
Ground Investigation ITT contract award	Head of Renewals /Major Projects Director	October 2022
Completion of Ground Investigation works	Head of Renewals /Major Projects Director	July 2023
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	November 2022
Nexus to issue a stage one tender to the market based on the outline design.	Head of Renewals /Major Projects Director	November 2022 subject to funding confirmation
Joint Levelling Up bid with North Tyneside Council Funding Announcement	Head of Renewals /Major Projects Director	November 2022
D&B ITT stage one tender contract award	Head of Renewals /Major Projects Director	October 2023
Completion of stage one tender works	Head of Renewals /Major Projects Director	February 2024
D&B ITT stage two tender contract award	Head of Renewals /Major Projects Director	June 2024
Completion of stage two tender works	Head of Renewals /Major Projects Director	August 2025

Land Agreements Leases and Consents	Head of Renewals /Major Projects Director	January 2023
Planning & Licenses Granted	Head of Renewals /Major Projects Director	November 2022

Risk 15		
CP Theme: Grow Patronage and Improve our customer experience		
CP Workstream: Invest in our infrastructure		
Risk Area: Metro Flow Risk Owner: Major Projects Director Risk Actionee: Head of Metro Flow	RAG Status (Amber)	Direction of Travel
	9(3x3)	 (stable)
	Target RAG Status	
	9(3x3)	
Risk: The benefits of Metro Flow are not delivered, are compromised, limited or delayed.		
Impact/Consequence(s): Delivery of Metro Flow could be compromised by escalating costs, a delayed delivery programme or infrastructure limitations, and the predicted benefits may not be fully realised. This could have implications for the customer experience and service, both in delivery and operation, Nexus financial position and may damage Nexus' reputation as a delivery agent, subject to the selected mitigation strategy		
Controls: <ul style="list-style-type: none"> • 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
Infrastructure <ul style="list-style-type: none"> ○ Delivery 	Head of Metro Flow	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 push the bus network in the region into terminal decline. The shortage of bus drivers and resulting short-notice cancellations may also undermine public confidence in the mode, 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 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, supported by funding from the Government's Bus Service Improvement Plan. • Support local bus boards and customer consultation processes to understand and reflect local priorities for bus services. • Implement rescue packages where commercial operators make cuts, consulting stakeholders to implement a network review funded initially by local authorities and the Local Transport Fund, and beyond 2023 the BSIP (Bus Services Improvement Plan). • Encourage bus companies to make planned frequency reductions where these will have the least impact, rather than cancelling services ad hoc. • Simplify fares on secured services and offer discounts for young people to encourage patronage growth. • Work with bus companies on short-term initiatives including Take The Kids For Free to boost patronage. 		

<ul style="list-style-type: none"> • Monitoring of public transport patronage and undertake research through the insight panel to gain intelligence on trends and passenger behaviours. • Lobby Government for additional 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	Apr 23
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	3	3	9	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:

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

Assess the likelihood of the risk occurring:

Likelihood:

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

Assess the impact should the risk occur e.g.

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

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

Date: 3 November 2022
Subject: Nexus Corporate Performance Update
Report of: Chief Operating Officer

Executive Summary

This report provides an update on the performance of Nexus against its Corporate Business Plan for 2022/23. The report covers Period 5 and 6 which encompasses performance during the period 24 July 2022 to 17 September 2022.

Between Periods 5 and 6, Metro patronage was 4.16 million which is 0.9% below the periodic target of 4.20 million. Metro Patronage for the year to date is 12.69 million which is 1.9% below target.

Metro fare and commercial revenue for the reporting period was £6.470m whilst the total fare and commercial revenue for the year to date is £19.360m. To the end of period 6, fare revenue is ahead of target and current indications are that it is recovering better than originally anticipated. However, we are mindful of the current economic climate and the Bank of England's forecast of recession, therefore recovery remains fragile, and we will need to continue to closely monitor the position in the months ahead. It is worth noting that overall, revenue is still below pre-pandemic levels and that Nexus' cost base has risen since the pandemic and is under increasing pressure because of both the energy crisis and the significant increase in inflation this past year. Nexus does expect some assistance with the rising cost of energy through the Energy Bill Relief Scheme, recently announced by central government.

Metro punctuality in periods 5 and 6 was 84.2% which is 5.0% below the periodic target of 89.20% whilst the 13-period moving annual average (MAA) at the end of Period 6 was 82.1% which is 5.1% below target.

In Period 6, Nexus supported the successful staging of the Great North Run on its return to South Shields with nearly 100,000 journeys taking place on Metro with another 9,000 journeys being completed by Ferry.

Ferry patronage in Periods 5 and 6 was 95,391 which is 26.4% above the target of 75,444. For the year to date, ferry patronage is 228,551 which is 27.1% above target

Ferry fare revenue in Periods 5 and 6 was £79,907 which was 0.4% below the profiled budget of £80,222. Ferry fare revenue the year to date is £216,705 which is 9.5% above the budget of £197,956.

In Period 5 secured bus patronage was 403,075 which is 21.0% above the target of 332,916. Due to external factors beyond Nexus' control Secured Bus patronage figures for Period 6 are currently unavailable.

Secured Bus revenue in Periods 5 and 6 was £389,786 which was 65.7% better than the evenly profiled budget target of £235,266. For the year to date secured bus revenue is £1,163,572 which is 62.5% better than the evenly profiled budget target of £715,904. Revenue targets will be reviewed as part of the budget setting process for 2023/24.

On 12th September, a 12 week line closure was introduced between Pelaw and South Shields allowing work to dual existing single sections of track as part of the Metro Flow project. The Metro Flow project will see three sections of single track – pinch points on the Metro network - dualled during the closure. When completed it will improve reliability across the whole of Metro and allow Nexus to increase service frequency in future.

Recommendations

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against the key priorities in its Corporate Plan for 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 2022/23
- 1.2 For 2022/23 the CP has five main themes and 14 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

Safety without Compromise	
Workstream	Status
Embed a 'Safety First' Culture	The 2022/23 Safety Plan is progressing to plan.
Improve Operational Safety	The 2022/23 SPAD (Signals passed at danger) reduction plan is being implemented
Reduce anti-social behaviour	We have introduced additional security presence on the network and incidents of ASB are reducing

Embed a 'Safety First' Culture

- 1.4 Delivery of the 2022/23 Safety Plan is progressing to plan.

Improve Operational Safety

- 1.5 Incidents of Category A SPADs have risen in line with trends seen in the rest of the rail industry. As such, we have taken additional steps to reduce the likelihood of SPADs occurring, these include one to one SPAD briefings targeted at newly qualified drivers, SPAD awareness being built into our refresher training sessions and regular notices and digital information highlighting recent trends.
- 1.6 We continue to deliver on our 22/23 SPAD reduction plan.

Reduce anti-social behaviour

- 1.7 In July, the Northumbria Police and Crime Commissioners office were successful in a further Safer Streets funding bid. This will support the introduction of a new Multi-Agency Transport Team (MATT). The MATT will bring together staff from Local Authority Community Safety teams with Nexus Security and Customer Service personnel. The implementation will cross Local Authority boundaries, with resources targeting both Metro and buses. All stakeholders will benefit from this with higher visibility throughout our transport networks and the team is projected to be operational by November 2022.

- 1.8 We continue to deploy additional security staff across the network to deter anti-social behaviour and provide reassurance for customers. This Security Team provides a security presence of 24 security trained personnel at key times throughout each day, primarily on a late shift. Feedback from customers on this initiative continues to be well received.
- 1.9 The Nexus Customer Support Team is now operational on early and late shifts, this is likely to have a positive impact on fare evasion and anti-social behaviour.
- 1.10 Following the introduction of this enhanced security presence on the network, incidents of anti-social behaviour have fallen by 20% in comparison to the same reporting period last year

Customer Experience	
Workstream	Status
Invest in our infrastructure	Work on our Fleet Replacement Programme is progressing to plan.
Products and Payments	A number of improvements to our products and payments offer have been implemented.
Customer Services	Patronage is recovering to forecast levels

Invest in our infrastructure

- 1.11 Work on delivery of the new depot and train fleet is progressing well, although the ongoing impacts of recent 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, we have completed Pre-Delivery Acceptance (Factory Acceptance) for the first Unit which has commenced static commissioning in Switzerland prior to being transferred to Czech Republic for Dynamic testing on the test ring. The first train remains on programme to arrive on the Nexus network before the end of 2022, however there still remains an ongoing component supply risk, and Nexus are working with Stadler to monitor and manage this.
- 1.12 The last First Article Inspection has now been completed, and the focus is now on working with Stadler to prepare for unit delivery and subsequent testing and commissioning.
- 1.13 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.

Products and Payments

- 1.14 The proportion of Metro customers using pay as you go (PAYG) either on android phones or with a smart card had increased from 16% in Period 2 to 19% of all short-term (single and daysaver) journeys in Period 6. Customers who move from paper

tickets to Pop PAYG immediately save up to 85p a day, and Nexus continues to market the benefit of this given cost of living pressures.

- 1.15 Pop PAYG on android, available as an option within the Google Pay wallet, continues to grow market share. While only 5% of all PAYG journeys are made on phones at present, more people now sign-up for Pop on their phone than by taking out a free card.
- 1.16 Following the success of the 'Take the kids for free' on Metro, bus companies launched a similar offer during the summer holidays. Between 23rd July and 4th September up to three kids aged 11 and under were able to travel for free on bus services operated by Arriva North East, Go North East or Stagecoach in County Durham, Northumberland and Tyne and Wear when accompanied by a fare paying adult.

Customer Services

- 1.17 Between Periods 5 and 6, Metro patronage was 4.16 million which is 0.9% below the periodic target of 4.20 million. Metro Patronage for the year to date is 12.69 million which is 1.9% below target.
- 1.18 Metro punctuality in periods 5 and 6 was 84.2% which is 5.0% below the periodic target of 89.20% whilst the 13-period moving annual average (MAA) at the end of Period 6 was 82.1% which is 5.1% below target.
- 1.19 Punctuality in Period 5 suffered as a result of extreme weather causing damage to Overhead Lines leading to service suspensions on 10th and 11th August.
- 1.20 In Period 6, Nexus supported the successful staging of the Great North Run on its return to South Shields with nearly 100,000 journeys taking place on Metro with another 9,000 journeys being completed by Ferry.
- 1.21 Ferry patronage in Periods 5 and 6 was 95,391 which is 26.4% above the target of 75,444. For the year to date, ferry patronage is 228,551 which is 27.1% above target
- 1.22 In Period 5 secured bus patronage was 403,075 which is 21.0% above the target of 332,916. Due to external factors beyond Nexus' control Secured Bus patronage figures for Period 6 are currently unavailable.

Assets and Technology	
Workstream	Status
Improve our physical assets	Our essential renewals programme is progressing to plan.
Technology	Nexus is leading on a smart multi modal ticketing project.

Improve our physical assets

- 1.23 On 12th September, a 12 week line closure was introduced between Pelaw and South Shields allowing work to dual existing single sections of track as part of the Metro Flow project. The Metro Flow project will see three sections of single track – pinch points on the Metro network - dualled during the closure. When completed it will improve reliability across the whole of Metro and allow Nexus to increase service frequency in future.
- 1.24 Full fleet availability was met on 94.8% of occasions in periods 5 and 6, this is 5.2% below target.

Technology

- 1.25 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

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

Manage our financial standing

- 1.28 Metro fare and commercial revenue for the reporting period was £6.470m whilst the total fare and commercial revenue for the year to date is £19.360m. To the end of period 6, fare revenue is ahead of target and current indications are that it is recovering better than originally anticipated. However, we are mindful of the current economic climate and the Bank of England's forecast of recession, therefore recovery remains fragile, and we will need to continue to closely monitor the position in the months ahead. It is worth noting that overall, revenue is still below pre-pandemic levels and that Nexus' cost base has risen since the pandemic and is under increasing pressure because of both the energy crisis and the significant increase in inflation this past year. Nexus does expect some assistance with the rising cost of energy through the Energy Bill Relief Scheme, recently announced by central government.

- 1.29 Metro punctuality in periods 5 and 6 was 84.2% which is 5.0% below the periodic target
- 1.30 Ferry fare revenue in Periods 5 and 6 was £79,907 which was 0.4% below the profiled budget of £80,222. Ferry fare revenue the year to date is £216,705 which is 9.5% above the budget of £197,956.
- 1.31 Secured Bus revenue in Periods 5 and 6 was £389,786 which was 65.7% better than the evenly profiled budget target of £235,266. For the year to date secured bus revenue is £1,163,572 which is 62.5% better than the evenly profiled budget target of £715,904. Revenue targets will be reviewed as part of the budget setting process for 2023/24.

Transform our organisation to be agile, innovative and inclusive	
Workstream	Status
Represent the communities we serve	We have published our Diversity and Inclusion Strategy.
Learning and Development	10 new apprentices joined Nexus in September.
Engagement	We are reviewing our approach to employee engagement
Strategy	Work on a number of strategies is progressing to plan.

Represent the communities we serve

- 1.32 In period 6, our Diversity and Inclusion (D&I) strategy was finalised, the strategy outlines how we will build upon experience, generate empowerment, and enhance engagement to become a more diverse and inclusive organisation overall for the betterment of both our customers and colleagues.

Learning and Development

- 1.33 Our apprentice intake for 2022 started in Period 6, with 10 apprenticeships beginning in areas including Signalling, Ferry Crew, Procurement and Learning and Development.

Engagement

- 1.34 Our engagement process is being refreshed as part of the implementation of our People and Culture Strategy.

Strategy

- 1.35 Work on our Safety and Security, Ferry and Bus 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 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: 3rd November 2022

Subject: Nexus Corporate Business Plan 2023/24 – 2027/28

Report of: Chief Operating Officer, Nexus

Executive Summary

The Nexus Corporate Business Plan for 2023/24 – 2027/28 provides the framework for Nexus' delivery up until 2026/27, it sets out the main actions Nexus will take and the indicators by which success will be measured. The Corporate Business Plan is a rolling five-year programme, that will be reviewed on an annual basis.

Many of our long-term plans are dependent on securing funding from external sources whilst delivery of the Corporate Business Plan is also dependant delivering on our medium term financial plan.

The Corporate Business Plan is built around delivering our vision of:

Our vision for 2025

Our Vision for the future of Nexus as the public body which can deliver this ambitious plan is built on five core principles



Along with our mission:

‘Making public transport great for our environment, economy and communities’

This is articulated through five themes:

- Safety without compromise
- Our People
- Assets and Technology
- Sustainability
- Customer Experience

The themes are underpinned by 13 Key Performance Indicators:

- Number of RIDDOR reportable accidents
- Number of assaults to staff

- Metro punctuality
- Metro service reliability (% of scheduled KM operated)
- Fleet reliability
- Customer perception of safety and security
- Customer satisfaction
- Public transport patronage
- Satisfaction with public transport facilities
- Asset reliability
- Carbon footprint
- Employee engagement
- Diversity

The Corporate Business Plan will direct Nexus' actions over the 2023/24 and set the framework to achieve our vision for 2027/28.

The Regional Transport Plan has provided the context for Nexus' Corporate Business plan since 2021-22. Our Corporate Business Plan directly supports the objectives of the regional plan.

Transport Plan Objectives	Vision	KPIs
Carbon Neutral Transport	<ul style="list-style-type: none"> • Sustainability 	<ul style="list-style-type: none"> • Carbon footprint
Healthier North East	<ul style="list-style-type: none"> • Customer Experience 	<ul style="list-style-type: none"> • Public transport patronage
Overcoming inequality and grow our economy	<ul style="list-style-type: none"> • Our People • Assets and Technology 	<ul style="list-style-type: none"> • Public transport patronage • Employee engagement • Diversity
Appealing sustainable transport choices	<ul style="list-style-type: none"> • Customer experience • Safety without compromise • Sustainability • Our People 	<ul style="list-style-type: none"> • Metro punctuality and reliability • Fleet reliability • Customer satisfaction • Satisfaction with public transport facilities
Safe and secure network	<ul style="list-style-type: none"> • Safety without compromise 	<ul style="list-style-type: none"> • No. of RIDDOR reportable accidents • Customer perception of safety and security

Transport Plan Objectives	Vision	KPIs
		<ul style="list-style-type: none"> • Reliability of assets

The Corporate Business Plan will be monitored on a weekly basis by Nexus Senior Leadership Team and report to TWSC at each of its meetings.

Recommendations

The Tyne and Wear Sub-Committee is recommended to:

- i) provide views on the Nexus' draft Corporate Plan for 2023-2028;
- ii) note that a further report will be brought to the Sub-Committee after January 2023 once the Joint Transport Committee has agreed Nexus' budget for 2023/24 and subject to confirmation of revenue support from Central Government.

1. Background Information

- 1.1 The Nexus Corporate Business Plan for 2023/24 – 2027/28 sets out five themes, underpinned by 13 Key Performance Indicators (KPIs) which will direct our action over the course of the year. Service managers will set their departmental service plans and budgets in accordance with this plan.
- 1.2 The delivery of the plan will be monitored on a weekly basis by Nexus Senior Leadership Team to ensure progress and will report to TWSC at each of its meetings.
- 1.3 Target and actions set in the plan will be realistic but challenging to ensure continual improvement.
- 1.4 The first theme in the plan is **Safety without compromise**. As a public transport operator, the safety of our network, our customers and employees are of paramount importance and the plan sets the basis for building a public transport operation people feel safe to use.
- 1.5 We will continue to work towards reducing our dependence on lookout protection, embed Life Saving Rules and improve the safety of our stations.
- 1.6 We will ensure that we have the correct safety procedures in place for our new fleet and that our train crew are confident and competent to drive our new trains.
- 1.7 Anti-social behaviour is a major cause of concern for our passengers and a significant cost to the network. We will continue to develop our multi-agency approach to tackling anti-social behaviour as well using a data led approach to tackling fraudulent travel and ASB.
- 1.8 Our second theme is **Customer Experience**. Our plans will ensure our services meet the needs and expectations of our customers.
- 1.9 The introduction of our new fleet in 2023/24 will mark a transformative moment in Metro's history and we will continue to look for ways to improve our customer experience through the modernisation of stations and by securing funding for the replacement of the North Shields Ferry Landing.
- 1.10 We will continue improve our ticketing offer by increasing the number of mobile enabled tickets and by extending mobile ticketing to other mobile wallet providers.
- 1.11 We will work alongside bus service providers to develop a price capped multi-modal ticket to make it easier for customers to move between modes of transport.
- 1.13 Working with Transport North East (TNE) and bus operators we will deliver on the outcomes identified in the Bus Services Improvement Plan (BSIP) to enhance bus services in the region, and enter a new Enhanced Partnership to sustain and improve services

- 1.14 Our third theme is **Assets and Technology**; we will continue to invest in our physical assets to improve the reliability of public transport including delivering another year of essential renewals for the Metro infrastructure whilst also looking to secure funding to renew other assets.
- 1.15 We will continue to develop our business case to replace our signalling system this would represent one of the largest infrastructure projects in Nexus' history.
- 1.16 We will continue to develop our ICT to ensure our assets are fit for purpose, meet the needs of the business and ensure efficiency in our processes.
- 1.17 As part of our fourth theme, **Sustainability**, we will continue to deliver on the actions identified in our Energy and Environment Strategy whilst we will also look to identify partners to work with on the next stage of the CLEANFerry project.
- 1.18 We will continue to deliver on our medium-term plan as well as working to secure long term funding certainty for our capital programme.
- 1.19 Our fifth theme is **Our People**, we will begin to implement our People and Culture Strategy, designed to build Nexus' reputation an employer of choice.
- 1.20 We will continue to develop a programme of career development and succession planning activities to ensure that we have the right skills to deliver on our priorities in future.
- 1.21 We will deliver our new employee engagement strategy, designed to ensure that our colleagues voices are heard across the business.
- 1.22 Once approved the Corporate Business Plan will be monitored on a regular basis by the Nexus Senior Leadership Team and progress reported to TWSC.

2. Proposals

- 2.1 It is proposed that the TWSC offers comments on the Nexus Corporate Business Plan 2023/24 – 2027/28.

3. Reasons for the Proposals

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

4. Alternative Options Available

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

5. Next Steps and Timetable for Implementation

5.1 If the Corporate Business Plan is approved at the TWSC meeting in January 2023, it will be implemented from the 1st April 2023 and monitored on a weekly basis.

6. Potential Impact on Objectives

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

7. Financial and Other Resources Implications

7.1 Nexus' Director of Finance and Resources confirms that the delivery of the Corporate Business Plan is dependent on the agreement of the medium-term financial plan by the JTC.

7.2 In addition, some elements of the Corporate Business Plan are subject to external funding bids which, if unsuccessful would impact on the deliverability of some of the projects identified.

8. Legal Implications

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

9. Key Risks

9.1 The main risk is that unforeseen budgetary pressures emerge throughout the year which diverts resources to other priorities.

9.2 Finally, there is a risk the external funding bids are not successful and other funding opportunities do not materialise, impacting on the deliverability of some of the projects in the plans.

10. Equality and Diversity

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

11. Crime and Disorder

11.1 Nexus work closely with the Metro police unit and British Transport Police to ensure the safety of the network. The Corporate Business Plan will also be underpinned by the Personal Safety and Security strategy which is currently under development and due to be published before the end of the 2022/23 financial year.

12. Consultation/Engagement

- 12.1 The business plan has been developed through internal consultation with all relevant departments of Nexus and from Nexus' approved strategies.
- 12.2 The business plan is also underpinned by market research, customer feedback and best practice from elsewhere which can be applied to Nexus and Metro services.
- 12.3 TWSC was consulted on the draft business plan at a policy seminar in October 2022.

13. Other Impact of the Proposals

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

14. Appendices

- 14.1 **Appendix A:** Nexus Corporate Business Plan 2023/24 -2027/28

15. Background Papers

- 15.1 None

16. Contact Officers

- 16.1 Name: Martin Kearney
Designation: Chief Operating Officer
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Tel: 0191 203 3500

17. Sign off ✓

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

18. Glossary

Our vision for 2025

Our Vision for the future of Nexus as the public body which can deliver this ambitious plan is built on five core principles



Nexus Mission

‘Making public transport great for our environment, economy, and communities’

Executive Summary

Our Corporate Plan sets out the framework for what Nexus will deliver from 2023/24. The plan draws from the Regional Transport Plan, Nexus Corporate Strategies and is underpinned by market research, evidence and best practice.

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

- Safety without compromise
- Our People
- Assets and Technology
- Sustainability
- Customer Experience

Our performance is measured via thirteen Key Performance Indicators:

- Number of RIDDOR reportable accidents
- Number of assaults to staff
- Metro punctuality
- Metro service reliability (% of scheduled KM operated)
- Fleet reliability
- Customer perception of safety and security
- Customer satisfaction
- Public transport patronage
- Satisfaction with public transport facilities
- Asset reliability
- Carbon footprint
- Employee engagement
- Diversity

Our Business Planning process

Nexus has established a long-term Corporate Plan which aligns with the regional planning framework that is set out in the North East Regional Transport Plan.

The Regional Transport Plan sets out five objectives for transport across the North East and Nexus is required by the Joint Transport Committee of the two Combined Authorities that Nexus serves, to deliver the policy and objectives set through their plan.

The objectives of the Regional Transport Plan are:

- Safe, secure network
- Carbon neutral transport
- Healthier North East

- Overcome inequality and grow our economy
- Appealing sustainable transport choices

Our vision and KPIs which support our business plan assist in the delivery of the Transport Plan objectives

Transport Plan Objectives	Vision	KPIs
Carbon Neutral Transport	<ul style="list-style-type: none"> • Sustainability 	<ul style="list-style-type: none"> • Carbon footprint
Healthier North East	<ul style="list-style-type: none"> • Customer Experience 	<ul style="list-style-type: none"> • Public transport patronage
Overcoming inequality and grow our economy	<ul style="list-style-type: none"> • Our People • Assets and Technology 	<ul style="list-style-type: none"> • Public transport patronage • Employee engagement • Diversity
Appealing sustainable transport choices	<ul style="list-style-type: none"> • Customer experience • Safety without compromise • Sustainability • Our People 	<ul style="list-style-type: none"> • Metro punctuality and reliability • Fleet reliability • Customer satisfaction • Satisfaction with public transport facilities
Safe and secure network	<ul style="list-style-type: none"> • Safety without compromise 	<ul style="list-style-type: none"> • No. of RIDDOR reportable accidents • Customer perception of safety and security • Reliability of assets

Nexus is currently undertaking its budget setting process and our ability to deliver the Corporate Business Plan as set out, is contingent upon the availability of both capital and revenue funding.

The COVID-19 pandemic had a significant impact on Nexus' revenue budget and patronage on Metro has still not recovered to pre-pandemic levels. We anticipate that the emerging cost of living crisis will have further downwards pressure of customers willingness and ability to travel, particularly for leisure and retail journeys which have formed the backbone of Metro's recovery to date.

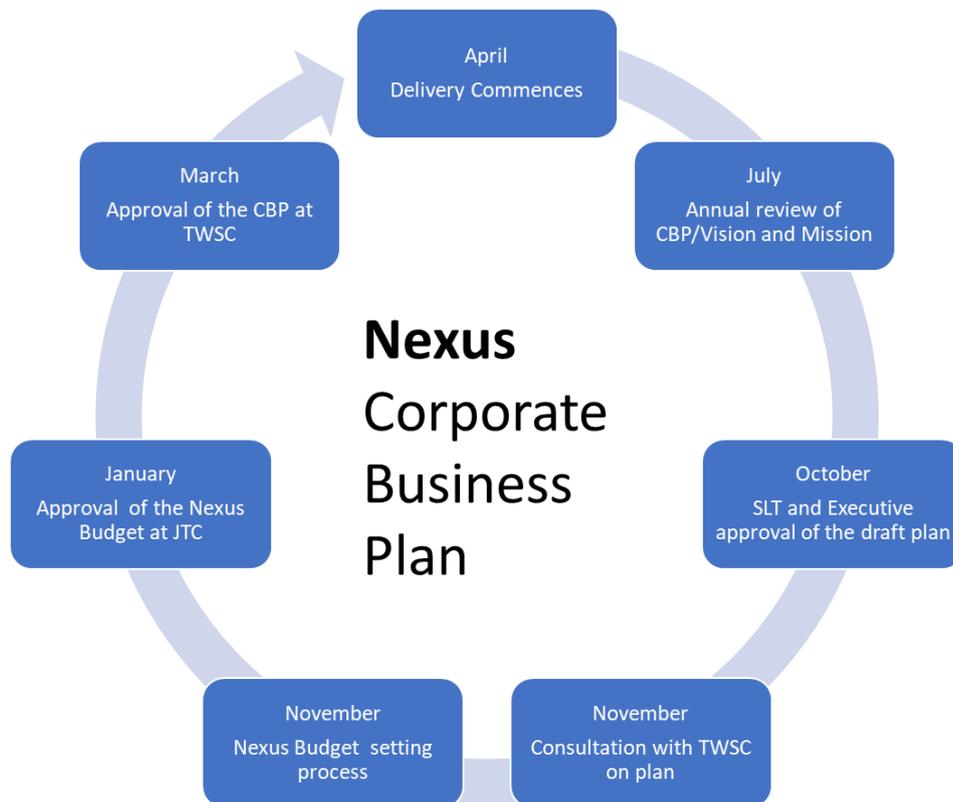
The cost-of-living crisis has also impacted on Nexus' costs, in particular we have seen significant increases in the costs of power, with energy bills more than doubling in 2022 and set to rise still further during the period of this plan. In addition, inflationary cost pressures on projects impacts the amount of work Nexus can undertake through our capital programme.

Nexus is lobbying the Government for additional support to offset the impacts of the increase in the cost of power, and we are also in discussions regarding the Tyne and Wear transport levy with the North East Joint Transport Committee and our local authority partners in order to manage our budget deficit and become financially sustainable over the medium term. In addition to this, we await the outcome of the Spending Review in order to secure our 'business as usual' capital and revenue grant funding for the Tyne and Wear Metro, from the Department for Transport.

In the next year we look forward to the first of our new fleet entering into operational service and the completion of our Metro Flow project, two exciting investments into our network which enable a step change in customer service, and we hope will attract a new generation of customer to Metro.

We also hope to have secured funding and commenced work on the relocation of the North Shields Ferry landing. A project that will secure the future of the Ferry as well as supporting economic regeneration, tourism and leisure on both sides of the river.

Nexus will also play our role in delivering the Bus Service Improvement Plan for the region, setting bus services and public transport at the heart of sustainable economic growth.



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

We are a public body and develop our plans by listening to local people and businesses. When we intend to make changes or deliver projects which impact on people, we seek to ensure there is appropriate engagement and that we are accountable of the feedback we receive.

Our strategies set out what we will deliver to meet these objectives and are developed using market research, evidence and best practice to help us to achieve our vision.

Theme 1: Safety without Compromise

Performance indicators

- Number of RIDDOR reportable accidents
- Number of assaults
- Customer perception of safety and security
- Signals passed at danger (SPADs)
- Employee lost time accidents
- Passenger accidents
- Delays due to anti-social behaviour
- Crimes reported by Nexus
- Fraud Rate

In 2023/24 we will:

A Harm Free Environment

The safety of colleagues and customers is Nexus' main priority, and we will continue our work to reduce the frequency and severity of accidents occurring on our network.

We will improve our track safety by continuing our work to reduce the dependence on lookout protection and develop our remote asset condition monitoring capacity.

We will continue develop Life Saving Rules and will review our processes for best practise against those of other operators.

We will begin to implement the outcomes of our station safety reviews to ensure that our stations meet the highest safety standards for both customers and colleagues.

Improve Operational Safety

We will ensure that our new fleet has the required safety procedures in place and that our Train Crew are confident and competent in driving the new trains through a combination of simulator and live training along with ongoing coaching and support from managers.

We will look at best practise on SPAD reduction from elsewhere in the industry to ensure that the measures we have in place to reduce the likelihood of SPADs occurring are comprehensive and effective.

Reduce anti-social behaviour

Anti-social behaviour, including vandalism, graffiti, ticketless travel and intimidating behaviour is a problem we will address across the Metro network and our wider public transport infrastructure. Our research tells us that anti-social behaviour and ticketless travel is a key priority for our customers and addressing this issue will assist in growing patronage, particularly in the evenings, through improved perceptions of safety and security.

We will continue our deployment of additional security staff to provide reassurance to passengers whilst implementing a data led approach to staff deployment in order to tackle ASB hotspots. We will seek to introduce re-deployable CCTV to our network allowing resources to be targeted at key locations.

We will continue to work with the Police and Crime Commissioner's office, Northumbria Police, British Transport Police and Local Authority colleagues to deliver a multi-agency approach to tackling ASB, hate crime and sexual harassment through combined resources.

By 2027/28:

Safety will continue to be at the heart of everything we do. We will have industry leading accident frequency rate with colleagues confident that the training provided, processes in place and support available, provides them with a safe working environment.

We will have fully embedded a safety culture, with a process of continuous improvement and will have begun the process to align our rulebook to that of other operators. We will have a well-established, remote asset condition monitoring regime allowing for targeted maintenance and inspection work thereby reducing the amount of look out protection required on the network.

We will have a well established SPAD prevention programme including training, monitoring and support for Train Crew.

We will continue to tackle anti-social behaviour through enhanced CCTV on both trains and stations which feed live through to the Control Room and an increased staff presence at our stations and on our trains. We will also have sought funding to introduce additional gatelines across the network to reduce fraudulent travel and improve passenger perception of safety and security.

Theme 2: Customer Experience

Performance indicators

- Metro patronage
- Metro punctuality
- Metro reliability
- Metro customer satisfaction
- Net promoter score
- Satisfaction with the range of tickets
- Satisfaction with the cost of tickets
- Satisfaction with information
- Subsidy per Secured Bus Passenger
- Satisfaction with bus information at stops and stations
- Ferry customer satisfaction
- Ferry patronage
- Customer complaints
- Public transport percentage of total journeys made
- Take up of Pay as You Go (PAYG)

In 2023/24 we will:

Invest in our infrastructure

We expect our first new train to enter into passenger service in the summer of 2023, this will be a landmark moment in Metro's history, beginning the transition between the fleet which first entered service when Metro was introduced to a new generation of trains which serve the region for the next thirty years.

Work to modernise and improve a number of Metro stations including Byker, Whitley Bay and Cullercoats will begin whilst we will also continue to develop plans and seek funding to refurbish Monument, Gateshead and Regent Centre Metro Stations.

We will support the work looking at extensions to the Metro and local rail network being led by Transport North East.

Products, Payments and Information

Our ticketing offer will continue to modernise and reflect the demands and needs of our customers. We will enhance our POP brand through the development of additional mobile enabled tickets and extending mobile ticketing on to other mobile wallet providers whilst we will also begin to develop plans for account-based ticketing.

Through the Bus Services Improvement Partnership (BSIP), we will work in partnership with bus providers to deliver price capped multimodal ticketing making it easier for customer to move between modes of transport.

We will improve our real time information provision on both Bus and Metro to ensure that passengers are able to make informed travel decisions.

Our new ticket machines will be installed in our car parks which, along with safety improvements funded through Transforming Cities Fund, will enhance our customers experience in using our car parks, throughout 2023 we will promote our park and ride offer to grow patronage and help support reducing congestion and improving air quality in our urban centres

An excellent customer experience

The completion of the Metro Flow project will allow for greater resilience in the Metro network, allowing for better recovery of delayed services and provide the opportunity for future service enhancements.

Working with Transport North East (TNE) and bus operators we will deliver on the outcomes identified in the Bus Services Improvement Plan (BSIP) to enhance bus services in the region, and enter a new Enhanced Partnership to sustain and improve services.

We will begin work towards achieving a 'Autism Friendly Award' and reinvigorate our dementia awareness training.

By 2027/28

The North East will be served by a high quality, reliable and integrated public transport network with the patronage growing across all modes. Customers will feel confident switching between modes of transport knowing that they the lowest available price through account-based ticketing and price capped multi modal ticketing as well as having access to accurate real time travel information.

We will seek funding to ensure that most used Metro and Bus stations, including Monument and Gateshead interchange, are modernised to a high standard whilst we will also improve the look and feel of our all of our stations.

Our new fleet will be fully embedded with a new ten-minute timetable in operation, increasing capacity on the network.

The Shields Ferry will undergo the biggest transformation in a generation with the construction of a new Ferry landing on the North Shields Fish Quay, providing better links to bus services and the businesses in the area.

Theme 3: Assets and Technology

Performance indicators

- Assets in service
- Asset inspection and maintenance regime
- Digital connectivity across the network
- Time/Cost/Quality of the essential renewals programme
- Customer satisfaction with facilities
- Accessibility of facilities

In 2023/24:

Improve our physical assets

We will continue to deliver on our asset renewal programme whilst continuing to lobby for greater funding assurance to provide us with the ability to develop a long term fully funded programme of improvements for our network.

We will continue to develop remote asset condition monitoring to identify which of our assets need proactive attention to reduce failures and improve reliability.

We will continue in the development of our business case to replace our signalling system, ensuring that our physical assets keep pace with the performance improvements that will be delivered by our new fleet.

After starting our refurbishment process in 2022/23, we will complete planned half-life overhaul of a number of our lifts and escalators, extending their lifespan by a decade.

We will develop a plan and seek funding to refurbish any bus stops in the region which do not meet modern standards.

Technology

We continue to deliver on our ICT strategy to improve our internal processes, utilising modern ICT techniques to make our organisation as efficient as possible through better utilisation of Office 365 and the development of technology roadmaps.

We will begin working with the data provided by our new fleet to understand the potential improvements it could make to the service and customer experience.

We will begin to implement our 3 year cyber security plan with the aim of achieving 'Cyber Essentials' accreditation.

By 2027/28:

We will have secured funding for the replacement of our signalling system and will be in the process of delivering on the largest infrastructure project in Metro history.

We will have delivered on our customer connectivity project, providing good mobile phone reception across our network whilst our Cyber Security systems will have achieved Cyber Essentials accreditation.

Theme 4: Sustainability

Performance indicators

- Carbon footprint of Metro operations
- Energy consumption

In 2023/24:

Environmental

We will seek partners to work with on the next stage of the CLEANFerry project designed to improving the environmental performance of the Shields Ferry.

We will develop an Environment, Social, Governance Strategy establishing our corporate obligations and reaffirming commitments on Biodiversity, Climate Change, Climate Risk, and Carbon Reduction in line with our responsibilities as an organisation.

As part of our journey to improved environmental performance we will continue to deliver on our Environment and Sustainability strategy through: improved reporting of greenhouse gas emissions, the introduction of departmental sustainability competitions and introducing an environmental frameworks for our major projects.

We will continue to work with bus operators to increase the number of Electric, Euro 5 and Euro 6 buses on our routes, particularly in Clean Air Zones.

We will develop and implement plans to move our road fleet to ULEV.

Financial

Delivery on the Nexus Medium Term Financial Plan will continue whilst, we will continue to work with the Department for Transport and HM Treasury to secure long term certainty of funding for our capital programme across Metro, Ferry and Bus infrastructure.

We will work alongside bus operators to deliver on the agreements in the Bus Services Improvement Partnership.

As part of our Capital Projects pipeline we will continue to scan the horizon for suitable funding opportunities to deliver on our priorities.

Our commercial strategy will be refreshed to identify income generation opportunities for the organisation to help provide additional sustained sources of funding.

By 2027/28:

The launch of the new fleet will generate a step change in energy consumption and the consequential carbon footprint of the Metro network. We will investigate and where possible invest in technologies which exploit this and the capabilities of the new fleet to further improve the environmental credentials of the system. We will work to ensure that we reduce the environmental impact of our buildings and other infrastructure. We will have established a system to understand the carbon impacts of all of our projects.

We will have a network of environmental champions in place within our organisation, ensuring the public transport we provide is as green as possible. We will have achieved awards and accreditation

for our environmental programme and implemented a wider range of energy initiatives across our estate to improve our carbon footprint. We will embed environmental initiatives into our projects.

We will have secured long term asset renewal funding for our network and will have utilised the performance improvements delivered by the new fleet and Metro Flow projects to increase patronage to above pre-pandemic levels.

Theme 5 : Our People

Performance indicators

- Employee engagement indicators
- Absence levels
- Workforce diversity
- Applicant diversity

In 2023/24:

A great place to work

We will begin implementing our People and Culture strategy, making improvements to our recruitment and talent attraction process to build Nexus' reputation as an employer of choice.

Work will continue to develop our onboarding and induction process, developing a standardised process so that all new recruits to our organisation will experience the same positive and supportive introduction to the business.

Following on from the success experienced attending events such as Pride UK, we will continue to support events and occasions which celebrate the diversity of our region.

We will embed diversity and inclusion within our business through the implementation of our Diversity and Inclusion strategy.

Developing our people

Our people are our biggest asset and as such it is important that we provide individuals with the support and skills they need to build their career through Nexus.

We will develop a programme of career development and succession planning activity to ensure that people have the opportunities to progress in their career within Nexus.

We will build on work to review our competency system to ensure that people have the correct skills in which to safely, efficiently and confidently carry out their roles.

The introduction of our new fleet will require our existing driving staff to be released from duty to be trained on the new equipment whilst also maintaining a consistent service for our passengers.

An engaged workforce

We want our people to be brand ambassadors for Nexus, proud of the work they do and the role that Nexus plays for the residents of Tyne and Wear. We will begin to develop the activities identified in our People and Culture strategy including continuing to develop our internal communications strategy, providing routes for colleagues to provide their ideas or concerns and ensuring that this feedback is acted upon.

We will continue to provide health and wellbeing advice and support within the workplace which will contribute to employee engagement, reduction in sickness absence and also ensure our employees are able to operate and perform at their potential.

By 2027/28:

We will be an organisation which achieves high satisfaction scores from its employees, which is reflected in high levels of customer satisfaction. We will have managers and leaders who are supported in their development with strong succession and development plans in place across the whole organisation. We will also have well established apprentice and graduate development schemes.

Our workforce will better represent the people we serve, allowing us to better understand the needs of our communities.

Summary

With introduction of our new train fleet and by realising the benefits of Metro Flow, 2023/24 will begin one of the most transformative eras in Nexus' history. Our new fleet will improve customer experience and comfort, improve our environmental performance and, through enhanced on-board CCTV, improve our ability to tackle unwelcome behaviour. Metro Flow will provide additional capacity for customers on our network and will make our service more robust in times of disruption.

Beyond 2023/24, Nexus will continue to develop its ambitious plans to improve public transport in the region, developing plans for improving and renewing our infrastructure, developing plans for expanding our network and securing the long-term future of the Shields ferry.

We will continue to build on the environmental improvements delivered by our new fleet through a range of energy saving measures designed to reduce our carbon output and set out a pathway to 'net zero'. We will ensure that our services are seen as the sustainable travel choice for environmentally conscious individuals by improving our park and ride offer, EV charging facilities, improving interconnectivity between modes of transport and enhancing our cycle parking facilities.

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

Date: 3 November 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 are significantly higher than previous years with over 1.5 million vehicle journeys through the tunnels in September 2022.

The report also gives an update on the compliance rate (rate of successful toll payments) under the Tyne Pass Scheme which is at 96.79% in September 2022. This is the highest compliance level since the Tyne Pass system came into operation and shows a promising trend of fewer tunnel users failing to pay to toll on time and being affected by enforcement.

The report details the recommendations made in the recent Tyne Pass Appraisal report and explains how they will be taken forward by TT2 and Transport North East over the next few months.

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.

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 opened in 2011 having been financed and built using a Concession 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.

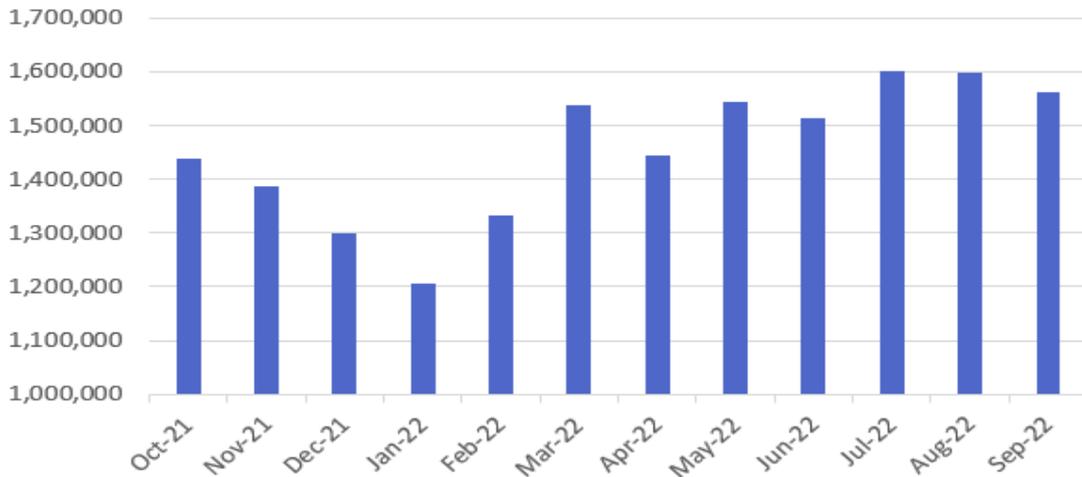
2. Traffic Tunnels Update

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 is now significantly higher than it has been in the last few years. In August 2022 there were **1,597,357** vehicle journeys through the tunnels and in September **1,552,331** vehicle journeys. In August traffic numbers were at record levels as this has been the busiest month in the 55 year history of the tunnels.

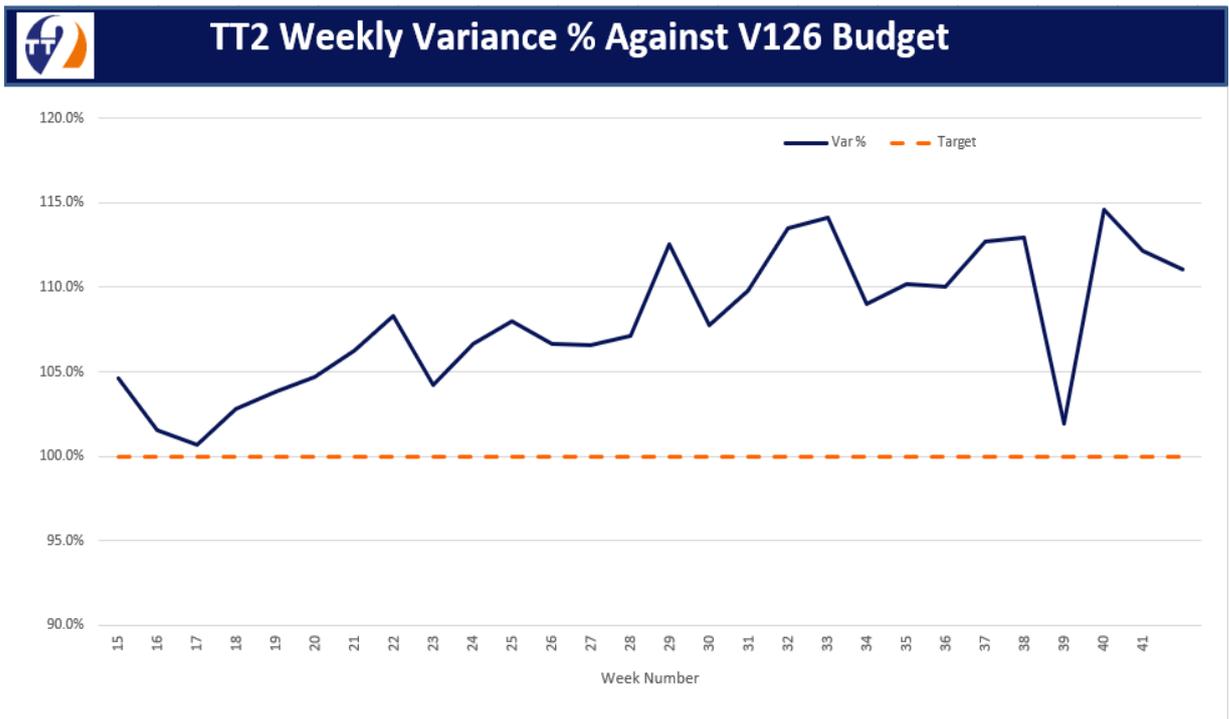
Fig: 2.2 Tyne Tunnel Monthly Traffic

Tyne Tunnel monthly traffic



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 25 weeks from May to October 2022. Traffic is currently approx. 11% above the expected level. The dip shown in September was the week of the bank holiday for Queen Elizabeth II's funeral when few vehicles were on the roads.

Fig: 2.3 TT2 weekly traffic % against target



Tyne Pass Scheme

2.4 The Tyne Pass Scheme for barrierless open road tolling, has been in operation for almost 12 months and the number of customers paying the toll successfully for their journey is on an upward trend.

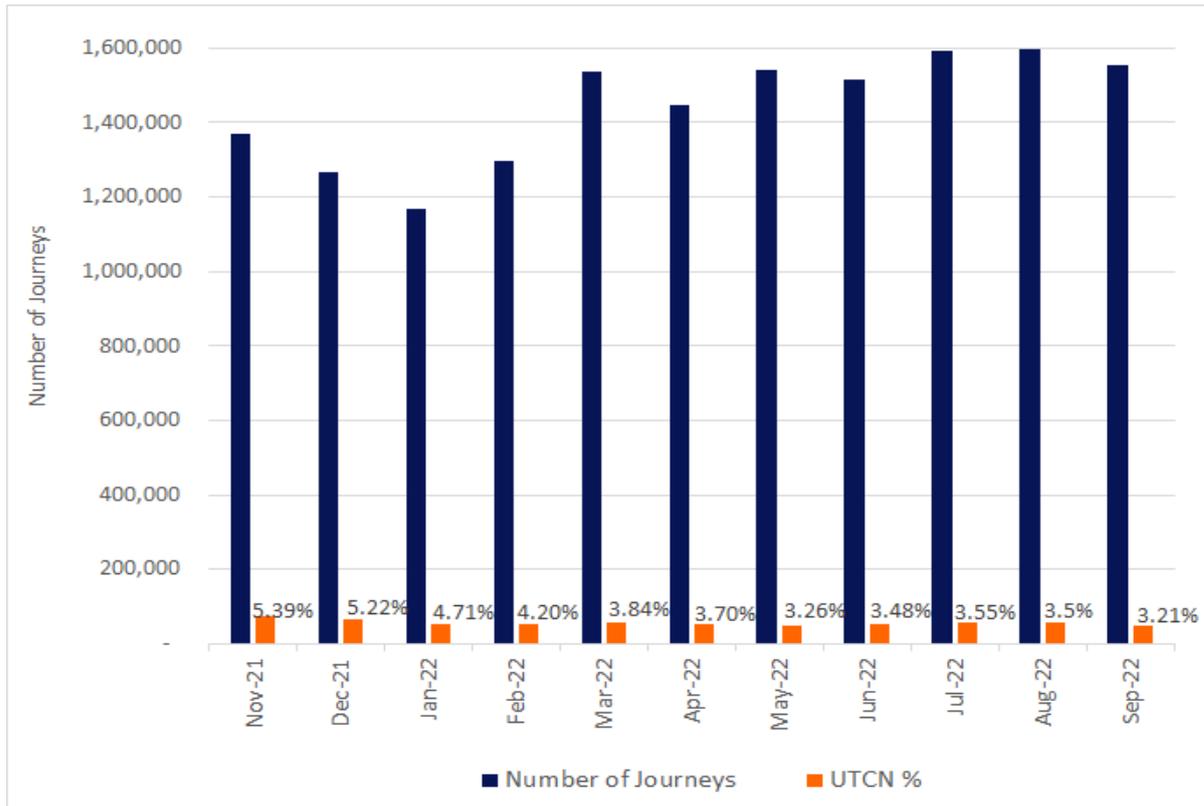
2.5 The majority of customers pay the toll by pre-paid account (78.59% of all payments in September 2022). These customers benefit from an optimum service as they can:

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

2.6 In September, the toll was paid on time for 96.79% of journeys meaning only a small percentage of drivers (3.21%) 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 since November 2021 with a slight lift in June and July as anticipated during the summer months (orange columns).

2.7 **Fig: 2.7 Journeys vs UTCNs**



Tyne Pass Appraisal

- 2.8 At the TWSC meeting on 7th July 2022 members agreed that an appraisal of the Tyne Pass scheme should take place. The scheme had been operational for 8 months and members considered it was timely to carry out such an appraisal in order to consider the customer experience and review feedback from customers and stakeholders, both positive and negative.
- 2.9 This appraisal was brought to the TWSC meeting in September 2022 and members were able to read the report and ask questions. Members requested that the Tyne Pass Appraisal Report also be provided to JTC Overview and Scrutiny Committee (JTC OSC) for scrutiny. This was carried out and the report was presented in the October meeting of JTC OSC and received a positive response from OSC members.
- 2.10 Following the appraisal, Transport North East will continue to monitor the effectiveness of the Tyne Pass scheme and monitor TT2's performance as Concessionaire. This can be done both within the contractual mechanisms which were designed to ensure TT2's performance in all areas of operation, and also by TNE officers continuing to work with TT2 on a day-to-day basis to analyse data and review feedback received from customers in order to come up with practical solutions to resolve issues raised and to improve the overall customer experience.

Recommendations

- 2.11 The Appraisal Report detailed numerous improvements and system amendments, some of which have already taken place over the first months of the Tyne Pass system, as data analysis and customer behaviour analysis has taken place and been acted upon by TT2. In addition to this a number of recommendations to be carried out in the future were suggested by Transport North East.
- 2.12 The appraisal recommendations are set out below:

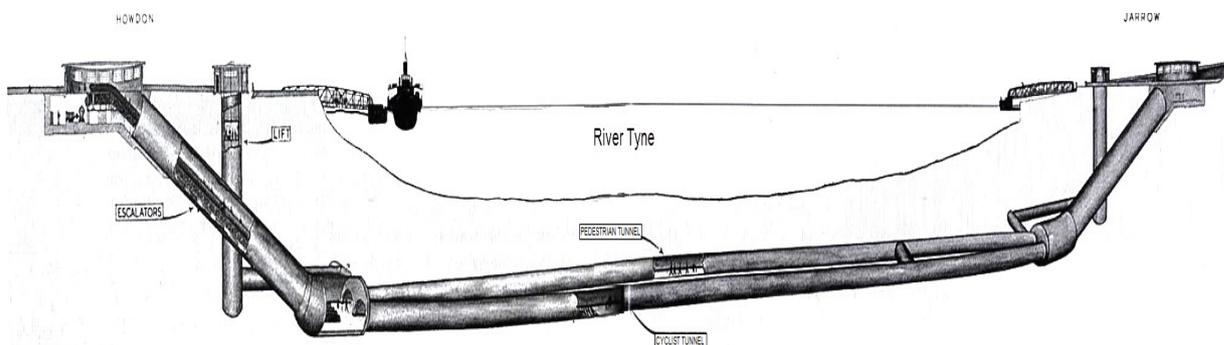
Recommendation
TT2 app/web
TT2 Product Manager to provide regular updates to TNE officers on payment systems development.
Telephone payment line
TT2 to regularly review and seek to improve this service with focus on customer experience and performance of the payment line.
TT2 review other similar providers of a telephone payment service and assess whether there are other cost efficient potential options.
Payment window 'Pay by Midnight tomorrow'
TT2 to extend the grace period further to reflect feedback from customers.
TNE to provide detailed analysis carried out on payment window during September 2022 and the results to be brought to next TWSC meeting. (This is scheduled to be presented at the January 2023 meeting.)

Pre-paid customers
Pre-Paid systems are to be amended to include adding funds and car registration number within the account sign-up process.
One-off customers
TT2 to continue to offer and promote one-off users to move to pre-paid accounts.
TT2 to work with payment providers and investigate further whether alternative banking processes could be used to improve the payment issues experienced.
Hardship support
Hardship support access link to be made available to other similar organisations including regional CAB other debt charities.
Appeals
TNE and TT2 to work on an Enforcement Policy document to provide a customer-facing document which explains the use of civil and criminal court enforcement for unpaid tolls.
Transitional rules for appeals are to be reviewed at least monthly by TNE and TT2 to establish what rules are appropriate based on non-compliance levels and customer behaviour.
Independent auditor to review appeals regularly throughout the year. The purpose of this appointment is to provide independent reassurance to TNE and to customers that appeals are being determined fairly and in line with the agreed rules.
Blue Badges
TT2 to process each application for a tunnels exemption account for Blue Badge holders on average within 14 days of receipt.
Signage
Permanent signs are to be kept under review with any recommendations taken back to NECA
Three minor modification signs planned on National Highways land on the A19 to be put in place as soon as possible.
Third party enforcement
TT2 to carry out regular third-party supplier audits on third-party agencies, to ensure that they provide a quality customer experience that is fair and consistent.
Lease/hire vehicles
TT2 agents to respond on average seven-day service level
TT2 workshops to take place to map out solutions for lease companies to pay all UTCNs on a monthly basis rather than as individual payments to cut down the admin time required to process each one.

- 2.13 TT2 Limited have responded to the recommendations to confirm that all will be acted upon over the next 9 months. Some recommendations have already progressed and changes have been put in place quickly, while others are in a planned 'product roadmap' with system developers.
- 2.14 In terms of the recommendations which involve Transport North East leading on the work to be carried out, for example the analysis on the payment window and the transitional appeal rules reviews, this work is being actioned by Transport North East officers. The appeal rules reviews have been set up as a formal process within the Tyne Tunnels management systems. The payment window analysis has been carried over the last 2 months and is almost complete, with outcomes to be brought to the next TWSC meeting.
- 2.15 Transport North East Officers will work with TT2 over the coming months to ensure all recommendations are followed through and will bring an update on the work carried out to a committee meeting in 2023.

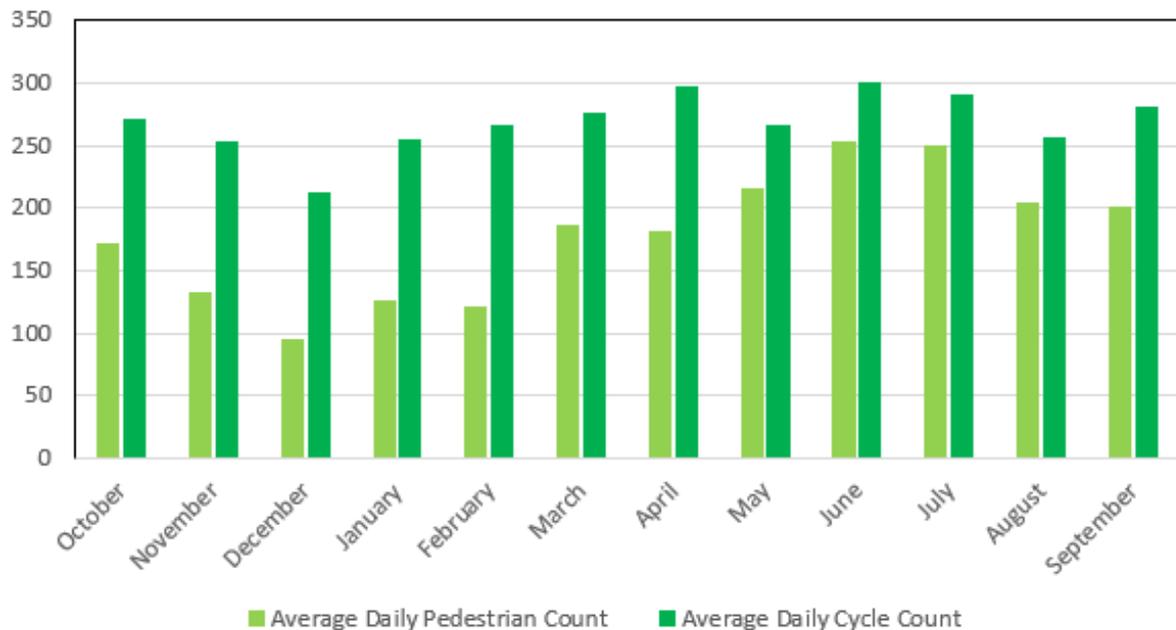
Tyne Pedestrian and Cyclist Tunnels Update

2.16



- 2.17 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.
- 2.18 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.
- 2.19 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.
- 2.20 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 August 2022 was 14,257 and for September 2022 was 14,423 journeys.

Tyne Tunnel Average Daily Pedestrian and Cycle Counts
October 2021 to September 2022



Inclined lifts refurbishment

- 2.21 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 awaited as they have proved difficult to complete due to the bespoke nature of the design and issues with contractors.
- 2.22 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.
- 2.23 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 delays. The suppliers have provided a delivery date for the door parts of late November 2022. As soon as the new 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 customer focused improvements to the Tyne Pass system which has now been in operation for almost 12 months.

The lift contractor is continuing work on the inclined lifts to enable them to be brought into operation as soon as possible.

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 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

Report dated 7 July 2022 – Tyne Tunnels Update

Report dated 8 September 2021 – 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 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

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