



## North East Joint Transport Committee

Tuesday, 18th April, 2023 at 2.30 pm

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

---

## AGENDA

---

Page No

1. **Apologies for Absence**

2. **Declaration of Interests**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

3. **Minutes of the meeting held on 21 March 2023**

**3 - 12**

4. **Bus Service Improvement Plan - Fares Package**

**13 - 54**

5. **Transport Plan Progress Report**

**55 - 68**

6. **Date of Next Meeting**

The next meeting will take place on Tuesday 20 June at 2.30pm in the Bridges Room, Gateshead Civic Centre.

Contact Officer: Emma Reynard  
Tel: 0191 433 2280  
E-mail: [emmareynard@gateshead.gov.uk](mailto:emmareynard@gateshead.gov.uk)

This page is intentionally left blank



**NORTH EAST JOINT TRANSPORT COMMITTEE**

**DRAFT MINUTES FOR APPROVAL**

**DATE: 21 MARCH 2023**

Meeting held: Whickham Room, Gateshead Civic Centre

**COMMITTEE MEMBERS PRESENT:**

Councillor: M Gannon (Chair)

Councillors: T Dixon, K Kilgour, C Johnson, G Miller, E Scott, G Sanderson

**IN ATTENDANCE:**

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

Officers: J Bailes, F Bootle, L Clifford, P Fleming, A Flynn, R Forsyth-Ward, J Fenwick, A Graham, D Gittins, P Holmes, M Jackson, H Jones, L Keating, M Kearney, P Meikle, S McNaughton, E Reynard and M Wilson.

**60. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor E Gibson and Councillor N Kemp.

**61. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**62. MINUTES OF THE MEETING HELD ON 17 JANUARY 2023**

The minutes were agreed as a correct record.

### 63. NOTES OF INQUORATE MEETING HELD ON 21 FEBRUARY 2023

The notes of the inquorate meeting were agreed.

### 64. ESTABLISHMENT OF THE ENHANCED PARTNERSHIP

The Committee considered a report which outlined the process to establish an Enhanced Partnership.

The Bus Service Improvement Plan (BSIP) was published in October 2021 and the indicative funding award of £163.5million from Government was made in April 2022. The North East EP Plan and Scheme has been prepared and following approval to consult by the Joint Transport Committee on 15 November 2022, the NE EP Plan and Scheme passed through an operator objection period and statutory consultation which ran from 13 December 2022 until 10 January 2023, and 11 January 2023 to 8 February 2023 respectively. The report also informed the Joint Transport Committee of the responses received during the operator objector period and statutory consultation.

The EP scheme will enable new ticketing products to be introduced across the region as set out in the table below:

Product	Price
Under 22 single	£1
Under 22 regionwide day ticket (multi-modal)	£3
County Durham (multi-operator)	£4
Northumberland (multi-operator)	£5
Tyne & Wear (multi-modal)	£6
Two-Zone (multi-modal)	£6.50
Regionwide (multi-modal)	£6.80

Customers will also begin to experience the following benefits on the bus network:

- many new and improved services, delivering new routes to connect communities and improving frequencies and operating hours for existing services;
- improved reliability and speed of buses through Bus Priority Infrastructure and Intelligent Transport Systems Investments, allowing users to rely on buses and attracting more people to use their local services. These will be along the major bus corridors stated in Schedule 2 of the EP Scheme;

- introduction of a major Park and Ride site in the region, to offer a sustainable transport option into urban centres, combating air pollution and congestion and stimulating growth in our centres;
- investment focused on connectivity in rural areas such as 'on demand' 'Demand Responsive Transport' and small, rural focused 'Pocket Park and Ride' sites;
- updating of outdated bus stops and stations in the region to correct safety or accessibility issues that may be barriers to travel; and
- ensuring services run as a cohesive network, including branding and enhanced passenger information. This will be in the form of a new website and app as well as additional staffing and offline information.
- A Code of Conduct and Bus Passenger Charter has also been agreed, ensuring that bus users and bus operators work together ahead of any network changes and passengers can come to expect consistent standards throughout the network.

Councillor Miller queried why the ticket prices outlined in the report are cheaper in rural areas than in Tyne and Wear?

Heather Jones advised that the Tyne and Wear ticket prices include Metro so the multi-modal ticket priced at £6 has to take into account the Metro only current ticket price of £5.80.

Councillor Sanderson asked why fares in Durham are cheaper than fares in Northumberland?

Heather advised that this was due to the pricing structures of the bus companies in the Durham area.

Councillor Sanderson also asked for clarification regarding the updating of outdated bus stops and stations in the region.

Heather advised that this related to health and safety and accessibility issues which will make the bus stops and stations safer to use.

Councillor Sanderson noted that this was a good example of the region working together but felt that it was important that if the devolution deal is agreed that residents could be confident that the new Mayoral Combined Authority will have the powers to work with the bus operators around ticket prices.

Councillor Gannon agreed and added that the new Mayoral Combined Authority will strengthen this important regional resource. He added that it is important that the Government continues to provide financial support to the bus operators after the end of June to ensure that services are not cut, which was due to happen when the funding was due to cease at the end of March. Councillor Gannon added that the region is grateful that this funding is continuing to be provided

temporarily but reiterated that what is required is certainty about funding in the long term.

Councillor Miller added that he was interested in seeing how the new tickets perform over the next few months and would look out for the first review in six months' time.

Councillor Scott added that although tickets were cheaper in Durham, this was not something that had been lobbied for, but agreed that it was important to work with the bus operators regarding fare prices which would be beneficial for bus users.

Tobyn Hughes advised that the comments made by the Committee regarding fares would be discussed with the bus operators but noted the significant positive impact that the proposed £1 single fare, and £3 day ticket for people under 22, will have across the region. He added that the under 22 fare would be discussed by the Tyne and Wear Sub-Committee on 6 April with a view to it being extended to Metro fares.

Councillor Sanderson welcomed the under 22 tariff and asked how long it would be in place?

Heather Jones advised that it would be in place until March 2025, with the first review of the fare taking place in six months' time.

Philip Meikle added that cheaper tickets for young people had been identified as a priority by the Joint Transport Committee and as a result, £40m has been allocated to subsidise fares. Close monitoring will take place to look at performance and ensure that this priority remains in budget.

Councillor Miller noted that the report stated that the fare could rise during the scheme and asked for clarification on this.

Philip Meikle advised that there is a voluntary capped fare agreement needs to be negotiated with the bus operators as part of the EP scheme. Officers will ensure that JTC Members are briefed about this issue before the next meeting in April.

Councillor Gannon accepted that the scheme would need to be reviewed but reiterated that the under 22 scheme is a very important part of encouraging behavioural change around young people using public transport, and that there was a strong ambition to maintain this on a long-term basis.

**RESOLVED:** The North East Joint Transport Committee:

- (i) Noted the responses received during the statutory consultation on the North East EP Plan and Scheme;
- (ii) Agreed to make the North East EP Plan and Scheme.

## **65. TRANSFORMING CITIES FUND TRANCHE 2 – GRANT FUNDING AGREEMENTS**

The Committee considered a report which sought agreement to allocate funding from the Transforming Cities Fund (TCF) Devolved Pot, following successful appraisal of business cases, in accordance with the North East Transport Assurance Framework.

The Committee were advised that the costs set out in the report relating to the Metro Green scheme had been amended since publication of the report.

The following schemes were considered:

- Gateshead Council Metro Green seeking: £2,603,025 (revised figure) of TCF funds
- Newcastle City Council Transforming Newcastle City Centre seeking: £6,169,081 of TCF funds
- Newcastle City Council Newcastle Streets for People seeking: £3,403,400 of TCF funds

In total, the TCF allocation requested for the three schemes outlined is: £12,175,506 (revised figure).

- The total of TCF funding available (excluding . Metroflow): £103,797,532
- The total of funds committed prior to this report: £89,044,395
- The remaining Devolved Pot: £2,577,631

**RESOLVED:** The North East Joint Transport Committee noted the revised funding figures requested from the Transforming Cities Fund Devolved Pot which was outlined at the meeting and:

- (i) Approved the following schemes: Metro Green Sustainable Access (GA05), Transforming Newcastle City Centre (NE01) and Newcastle Streets for People (NE08) and release the associated £12,175,506 (revised figure) of funds from the Transforming Cities Fund (TCF) Devolved Pot to enable the schemes to commence.
- (ii) Instructed officers to prepare and sign Grant Funding Agreements with both Gateshead Council and Newcastle City Council for the delivery of the following schemes: Metro Green Sustainable Access (GA05), Transforming Newcastle City Centre (NE01) and Newcastle Streets for People (NE08).

## **66. JTC REVENUE BUDGET UPDATE**

The Joint Transport Committee agreed its revenue budget for 2023/24 and revised budget/outturn forecast for 2022/23 at its meeting on 17 January 2023.

After the preparation of the reports for the meeting, announcements were received about the receipt of revenue grant funding which Transport North East will administer on behalf of the region.

The Committee considered a report which sought agreement to update the budget for 2022/23 and 2023/24 for these grants to enable use of the funding to commence without delay. The proposals in this report do not affect the Transport Levies agreed at the meeting on 17 January 2023 and subsequently endorsed by the NECA Leadership Board and NTCA Cabinet.

The Active Travel Capability Fund (£1.414 million) will provide revenue funding for design and engagement on a range of active travel infrastructure schemes and the delivery of a region-wide programme of training, information, and e-bike trials. It is forecast that £0.236 million will be defrayed in 2022/23 and £1.170 million will be defrayed in 2023/24.

The City Region Sustainable Transport Settlement (CRSTS) revenue grant (£5.682 million in 2022/23, £2.841 million in 2023/24 and £2.841 million in 2024/25) supports the delivery of the CRSTS capital programme in addition to building transport planning and delivery capacity. It is proposed that in the first instance revenue funding is utilised to develop, assure, and manage the CRSTS programme. In terms of the initial allocation, it is forecast that £0.293 million will be defrayed in 2022/23 and £6.187 million will be defrayed in 2023/24.

**RESOLVED:** The North East Joint Transport Committee agreed the inclusion of the Active Travel Capability Fund grant and City Region Sustainable Transport Settlement revenue grant in the JTC revenue budget for 2022/23 and 2023/24.

## **67. FORECAST OF CAPITAL OUTTURN 2022/23 – PERIOD TO 31 DECEMBER 2022**

The Committee received a report which provided an update on the forecast outturn position in relation to the 2022/23 Transport capital programme based on the position at the end of December 2022.

The Transport capital programme encompasses a wide range of capital schemes, mainly delivered by constituent local authorities and Nexus, but also investment in the Combined Authorities' own assets, including the Tyne Tunnels.

The report identified that total capital expenditure on Transport schemes of £238.755m is now forecast against the revised capital programme budget of £251.408m, a forecast under-spend of £12.653m against the revised programme.

The forecast underspending in part relates to further reprofiling (£4.163m) in relation to Transforming Cities Fund (TCF) Tranche 2 schemes, based on the latest quarterly monitoring reports from scheme promoters. Delays have been



due to scheme development difficulties, ongoing resource and capacity constraints and challenging market conditions. Change control requests are awaiting approval in relation to the second and third tranches of the Active Travel Fund (ATF), resulting in a total variance against the revised programme of £2.563m across both tranches with expenditure now forecast to take place in 2023/24.

An underspend of £1.440m against the revised programme is forecast on the Metro Asset Renewal Plan (MARP), due to market instability where the supply chain remains problematic. A variance of £3.740m is now forecast on the Metro Flow project, with the forecast outturn £86.629m against a revised budget of £86.774m. The majority of the variance relates to the purchase of Network Rail infrastructure but the final account on the project is not yet settled, with outstanding works still to complete and further analysis between Nexus and its principal contractor required.

The total capital programme expenditure to the end of December 2022 was £167.520m; 70% of the forecast total capital expenditure for the year.

Most of the capital works during the year will be funded through government grants awarded (£238.338m in 2022/23) with the Tyne Pedestrian and Cyclist Tunnels works funded by reserves (£0.417m in 2022/23) held specifically for this purpose.

**RESOLVED:** The North East Joint Transport Committee noted the report.

## **68. FORECAST OF REVENUE OUTTURN 2022/23 – PERIOD TO 31 DECEMBER 2022**

The Committee received a report which provided an update on the forecast outturn position in relation to the 2022/23 Transport Revenue Budget.

The report covers all area of the revenue budget, including the Transport Levies and grants to Durham, Northumberland and Nexus, the budget for Transport North East and the Tyne Tunnels revenue account.

Where grants are paid to other organisations for the delivery of transport services (ie Durham, Northumberland and Nexus), the grant is fixed for the year but the report provides details of how the grant will be applied by each organisation to the provision of public transport services. Any under or over spends against the budget for these organisations are retained within their own reserves and will be considered in the setting of the transport budgets for future years.

An overspend of £0.664m is forecast by Durham Council, as a result of significant cost increases on subsidised bus services which have been mainly offset by reductions in the concessionary travel costs.

Northumberland County Council is forecasting an underspend of £0.395m relating to an underspend on the concessionary travel budget as a result of a negotiated reimbursement settlement with operators.

Nexus is now forecasting a surplus of £2.788m for 2022/23, which is £8.388m better than the original budget for the year, mainly as a result of Local Transport Fund and Energy Bill Relief Scheme (EBRS) unbudgeted grants received. The improved position in 2022/23 will enable the required greater reliance on reserves in future years to be met.

A small underspend of £0.090m is forecast against the Transport North East core budget as a result of underspends on research and strategy activity. This will be held in reserves to fund activity in the next financial year.

A small deficit of £0.115m is forecast on the Tyne Tunnels revenue account because of the decision to delay the application of the tolls increase on Class 2 and Class 3 vehicles to May 2023, keeping the toll at the current level throughout the winter to provide relief for tunnels users during this period considering winter fuel bills and the current cost of living crisis. This will be funded by Tyne Tunnels reserves.

**RESOLVED:** The North East Joint Transport Committee noted the report.

## **69. TRANSPORT PLAN PROGRESS REPORT**

The Committee received a report which provided an update on progress made across a number of Delivery Plan categories in implementing the objectives of the North East Transport Plan and achieving the vision of 'moving to a green, healthy, dynamic and thriving North East.'

The North East has received confirmation of £118 million of BSIP funding for this year, which will initially be used to progress with schemes in the later stage of development including bus priority and new fares products.

Following revisions in the light of feedback from Transport North East and other partner authorities, the revised draft of TfN's second Strategic Transport Plan will be considered at the TfN Board on 25 March 2023. The Plan sets out transformative proposals to improve transport across the north including support for restoration of the Leamside line.

Transport for the North's annual conference took place on 6 March 2023 at the Crowne Plaza Hotel in Newcastle. Concerns around rail performance in the North were discussed, as well as the need for major improvements to infrastructure. On a more local scale, the significance of reopening the Leamside Line was widely identified as a key regional priority for the North East.

The Secretary of State for Transport Mark Harper visited the Northumberland Line on 6 March to confirm that the line is expected to be reopened between Ashington and Newcastle in summer 2024.

Rail performance in the region is currently performing below target levels of arrival within scheduled timetabling and train cancellations. The Durham Coast and Saltburn to Carlisle services are the worst performing in each of these metrics respectively.

Progress continues delivery of the Local Growth Fund EV charger programme with completion of work at the various sites anticipated by late summer.

A stakeholder event was held on 17 March to mark the delivery of the first new train of the new Metro fleet. The new fleet will be introduced over the next two years, with testing taking place over the coming weeks, before drivers begin their training.

Councillor Gannon commented that this was a significant milestone for Metro and noted that although the transition from the old fleet to the new one will be challenging, that this will be a great improvement for the region.

**RESOLVED:** The North East Joint Transport Committee noted the report.

#### **70. DATE OF NEXT MEETING**

The next meeting will take place on Tuesday 18 April at 2.30pm in the Whickham Room, Gateshead Civic Centre.

This page is intentionally left blank

## North East Joint Transport Committee

---

**Date:** 18 April 2023  
**Subject:** Bus Service Improvement Plan – Fares package  
**Report of:** Managing Director, Transport North East

### Executive Summary

The purpose of this report is seeks approval of the Joint Transport Committee (JTC) for the BSIP Capped Fare Scheme that will implement a capped single bus fare for Under 22-year-olds region-wide.

The report also requests that and delegated authority be given to the Managing Director of Transport North East (TNE) to manage ongoing processes and spend associated with a Capped Fare Scheme to deliver cheaper and simpler bus fares in the North East.

This scheme covers capped bus single fare for Under 22-year-olds. This follows the development of the North East Bus Service Improvement Plan (BSIP), the making of the Enhanced Partnership (EP) and the part confirmation of the North East BSIP funding award.

A variation to this Capped Fare Scheme will be brought to the JTC in June 2023 for the introduction of a range of multi-operator, multi-modal day tickets for adult passenger.

### Recommendations

The North East Joint Transport Committee is recommended to:

- I. Approve the BSIP Capped Fare Scheme as described below and set out in Appendix 1; and
- II. Agree delegated authority to the Managing Director, Transport North East, following consultation with the Monitoring Officer, the Section 73 Officer and the chair of the JTC to agree the individual reimbursement levels with each operator (shadow fare and ticket volumes).
- III. Agree delegated authority to the Managing Director, Transport North East, in consultation with the Monitoring Officer and the Section 73 Officer, to review and adjust the shadow fare and ticketing volumes as required at the 6-month and annual review points.

- IV. Agree delegated authority to the Managing Director, Transport North East, in consultation with the Monitoring Officer and the Section 73 Officer, to carry out and agree any financial hardship discussions with operators throughout the life of the scheme.
- V. Agree delegated authority to the Managing Director of Transport North East, in consultation with the Monitoring Officer and the Section 73 Officer, to carry out and agree any additional costs that operators can demonstrate are due to the implementation of the Capped Fare Scheme.
- VI. Agree delegated authority to the Managing Director of Transport North East, in consultation with the Monitoring Officer and the Section 73 Officer, to make the periodic (every 4-weeks) payments to operators for participating in the Capped Fare Scheme.

## **1. Background Information**

- 1.1 In the post Covid-19 pandemic period bus ridership has failed to recover to 2019 levels endangering the viability of many bus services. Bus fares are often higher and more confusing in the North East than in other parts of the UK which benefit from flat fares and automatic capping between operators and modes. Fares have also risen in the post pandemic period with more price rises likely. Not only does the prospect of bus service decline threaten the mobility of those who rely on the bus, it also fails to attract people towards sustainable transport, something which will be key to achieve regional objectives. Following part confirmation of our funding award for the North East Bus Service Improvement Plan (BSIP) and making of the Enhanced Partnership (EP) an opportunity has been created to respond to this environment by delivering key improvements which will boost bus ridership and quality of services.
- 1.2 BSIP funding will enable us to work towards our regional objectives, set out in the Transport Plan, of boosting attractive sustainable transport. The North East Bus Partnership, formed of local authorities, Nexus, Transport North East (TNE) and bus operators, will work together to achieve the vision for our bus network set out in the BSIP which was formed through extensive public and stakeholder engagement. All BSIP investments focus on achieving our BSIP Key Performance Indicators of improving bus ridership, performance, customer satisfaction and environmental performance.
- 1.3 Although there are many popular and attractive ticketing options in the region, these options can be inconsistent between operators and lack integration. Many routes can be far more expensive than others and multiple tickets must be bought for multi-operator or multi-modal journeys. Progress towards simplifying and integrating fare options has been made through the ticketing partnership Network One's range of tickets, although the current price point of these tickets means that the majority of customers still purchase from operator ranges, which can often be complex. Investing in affordable public transport options can be especially impactful in the North East due to lower car ownership and higher than national average deprivation rates meaning there are many groups that will benefit from making travelling by bus more affordable.
- 1.4 In the region currently there are also inconsistent discounts for young people's fares between operators and zones meaning many young people purchase adult tickets whereas their peers who use different bus routes in the region enjoy discounted fares. Our Big Bus Conversation highlighted the frustration many young people and parents feel at having to purchase more expensive adult tickets for many journeys. The higher cost of longer distance journeys and journeys involving interchange can also put a strain on young people's incomes, which tend to be lower. Addressing this problem will enable more young people to access work and educational opportunities in an affordable and easy manner. This will be especially impactful in the North East as our region has higher rates of unemployment for young people compared with the rest of England excluding London.
- 1.5 Extensive modelling has also been undertaken which has shown the potential for passenger generation through improving ticketing and an economic appraisal of the proposed scheme also shows strong benefits which add to the evidence base in support of intervention.

## 2. Proposals

- 2.1 The proposed new BSIP products, set out in the table below, will enable cheaper, simpler, multi-modal and multi-operator fares, something we know is a top priority for users. This will improve many residents' access to work, education and leisure opportunities and will attract more passengers to the network.

Product	Starting price
Under 22 single	£1
Under 22 regionwide day ticket (multi-modal)	£3
County Durham (multi-operator)	£4
Northumberland (multi-operator)	£5
Tyne & Wear (multi-modal)	£6
Two-Zone (multi-modal)	£6.50
Regionwide (multi-modal)	£6.80

- 2.2 Following the announcement of the extension of the Government's national £2 fare cap until the 30 June 2023 we believe the best option for launch dates is for the U22 products to launch at the start of May, but to delay the launch of the adult day products until the start of July so as not to overlap with the national £2 fare. This is in line with the objective to simplify fare offers and represents a positive 'follow on promotion' for passengers - the region's bus operators are also supportive of this approach. While our current understanding is that the £2 fare will not be extended beyond June, we have set the start of July as a hard start date irrespective of any further continuation to the £2 fare.
- 2.3 As previously stated by this committee, improving fares for young people is a top priority for the region. Harmonising fares will address the 'postcode lottery' that currently exists for young people, with different prices being charged by different operators. Similar schemes such as Merseyside's 'MyTicket' U19 fare has demonstrated that young people's bus ridership can be hugely boosted by consistent and affordable ticketing, with bus journeys made by young people increasing by 168% from 2014- 2019. Although most existing youth fares in the region are mostly valid for under 19s our modelling showed that greater patronage generation could be created if the youth product was extended to under 22s. Due to this increased passenger generation, economic appraisal also showed a much greater Benefit Cost Ratio could be achieved by extending the scheme, consequently TNE has worked with partners to develop this under 22 flat fare proposal.
- 2.4 The fares will be delivered by using a Capped Fare Scheme, found in Appendix 1, which Local Transport Authorities can introduce to set maximum fares for different ticket products. The EP Scheme requires bus operators to co-operate with authorities in the region in relation to the development by those authorities of a reimbursement scheme (being the Capped Fare Scheme) and any other schemes required in relation to the ticketing products set out in the EP Scheme, and following development of the Capped



Fare Scheme (and any other schemes required), to provide the ticketing products set out in the EP Scheme. Following the indicative funding award in April 2022 work has been ongoing between TNE officers, consultants, and bus operators to agree a reimbursement process for the BSIP fare products.

- 2.5 In order to progress this work bus operators have shared commercially sensitive information with TNE and our specialist consultant Systra. This data includes sales volume by each ticket type over a single 4-week period as well as revenue generated. Systra have then taken this information and modelled the expected revenue lost to the operator due to the introduction of our Capped Fare Scheme, and therefore the cost of the project. Due to uncertainties associated with consumer behaviour, reimbursement has been conservatively estimated accounting for a high-cost scenario and a 20% contingency pot has been allocated. Once implemented, reimbursement, and therefore costs, will be continually reviewed to reach an accurate cost forecast. The fare paid by customers will also be reviewed on both a yearly and 6-monthly basis to ensure the continued viability of the scheme. A 5% administrative cost has also been budgeted for to cover ongoing consultancy support, an independent dispute body and any additional resource costs required at TNE to facilitate the scheme.
- 2.6 A business case has been produced for these products with an economic appraisal showing a strong Benefit Cost Ratio (BCR) with benefits derived from user savings, social impacts and modal shift induced decongestion and environmental benefits.

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

- 3.1 The need for cheaper and simpler bus fares is a key regional priority articulated by this committee, stakeholders, and bus users. BSIP funding provides an opportunity to deliver these improvements which could have long term impacts on the quality of the bus service, in particular by generating passenger growth. In making the EP relevant authorities are also obliged to introduce facilities and measures set out in the EP scheme, including development and provision of the Capped Fare Scheme in respect of these fares proposals.

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

- 4.1 In developing the proposal, the impacts of introducing an under 22 fare and an under 19 fare were appraised. As many under 19s in the region can already take advantage of discounted bus fares much greater benefits were gathered by extending the scheme to under 22s. Officers therefore have progressed with the under 22 proposal set out in this report.

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

- 5.1 Following the approval of the Capped Fare Scheme the under 22 single ticket will be introduced on the 7 May 2023. A variation of the Capped Fare Scheme will be brought to the JTC at the June meeting to include the under 22 day ticket and adult multi-operator and multi-modal day tickets.

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

- 6.1 Investing in these schemes will stimulate growth in our bus network, expected to lead to higher ridership and modal share, especially for key demographics such as younger people through use to access work and education. Our ticketing scheme will also reduce the financial burden on those who interchange or travel longer distances therefore increasing the attractiveness of bus travel for rural residents. This will have a positive impact on the following BSIP KPIs:
- KPI 2: Modal share of buses to grow by 1 percentage point in 2023/24 from the baseline of 6.4%, and a further 1 percentage point in 2024/25.
  - KPI 3: Modal share of bus use for journeys to work and education to grow by 1 percentage point in 2023/24 and a further 1 percentage point in 2024/25.
  - KPI 4: Bus patronage to grow by 10% in 2024/25, and then again by a further 10% in 2025/26.
  - KPI 5: Bus patronage from people under the age of 22 to grow by 10% in 2023/24 and then by a further 10% in 2024/25.
  - KPI 6: Bus boarding at rural bus stops to grow by 10% in 2023/24 and then by a further 10% in 2024/25.
  - KPI 7: Overall bus passenger satisfaction to grow from a baseline of 91% to 92% in 2023/24 and to 93% in 2024/25.

Working towards our BSIP KPIs will also help us to deliver the objectives of the North East Transport Plan. In particular, by supporting a green recovery through the provision of an attractive form of sustainable transport.

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

- 7.1 Part of our funding award has been confirmed by the DfT which will enable the scheme to be launched, however we are awaiting the full award to be confirmed in the next financial year. £117.8m was confirmed on the 3 March 2023, this was split into £79.8m in revenue funding and £40.9m in capital funding.
- 7.2 The full cost of year one and year two of the scheme will be covered by our BSIP funding award. As economic modelling has shown a greater BCR if the scheme is extended to allow for lasting behaviour change, alternative sources of funding will be sought following the currency of BSIP funding. Demand modelling has also suggested that offering the scheme for 5 years would allow the level of subsidy to be tapered and subsidy normalised leading to the long term sustainability of the scheme at a low or no cost basis. If no additional funding is found the scheme will be revoked at the end of the BSIP funding period.
- 7.3 Due to substantial cost uncertainty, and therefore the necessity of conservative budgeting to protect against cost overrun it is likely that the scheme will have a lower cost than is currently estimated. It is also expected that the scheme will produce substantial growth in the bus market with generation decreasing the level of subsidy required.

- 7.4 Frequent internal reviews of the scheme's spending profile will be carried out and reported to Statutory Officers on a regular basis between the more detailed 6-monthly reviews.

## **8. Legal Implications**

- 8.1 In making the EP TNE and relevant local authorities will be obliged to introduce the facilities and measures in accordance with the EP Scheme (other than where these obligations have been postponed). As provision of the Capped Fare Scheme in relation to these fares is included in the EP Scheme failure to introduce the Capped Fare Scheme would be a breach of statutory duty by the relevant authority – whilst the Transport Act 2000 does not expressly state the penalty that would apply, a claim for breach of statutory duty by an operator who has invested on the basis of provision of the relevant facility or measure could leave the relevant authority liable for damages and may make enforcement of the relevant operator standards difficult where such failure is a result of non-provision of that facility or measure. While it is possible for an authority to propose a Proposed Variation of the EP Scheme to the JTC, which could amend the relevant timescale, doing so could reduce the potential benefits of introducing the EP Scheme.
- 8.2 There is also a risk that reimbursement in relation to the fares proposals may be limited by subsidy control issues, such issues have been taken into account in the development of the Capped Fare Scheme and will be managed by continued engagement with relevant authorities, operators, Systra and by seeking appropriate legal advice. It is also possible that disputes may arise between the North East Combined Authority and the North of Tyne Combined Authority (being the authorities who will make the Capped Fare Scheme) and operators in relation to reimbursement to be made under the Capped Fare Scheme. The Capped Fare Scheme includes a dispute resolution procedure which will apply to any matter arising from the Capped Fare Scheme which cannot be resolved by agreement between the relevant parties' representatives within 5 working days of the dispute arising.

## **9. Key Risks**

- 9.1 In order to mitigate the risk of overrun, as well as the risk to bus operators for under reimbursement, review of the fares applying to the proposed BSIP products will be regular. TNE will retain specialist support for the ongoing monitoring of the Capped Fare Scheme's performance as well as for any new modelling that might be required during future re-negotiations of reimbursement during the life of the scheme. TNE will also procure an independent dispute resolution body who operators can escalate issues to in accordance with the dispute resolution procedure under the Capped Fare Scheme if they feel the scheme is no longer leaving them in a 'no better no worse' position. A full risk register is included in Appendix 2.

## **10. Equality and Diversity**

- 10.1 While everyone will benefit from the increased availability of cheaper and simpler bus fares, we know that this will have a larger impact on certain groups. From our stakeholder groups we have heard directly about the impact bus services have on users who are less likely to have access to private vehicles such as those with

certain disabilities, those with lower incomes and young people. In our own independent research older residents, those not in education, employment or training and Black and Minority Ethnic residents were all more than twice as likely to be frequent bus users, when compared to the North East population as a whole. The Capped Fare Scheme will especially benefit residents who will be eligible for the Under 22's discounted fare included in the proposal. Those whose bus services carry higher price tickets such as those in rural areas and those who interchange between public transport modes (Bus, Metro and Ferry) are also more likely to benefit from the proposals.

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 In the production of the BSIP detailed consultation was undertaken with partners, stakeholders and the public, as reported to JTC on 21 September 2021. Close collaboration has also been ongoing with partners in the development of the Capped Fare Scheme.

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

13.1 Supporting the recovery of the bus network by seeking to boost ridership with cheaper fares will have the positive social, economic, and environmental impacts detailed earlier in this report.

## **14. Appendices**

14.1 Appendix 1 – Capped Fare Scheme  
Appendix 2 – Risk Register

## **15. Background Papers**

15.1 North East Bus Service Improvement Plan: [TNE-BSIP\\_FINAL.pdf](#)  
([transportnortheast.gov.uk](http://transportnortheast.gov.uk))

Bus Back Better – The National Bus Strategy: [Bus Back Better](#)  
([publishing.service.gov.uk](http://publishing.service.gov.uk))

The Bus Services Act 2017 – Enhanced Partnerships Guidance: [The bus services act 2017: enhanced partnerships](#) ([publishing.service.gov.uk](http://publishing.service.gov.uk))

JTC Report – Vision for Buses (item 9): [\(Public Pack\) Agenda Document for North East Joint Transport Committee, 13/07/2021 14:30](#) ([northeastca.gov.uk](http://northeastca.gov.uk))

JTC Report – Bus Partnerships (items 9 and 10): [\(Public Pack\) Agenda Document for North East Joint Transport Committee, 15/06/2021 14:30](#) ([northeastca.gov.uk](http://northeastca.gov.uk))

Bus Service Improvement Plan outline resourcing form (the content of this

document is exempt from publication pursuant to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

## **16. Contact Officers**

16.1 Philip Meikle, Transport Strategy Director  
E-mail: [philip.meikle@transportnortheast.gov.uk](mailto:philip.meikle@transportnortheast.gov.uk)  
Tel: 0191 433 3859

Heather Jones, Head of Enhanced Partnerships  
E-mail: [heather.jones@transportnortheast.gov.uk](mailto:heather.jones@transportnortheast.gov.uk)  
Tel: 07962 867 407

## **17. Sign off**

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

## **18. Glossary**

BSIP – Bus Service Improvement Plan

BSOG – Bus Service Operators Grant

DfT – Department for Transport

EP – Enhanced Partnership

JTC – Joint Transport Committee

LA – Local Authority

LTA – Local Transport Authority

NBS – National Bus Strategy

## Appendix 1 – Capped Fare Scheme

## Appendix 2 – Risk Register

Unique ID	Description	Risk Response Action Plan	Risk Owner
1	Delay in funding becoming available	Project team to work with DfT to unlock funds	Transport North East
2	Bus Operators not participating in the scheme	Operators engagement in agreeing the fares scheme is written into the EP therefore best efforts must be made by both parties before operators can opt-out.	Transport North East
3	Modelling inaccuracies could mean costs of reimbursement could overrun or be under budget.	Levels of reimbursement will be continually reviewed and readjusted throughout the lifetime of the scheme. If costs are higher than expected proposals to increase the fares will be implemented to reduce reimbursement requirements.	Transport North East
4	Insufficient resources to deliver and promote scheme	Forward planning of resource requirements will be outlined as the project progresses	Transport North East
5	Residents are not sufficiently made aware of scheme	A communication and marketing campaign will be launched.	Transport North East
6	Ticket fraud in U22 tickets could lead to cost overruns	Photo ID will be required to purchase a U22 ticket unless driver can clearly see passenger is under 22.	Transport North East and Bus Operators
7	Technical difficulties could impact on delivery	Established and well tested technologies will be used to deliver schemes	Transport North East and Bus Operators.
8	Scheme benefits are overestimated, significant modal shift does not occur	Undertake sensitivity tests on demand scenarios and to ensure that any variation in benefits does not have a significant impact on the overall deliverability/performance of the project.	Transport North East

This page is intentionally left blank



**DURHAM, GATESHEAD, SOUTH  
TYNESIDE AND SUNDERLAND  
COMBINED AUTHORITY AND  
NEWCASTLE UPON TYNE, NORTH  
TYNESIDE AND  
NORTHUMBERLAND COMBINED  
AUTHORITY**

**Capped Fare Scheme**

**From [       ]**

**DURHAM, GATESHEAD, SOUTH TYNESIDE AND SUNDERLAND COMBINED  
AUTHORITY AND NEWCASTLE UPON TYNE, NORTH TYNESIDE AND  
NORTHUMBERLAND COMBINED AUTHORITY**

**CAPPED FARE SCHEME**

[ ]

**Background**

- A. The North East Joint Transport Committee (“**NEJTC**”), through its officer group Transport North East (“**TNE**”) submitted a Bus Service Improvement Plan to the Department for Transport on [29] October 2021 on behalf of the NECA and the NTCA (each as defined in Schedule 1) (each a Combined Authority and “**Combined Authorities**” shall mean both or either of them as the case may be), and [indicative funding] has been awarded to the Combined Authorities by the Department for Transport.
- B. The Combined Authorities have made an Enhanced Partnership Plan (“**EP Plan**”) and initial Enhanced Partnership Scheme (“**EP Scheme**”) (each effective from [ ]) to deliver the ambitions of the BSIP.
- C. These capped fare scheme arrangements (subsequently referred to as the “**Arrangements**”) are intended to support the reduction of bus fares in the Principal Area (as defined below) through the implementation of a cap in respect of certain (i) single journeys and (ii) day tickets, pursuant to the EP Scheme and as further detailed below.

**The Arrangements**

1. These Arrangements are made by the Combined Authorities, and are established (so far as applicable) by the Combined Authorities, in pursuance of their powers under:
  - (a) Regulation (EC) 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road as amended and incorporated into UK law, and as amended by the Regulation (EC) No 1370/2007 (Public Service Obligations in Transport) (Amendment) (EU Exit) Regulations 2020 (SI 2020/504) (“**Regulation 1370/2007**”);
  - (b) Section 113A of the Local Democracy, Economic Development and Construction Act 2009; and
  - (c) all other relevant statutory regulations.
2. These Arrangements are established in accordance with the requirements of Regulation 1370/2007. Pursuant to Article 3(2) of Regulation 1370/2007, the Combined Authorities may implement a general rule establishing a maximum tariff for all or certain categories of passenger and have chosen to do so by introducing the Fare Caps under these Arrangements. To comply with Article 3(2), the objective of these Arrangements in relation to reimbursement of Operators subject to the Arrangements is to provide that such Operators are

compensated for the net financial effect, positive or negative, on costs incurred and revenues generated in complying with the Fare Caps in a way that prevents overcompensation in accordance with the principles set out in Articles 4 and 6, and the Annex to Regulation 1370/2007 (the “**Objective**”).

3. The Arrangements cover reimbursement arrangements for Operators in relation to the Fare Caps as detailed in paragraph 8 below. The Arrangements will be administered by the Combined Authorities.

### **Definitions**

4. Words or terms used in these Arrangements shall have the meaning set out in Schedule 1. Unless otherwise defined in these Arrangements, words or terms used shall have the meaning given to them in Regulation 1370/2007.

### **Operative Date**

5. The Arrangements shall come into operation in their entirety on 7 May 2023 (“**Commencement Date**”).

### **Principal Area**

6. The principal area covered by the Arrangements is the administrative areas of the NECA (comprising of the local authority areas of the County Council of Durham, the Borough Council of Gateshead, the Council of the Borough of South Tyneside and the Council of the City of Sunderland) and the NTCA (comprising of the local authority areas of the Council of the City of Newcastle upon Tyne, the Council of the Borough of North Tyneside and Northumberland County Council) (“**Principal Area**”).

### **Services to which the Arrangements Apply**

7. The Arrangements shall apply to Eligible Persons who tender to the Operator on an Eligible Service the relevant Applicable Capped Fare when travelling on Eligible Services on Journeys between places in the relevant Principal Area (“**Arrangement Services**”).

### **Eligible Persons and Nature of Concession**

8. Operators participating in the Arrangements will be required on all Arrangement Services to cap their fares as follows:
  - (i) in respect of single fares for Eligible Young Persons, £1.00;
  - (ii) [Not used]

or, in each case, such other figure as may be notified to the Operators pursuant to paragraph 9. It is acknowledged that it is intended that a Fare Cap for daily tickets for Eligible Young Persons will be introduced in due course by a variation to this Scheme to include such Fare Cap within this paragraph 8, and references in this Scheme to daily Applicable Capped Fares (including paragraph 13) shall only apply from the date of introduction of such variation.

9. The Combined Authorities may from time to time vary the value of the Fare Caps, the Specified Indexation Measure or these Arrangements by notice, including to provide for separate products to be created which are valid only in, and/or different price points to be specified for use in, each Zone, and where relevant such notice should comply with the provisions of section 97(6) of the Transport Act 1985.

### **Applicable Fare Caps**

10. Subject to paragraphs 13 and 14 the applicable capped fare payable by an Eligible Person under these Arrangements shall be a fare which is capped at the relevant Fare Cap where such fare is lower than the fare that an equivalent Non-Concessionary Passenger would have been required to pay in order to make such a Journey in the absence of these Arrangements (“**Applicable Capped Fare**”). For the avoidance of doubt, an Applicable Capped Fare may apply to multi-operator and multi-journey products.
11. Subject to paragraphs 13 and 14, references to fare shall include the amount paid for any ticket product which a Non-Concessionary Passenger could have purchased in the Principal Area for such Journey or Journeys including multi-operator and/or multi-journey products and which the Operator would accept from an equivalent Non-Concessionary Passenger, whether these are the Operator’s own products or not. The Operators shall therefore ensure that the relevant Fare Cap applies to all such ticket products available to Non-Concessionary Passengers.
12. The Operator shall not charge any Eligible Person more than the relevant Applicable Capped Fare for any Journey.
13. References in paragraph 10 to fares shall, in respect of daily tickets for Eligible Young Persons, not include fares in respect of ticket products which are:
- (i) multi-modal tickets (i.e., tickets which are valid for travel by multiple modes of transport), save in respect of tickets which are valid on the Tyne & Wear Metro, the Shields Ferry and the Local Rail Services, but not other non-bus services;
  - (ii) family tickets.
14. Where any ticket product is valid on services outside the Principal Area, the Combined Authorities reserve the right to exclude such ticket product from the Fare Caps or require that the Operator offer an equivalent ticket product which can only be used within the Principal Area for the purposes of passengers entitled to a ticket product to which a Fare Cap applies.

### **Payment Periods and Dates**

15. Payments will be made on the first Monday of each Payment Period.
16. Payments will be made via bank transfer. Operators must provide the Combined Authorities with details of their bank account number and sort code. The Combined Authorities will make a payment representing the calculation in accordance with Schedule 4 of the amount due to the Operator in that period,

as this may be adjusted in accordance with the terms of this Scheme including paragraphs 33 to 36.

### **Day Tickets**

17. It is acknowledged that revenue under a multi-operator ticketing scheme will be allocated in accordance with the terms of such scheme, and therefore the Combined Authorities shall in respect of any payment due to an Operator which is in respect of Revenue Forgone for a multi-operator ticket be entitled to notify the entity operating the multi-operator ticketing scheme in respect of such multi-operator ticket (including, where applicable, NTL) of the amounts paid in respect of such multi-operator tickets, including identifying to such entity the basis upon which such sum has been calculated and the Operator or Operators to which such payment relates).
18. Each Operator shall procure that any entity operating a multi-operator ticketing scheme in which they participate (including, where applicable, NTL) shall promptly provide the Combined Authorities with any information relating to the allocation of payments and other ticketing revenue in respect of multi-operator tickets to the extent that such information is relevant to any calculation or recalculation of reimbursement under these Arrangements.

### **Additional Costs and Abstracted Revenue**

19. An Operator shall be entitled to a payment in respect of reimbursement for additional costs in accordance with Schedule 8 where:
  - (i) the Operator has necessarily incurred costs which are additional to basic operating costs and attributable to an increase in the number or the capacity of the vehicles used in providing services on which Applicable Capped Fares are available in order to meet the extra demand created by the implementation of the Fare Caps; and
  - (ii) those costs are such that they will not be met by reimbursement payments made in accordance with these Arrangements during the year in which the costs are incurred or during the 3 months immediately following the end of that year and will not otherwise be funded by revenue generated for that Operator by these Arrangements,

(“**Additional Costs**”).
20. An Operator shall be entitled to payment in respect of reimbursement for abstracted revenue in accordance with Schedule 9 where the Operator can demonstrate that:
  - (i) they have lost revenue as a result of Eligible Persons purchasing different products as a result of the implementation of the Fare Caps; and
  - (ii) such lost revenue has not been met by reimbursement payments made in accordance with these Arrangements during the year in which such revenue has been abstracted or during the 3 months immediately following the end of that year, and has not been replaced by revenue generated for that Operator by these Arrangements,

(“Abstracted Revenue”).

**Standard Method of Determining Passenger Journeys and Fare Values for Reimbursement**

21. The standard method(s):
  - (i) for assessing the total number of journeys made by Eligible Persons under the Arrangements is set out in Schedule 2;
  - (ii) for assessing the fares value to be attributed to those journeys is set out in Schedule 3;
  - (iii) for calculating the reimbursement for Revenue Forgone due to the Operator will be on the basis of the formula and parameters set out in Schedule 4;
  - (iv) for calculating the reimbursement for Additional Costs is set out in Schedule 8; and
  - (v) for calculating the reimbursement for Abstracted Revenue is set out in Schedule 10.
22. In calculating the reimbursement due to the Operator, the Combined Authorities will take into account any data supplied by the Operator if it can be shown that the data supplied is more accurate than the standard method and is more likely to enable the Combined Authorities to meet the Objective.
23. Where an Arrangement Service has been procured by the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive in accordance with section 63 of the Transport Act 1985 or section 9A of the Transport Act 1968 (as applicable), that party may request that the Combined Authorities shall make any reimbursement payment due in relation to that Arrangement Service which is in respect of Revenue Forgone to the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive (as applicable) provided that the terms of the contract for such Arrangement Service make provision for this, such that the Operator should not be adversely affected by such request, and that the data from such Arrangement Services can be disaggregated from the data provided in respect of these Arrangements such that the Operator is not reimbursed in respect of such services.
24. By agreement between an Operator and the Combined Authorities, the standard method need not be applied in respect of calculating the reimbursement in respect of that Arrangement Service if any one of the following conditions are satisfied:
  - (i) the vehicles normally used by the Operator in providing the Arrangement Services have 8 or less seats available for fare paying passengers;
  - (ii) the mileage run by vehicles is less than 150,000 miles per annum within the Principal Area during the times at which the Fare Caps are available;

- (iii) except during the first 3 months of operation of the Arrangements, there has not expired a period of 3 months commencing with the date on which the Operator commences participation in the Arrangements in respect of an Arrangement Service.
25. Where reimbursement payments are estimated or calculated otherwise than by reference to the standard method, the Combined Authorities shall adjust such reimbursement payments accordingly if, and to the extent that, any information upon which they were based is shown to be inaccurate in any material respect.
26. The Combined Authorities reserve the right in calculating the reimbursement of an Operator to:
- (i) divide the area covered by the scheme into a number of separate parts; and
  - (ii) take into account the carrying capacity provided for passengers in different vehicles or classes of vehicles used by the Operator,
- and, in each case, calculate reimbursement in accordance with the standard method, but by reference to each separate area and/or class of vehicle, where the Combined Authorities consider this appropriate to ensure that they meet the Objective.
27. In order to ensure that the reimbursement paid to an Operator accords with the general principle that Operators both individually and collectively meet the requirements of the Objective, the Combined Authorities reserve the right to apply the standard methodology for calculating reimbursement to any individual service where the Combined Authorities, acting reasonably, believe that the nature of that service or the fares charged on that service do or could distort the general application of the standard methodology as applied to the Operator's other services.

### **Data**

28. When an Operator commences the operation of Arrangement Services within the Principal Area, it shall supply to the Combined Authorities, within 7 days:
- (i) a list of Arrangement Services to be operated by that Operator;
  - (ii) all relevant fares, fare stages and fare tables and a list of the ticket types valid for travel on such services;
  - (iii) the Operator's estimate of the number of Journeys that will be taken by Eligible Persons on Arrangement Services over the following 12 months; and
  - (iv) the running boards/drivers' duties applicable to such Arrangement Services;

to enable surveys to be scheduled and assessment of its entitlement to reimbursement.

29. The Operator shall inform the Combined Authorities of the introduction or cessation of any Arrangement Services, changes to the times at which and

routes on which Arrangement Services operate and any circumstances leading to the temporary cessation of or major disruptions to such services within 7 days of such event occurring.

30. The Operator shall provide data to the Combined Authorities on an ongoing basis in accordance with the provisions of Schedule 6 for the purposes of calculating reimbursement under these Arrangements.
31. If the Operator fails to provide such information or data as is referred to above, or to allow such access for surveys as is required pursuant to Schedule 5 either:
  - (i) in the case of a payment due in accordance with paragraph 15, in sufficient time to allow the Combined Authorities to form a reasonable estimate of the amount of the payment; or
  - (ii) in the case of a payment due in accordance with paragraph **Error! Reference source not found.**, in sufficient time to allow the Combined Authorities to calculate the amount of the payment

then the Combined Authorities may in their discretion defer all or part of any payment otherwise due to the Operator until such omission is fully rectified or reimburse the Operator on the basis of such estimated reimbursement as they consider appropriate in the absence of such data or survey information.

32. Where it becomes apparent to the Combined Authorities that any eligible service is or has been subject to material disruption, or has not been operated in accordance with the registered timetable, then the Combined Authorities may, after giving the Operator the opportunity to comment on the effects of the same on the Journeys being taken by Eligible Persons on such services, make such adjustments to the reimbursement due to such Operators as they consider necessary to reflect the effects of such disruption or non-operation.

#### **Recalculation of Reimbursement**

33. At the end of each Reconciliation Period the Combined Authorities shall review the reimbursement calculations made in accordance with these Arrangements during that Reconciliation Period. Such review shall be concluded within two Payment Periods following the end of such Reconciliation period. The review shall consider how any Revenue Forgone calculations in accordance with Schedule 6 would have varied had they been based on the actual data during that Reconciliation Period, rather than the assumptions upon which payments were based.
34. If following a review carried out in accordance with paragraph 33 it is determined by the Combined Authorities that the amount of reimbursement paid during the previous Reconciliation Period should have been higher, the Combined Authorities shall pay the difference to the Operator within 1 months of the date of recalculation.
35. If following a review carried out in accordance with paragraph 33 it is determined by the Combined Authorities that the amount of reimbursement paid during the previous Reconciliation Period should have been less, the Combined Authorities shall either:



- (i) deduct by equal instalments the amount of over reimbursement from the next six payments to be made under paragraph 15 above; and/or
  - (ii) if such next six payments are not or will not be sufficient to re-pay such over-reimbursement, demand such over-reimbursement from the Operator by notice in writing, and the Operator shall be obliged to make such repayment within 14 days of receiving such demand.
36. If, following a review of the reimbursement calculations in accordance with the provisions of paragraph 33 above, there is a dispute between an Operator and the Combined Authorities in respect of the level of reimbursement paid to that Operator, then if such dispute relates to either:
- (i) the fares value to be attributed to Journeys by Eligible Persons on such Operator's Arrangement Services covered by the Arrangements;
  - (ii) the total number of Journeys made by Eligible Persons on such Operator's Arrangement Services covered by the Arrangements; or
  - (iii) the number of additional Journeys generated in consequence of the availability on such Operator's Arrangement Services of the Applicable Capped Fares,

then such dispute shall be the subject of the dispute resolution procedure set out in Schedule 7.

### **Survey Facilities**

37. The provisions of Schedule 5 shall apply in respect of surveys.

### **Other Requirements of the Arrangements**

38. Any Operator participating in the Arrangements shall display on his vehicle any sign, supplied by the Combined Authorities, for the purpose of showing that the Fare Caps apply on such vehicles.
39. Operators shall not discriminate against Eligible Persons or any class of Eligible Persons in the provision of Arrangement Services or associated services and facilities.
40. Operators shall ensure that their drivers and other staff who may retail Applicable Capped Fares are aware of the relevant products, the Fare Caps and their application to Eligible Persons travelling on Arrangement Services.

### **Delegation of rights and obligations**

41. The Combined Authorities may, at their sole election, delegate any of their rights or obligations under these Arrangements to the Proper Officer for Transport.

### **Contact for Communications**

42. All notices, data and other information required to be given to the Combined Authorities under the Arrangements shall be provided to the following contact point (or such other contact point as may be nominated by the Combined Authorities to Operators in writing from time to time):

Position: Head of Enhanced Partnerships

Address: Transport North East, C/o Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

E-mail: [buses@transportnortheast.gov.uk]

43. On commencing the provision of Arrangement Services in the Principal Area, an Operator shall provide to the Combined Authorities details of the name, address, email address and telephone number of its official contact for communications in relation to these Arrangements and shall by notice in writing inform the Combined Authorities of any changes to the same.
44. Any notice or communication sent to the last such address or e-mail address as is referred to above shall be deemed to be duly served on the recipient. If an Operator has failed to give notice in writing to the Combined Authorities of such an official contact, then the Combined Authorities may send any notice or other communication to any address set out in the most recent correspondence from the Operator concerned, which shall be deemed to be its address for service.

## SCHEDULE 1

### DEFINITIONS

**2000 Act** means the Transport Act 2000;

**Abstracted Revenue** shall have the meaning set out in paragraph 19;

**Additional Costs** shall have the meaning set out in paragraph 20;

**Applicable Capped Fare** shall have the meaning set out in paragraph 10;

**Arrangements** shall have the meaning set out in recital C;

**Arrangement Services** shall have the meaning set out in paragraph 7;

**Combined Authorities** shall have the meaning set out in recital A;

**Commencement Date** shall have the meaning given to such term in paragraph 5;

**Concessionary Passenger** means a passenger who qualifies for a concessionary fare on a Journey either by virtue of section 145A of the 2000 Act or under any concessionary fares arrangements established by the Combined Authorities, the County Council of Durham, Northumberland County Council or Tyne and Wear Passenger Transport Executive pursuant to section 93 of the Transport Act 1985 or otherwise.

**CPI** means the Consumer Price Index, published by the Office for National Statistics, or any equivalent official index substituted for it or, where the Office for National Statistics ceases to publish this index, such other index as the Combined Authorities may reasonably determine is the nearest equivalent price index to the Consumer Price Index.

**Durham** means the local authority area of the County Council of Durham;

**Eligible Person** means all Eligible Young Persons;

**Eligible Services** shall have the meaning given in section 94(4) of the Transport Act 1985;

**Eligible Young Person** means all young persons eligible to purchase an Applicable Capped Fare in accordance with the Arrangements, which shall be any Non-Concessionary Passenger aged between 16 and 21 years (inclusive);

**Fare Cap** means the cap for a fare as described in paragraph 8 and as amended from time to time pursuant to paragraph 9;

**Financial Year** means a twelve (12) month period commencing on 1 April and running up to and including 31 March in the following calendar year, and includes any part year thereof;

**Independent Expert** has the meaning given to such term in paragraph 2 of Schedule 7;

**Journey** means a single trip between two points without a change of vehicle or service;

**Local Rail Services** means the rail services operated by Northern Trains Limited between Sunderland and Blaydon;

**Maximum Profit Margin** means a profit margin of 7% in respect of all Arrangement Services provided by the Operator, or such other figure as the Combined Authorities may (in their sole discretion) agree with an Operator is a Reasonable Profit;

**NECA** means the Durham, Gateshead, South Tyneside and Sunderland Combined Authority, known as the North East Combined Authority, comprising of the local authority areas of the County Council of Durham, the Borough Council of Gateshead, the Council of the Borough of South Tyneside and the Council of the City of Sunderland;

**NEJTC** shall have the meaning set out in recital A;

**Non-Concessionary Passenger** means any passenger who is not a Concessionary Passenger;

**Northumberland** means the local authority area of Northumberland County Council;

**NTCA** means the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority known as the North of Tyne Combined Authority, comprising of the local authority areas of the Council of the City of Newcastle upon Tyne, the Council of the Borough of North Tyneside and Northumberland County Council;

**NTL** means Network Ticketing Limited, a limited company with registered number 02197910;

**Objective** has the meaning given to such term in paragraph 2;

**Operator** means an operator of registered local services in the Principal Area, and, where any provisions of this Scheme relate to multi-modal tickets the term "Operator" shall also include the operator of Tyne & Wear Metro; the Shields Ferry and Local Rail Services;

**Payment Period** means a twenty eight (28) day period commencing on a Sunday and expiring at the end of the fourth Saturday following commencement of the relevant period in any Financial Year, but with the following exceptions:

- (a) the first Payment Period in any Financial Year shall always commence on 1 April and its length shall be adjusted accordingly;
- (b) the final (thirteenth) Payment Period in any Financial Year shall always end on 31 March and its length shall be adjusted accordingly;  
and
- (c) the first Payment Period for the purposes of this Scheme shall commence on the Commencement Date and end on 27 May 2023, and shall be deemed to be second Payment Period in that Financial Year;

**Principal Area** shall have the meaning set out in paragraph 6;

**Proper Officer for Transport** means the officer so designated by NEJTC;

**Reasonable Profit** shall mean a rate of return on capital that is normal for the provision of the Arrangement Services, taking into account the risks, or absence of risk, taken by an Operator as a result of these Arrangements, and which shall not exceed the Maximum Profit Margin;

**Reconciliation Period** means a period covering:

- a) the first seven Payment Periods in any Financial Year; or
- b) the last six Payment Period in any Financial Year,

provided that the first Reconciliation Period in the first Financial Year shall begin on the Commencement Date and end at the end of the seventh Payment Period for that Financial Year (which ends on 14 October 2023)

**Regulation 1370/2007** has the meaning given to such term in paragraph 1;

**Revenue Forgone** shall have the meaning given to it in paragraph 1.3 of Schedule 4;

**Shadow Commercial Fares** means in respect of an Operator the Initial Commercial Fares identified or determined in accordance with paragraph 1 of Schedule 3 as may be adjusted in accordance with paragraphs 2 to 4 of Schedule 3;

**Shadow Fare Increase** has the meaning given to it in paragraph 2 of Schedule 3;

**Specified Indexation Measure** means CPI or such other indexations measure as may be notified in accordance with paragraph 9;

**TNE** shall have the meaning set out in recital C;

**Tyne & Wear** means the area covering the local authority areas of the Borough Council of Gateshead, the Council of the City of Newcastle upon Tyne, the Council of the Borough of North Tyneside, the Council of the Borough of South Tyneside and the Council of the City of Sunderland; and

**Zone** means each of Durham, Northumberland and Tyne & Wear, and references to **Zones** shall be construed accordingly.

## SCHEDULE 2

### STANDARD METHOD OF DETERMINING PASSENGER JOURNEYS

#### **1 Operation of the Standard Method**

1.1 The Combined Authorities will determine their reimbursement payments to the Operator so as to satisfy the Objective on the basis of the total number of Applicable Capped Fares sold and the total number of passenger Journeys made by Eligible Persons using Applicable Capped Fares on the Operator's Arrangement Services.

1.2 For all Operators (except where paragraph 24 of these Arrangements applies), and subject to paragraph 2, the total number of passenger Journeys made by Eligible Persons using Applicable Capped Fares and the total number of Applicable Capped Fares sold by the Operator will be based upon reporting by the Operator in accordance with the terms of these Arrangements. Each Operator shall, following a request by the Combined Authorities, provide the Combined Authorities with the number of Applicable Capped Fares and the relevant passenger Journeys made by Eligible Persons using such Applicable Capped Fares as requested by the Combined Authorities. The Combined Authorities shall have the right to audit any such information provided by an Operator under the terms of these Arrangements and that Operator shall provide the Combined Authorities and/or their professional advisers with access to its premises, personnel, systems and relevant records to verify such information provided is accurate.

2 The Combined Authorities reserve the right to make their estimate of the total number of passengers journeys for which reimbursement should be calculated on the basis of any combination of data sources that the Combined Authorities consider is appropriate to ensure that they meet the Objective, including:

2.1 transactions based on Smartcard recorded passenger journeys;

2.2 Operator reported Electronic Ticket Machine data; and

2.3 survey data obtained by, or on behalf of, the Combined Authorities in accordance with Schedule 5.

3 The information required from Operators is set out in Schedule 6.

3.1 To enable surveys in accordance with this Schedule 2, the Operator shall provide the Combined Authorities with full details of the Arrangement Services on which Eligible Persons may use the relevant concession, as specified in paragraphs 28 to 32 of the Arrangements. The Operator also agrees to the use of survey data and other data provided to the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive for the purposes of their respect concessionary fares arrangements whether established pursuant to section 145A of the 2000 Act or section 93 of the Transport Act 1985 or otherwise.

3.2 The Operator is required to allow surveyors employed by either of the Combined Authorities or their agents (including any of the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive) access to all passengers using its Arrangement Services, as specified in Schedule 5.

#### **4 Output from the Standard Method**

- 4.1 The Combined Authorities will calculate for each Payment Period:
  - 4.1.1 the total number of passenger Journeys made by Eligible Persons using the Applicable Capped Fares on the Operator's Eligible Services. The quantity of Journeys so calculated may be analysed into such separate categories as are deemed appropriate by the Combined Authorities for the purposes of determining the reimbursement payments to Operators; and
  - 4.1.2 the total number of each Applicable Capped Fare sold by the Operator for use on Arrangement Services. The quantity of Applicable Capped Fares so calculated may be analysed into such separate categories as are deemed appropriate by the Combined Authorities for the purposes of determining the reimbursement payments to Operators.

#### **5 Estimates to be made in the absence of information from an Operator**

- 5.1 In the event that an Operator fails to provide sufficient information to enable the Combined Authorities to operate their survey procedures, the Combined Authorities may at their discretion make such estimates as they think fit of the Journeys made by Eligible Persons using the Applicable Capped Fares on that Operator's Arrangement Services, subject to correction as and when better information becomes available.

### SCHEDULE 3

#### STANDARD METHOD OF DETERMINING FARES VALUE

1. The Combined Authorities will determine their reimbursement payments to each Operator so as to satisfy the Objective on the basis of:
  - 1.1 the actual fares that would have been payable by an Eligible Person using the relevant Operator's relevant Arrangement Services as notified in accordance with clause 28 of these Arrangements; or
  - 1.2 where the information referenced in paragraph 1.1 above is not available, the Combined Authorities shall determine the fares based on the estimate they make of the relevant commercial fares that would be payable based on the Operator charging a fare that would allow it to make no more than a Reasonable Profit, and the Operator shall make such information available to the Combined Authorities as may be reasonably necessary to allow the Combined Authorities to determine such fares,

which:

- 1.3 in respect of paragraph 1.1 above shall be the actual fares charged by the Operators at a point no earlier than 1 November 2021, uplifted by the CPI rate published in August 2022, such fares to be to the nearest penny and not subject to rounding; and
- 1.4 in respect of paragraph 1.2, such determination to be calculated as at the date of these Arrangements,

in each case as at the date of these Arrangements, (“**Initial Commercial Fares**”). The Initial Commercial Fares shall be deemed to be the Shadow Commercial Fares for the relevant Operator on the date of these Arrangements, and any changes to the Shadow Commercial Fares shall be made in accordance with Schedule 4.

2. Subject to paragraph 3 below, an Operator may notify the Combined Authorities of proposed changes to the Shadow Commercial Fares, provided that:
  - 2.1 such fares shall only change at the start of a Payment Period;
  - 2.2 such fares shall only change once in any 12 month period unless the Operator has demonstrated to the reasonable satisfaction of the Combined Authorities that a further fare change is required due to objective commercial factors which have either been reflected in a requirement to change other commercial fares of the Operator or where this is not the case, can be demonstrated as required to ensure that the Operator's services remain viable; and
  - 2.3 such fares shall not increase in any 12 month period such that the average Shadow Commercial Fare (in respect of each fare type that is subject to a Fare Cap) for that Operator increases by more than the increase in the Specified Indexation Measure during that period;

(together a “**Shadow Fare Increase**”).



3. Where an Operator will incur an increase in underlying costs in the provision of the Arrangement Services such that the Shadow Fare Increase would not offset such increase and wishes to increase one or more Shadow Commercial Fares by an amount higher than the Shadow Fare Increase to reflect such increased costs, that Operator shall notify the Combined Authorities of the same at least 60 days prior to the date of the proposed fare increase including details of the amount by which it wishes such Shadow Commercial Fares to increase by.
4. Following receipt of a notice under paragraph 3 above, the Combined Authorities and the relevant Operator shall, each acting reasonably, negotiate in good faith any such increase, provided that the Combined Authorities shall not be considered to be acting unreasonably in not agreeing any proposed increase to the Shadow Commercial Fares where, in their reasonable opinion, the relevant Operator has failed to demonstrate that the requested additional increase in the Shadow Commercial Fares either:
  - 4.1 is limited to reflecting such change in underlying costs;
  - 4.2 is consistent with the Operator's approach to changes in other commercial fares, or where this is not the case is justified by reference to objective commercial factors that justify an approach which is not consistent with such other changes; and
  - 4.3 would not lead to the Operator receiving more than a Reasonable Profit in respect of the provision of Arrangement Services, taking into account any underlying cost impacts the Operator has incurred in relation to providing the Arrangement Services.
5. Where a Shadow Commercial Fare is representative of the fare charged in respect of a multi-operator ticket, it is acknowledged that no single Operator shall be responsible for the setting of that Fare, and it is acknowledged that:
  - 5.1 the Operators participating in the relevant multi-operator ticketing arrangements shall be responsible for determining any proposed Shadow Fare Increase in respect of such multi-operator fares on the basis of the arrangements for establishing such multi-operator fares that such operators may have agreed or determined (including any arrangements that they may have with a ticketing company or other joint venture arrangement established for the purpose of such multi-operator fares);
  - 5.2 where such Shadow Fare Increase exceeds the Specified Indexation Measure in any twelve month period then the relevant Operators (or any ticketing company or other joint venture arrangement acting on their behalf) shall demonstrate that increases in the underlying costs of the Eligible Services which are subject to such a multi-operator fare are such that a Shadow Fare Increase of CPI would not offset such increase and the Operators shall (or shall procure that any ticketing company or other joint venture arrangement acting on their behalf, including where relevant, NTL) notify the Combined Authorities of the same at least 30 days prior to the date of the proposed fare increase including details of the amount by which they wish such Shadow Commercial Fares to increase by; and
  - 5.3 paragraph 4 shall apply in respect of such increase, save that reference to the relevant Operator shall be deemed to be a reference to all Operators participating in the relevant fare arrangements (or any ticketing company or other joint venture arrangement acting on their behalf, including NTL).

## SCHEDULE 4

### STANDARD METHOD OF DETERMINING REVENUE FORGONE

#### 1 Calculation of Reimbursement for Revenue Forgone

- 1.1 The Combined Authorities will calculate reimbursement payments so as to satisfy the Objective.
- 1.2 Calculation of the reimbursement due will be made for each Payment Period. Where a Payment Period has more or less than 28 days, then figures which are based on a 28 day Payment Period shall be prorated accordingly.
- 1.3 Reimbursement for revenue forgone is taken to mean the Combined Authorities' estimate of the revenue by way of fares that an Operator would have earned if the Arrangements did not exist, less any revenue which the Operator has earned in respect of the Applicable Capped Fares ("**Revenue Forgone**").

#### 2 Reimbursement for Revenue Forgone for Under 22 Fares

- 2.1 Revenue Forgone for Under 22 single and daily Applicable Capped Fares (**RevenueForgoneU22<sub>PP</sub>**) for a Payment Period (**PP**) shall be calculated as follows:

$$RFU22_{PP} = \sum_0^{Product} ERevU22_{PP} - \sum_0^{Product} TotalNewRevU22_{PP}$$

being the sum of  $ERevU22_{pp}$  calculated for each Product for Eligible Young Persons, less the sum of  $TotalNewRevU22$  for all Products and Applicable Capped Fares for Eligible Young Persons

Where:

**ERevU22<sub>PP</sub>** has the meaning given to it in paragraph 3; and

**TotalNewRevU22<sub>PP</sub>** has the meaning given to it in paragraph 4; and

**Product** means each ticketing product which has been replaced by an Applicable Capped Fare for an Eligible Young Person, as determined in accordance with paragraph 3.

#### 3 Estimated Revenue for Under 22 Fares

- 3.1 The estimated revenue that was received in respect of those tickets and fares (**Products**) the use of which has been replaced by use of either the single or daily Applicable Capped Fares in respect of Eligible Young Persons (**ERevenueU22<sub>22</sub>**) shall be determined by the Combined Authorities on the following basis:
  - 3.1.1 Based on the data provided pursuant to paragraph 4 of Schedule 6, the Combined Authorities shall determine what proportion of each Product (including singles, returns, daily and other period products) would be expected

to be replaced by use by Eligible Young Persons of Applicable Capped Fares (the **Abstraction Rate**), on the following basis:

- 3.1.1.1 100% of single tickets which were valid for Eligible Young Persons and which were priced higher than the Applicable Capped Fare for single tickets for Eligible Young Persons would be replaced by such Applicable Capped Fare;
- 3.1.1.2 100% of return tickets which were valid for Eligible Young Persons and which were priced higher than twice the Applicable Capped Fare for single tickets for Eligible Young Persons would be replaced by use of two single tickets at the Applicable Capped Fare;
- 3.1.1.3 The proportion of period tickets which were valid for Eligible Young Persons and which were priced higher than the Applicable Capped Fare for daily tickets which would be replaced by the use of such Applicable Capped Fare will be determined based upon whether they offer better value for money, with an assumption that where they do, 75% of such fares would be replaced by the daily Applicable Capped Fare for Eligible Young Persons
- 3.1.1.4 The proportion of adult tickets which are eligible for use by Eligible Young Persons which it is assumed would be replaced by an Applicable Capped Fare for Eligible Young Persons would be 20%;
- 3.1.1.5 The assumptions in paragraph 3.1.1.1 to 3.1.1.4 shall only be a starting assumption and may be varied based upon any more accurate data or analysis provided by the Operator or the Combined Authorities.
- 3.1.2 The  $ERevU22_{pp}$  for a Payment Period for a Product shall then be calculated by multiplying the number of such Product sold for the Payment Period which is used as a baseline for calculation by the value of such Product. Where the Product is still sold and used by a material number of passengers then this shall be the price that such Product is sold by the Operator. Where the Product is not sold by the Operator or the number of sales is immaterial, then the value of the Product shall be the Shadow Commercial Fare for such Product as determined in accordance with Schedule 3.
- 3.1.3 For the avoidance of doubt, where an Operator is able to provide better data as to the actual extent to which Current Tickets Sold are replaced in usage by Applicable Capped Fares, the Combined Authorities will, in good faith, review whether the  $ERevU22_{pp}$  shall be varied.
- 3.2 The yield per journey (**Y**) for a Product shall be calculated by dividing  $ERevU22_{pp}$  for that Product by the number of journeys recorded as made using such Product in the relevant Payment Period (**J**).
- 3.3 The average journeys (**AVJ**) for a Product shall be calculated by dividing the number of journeys recorded as made using such Product in the relevant Payment Period (**J**). by the number of that Product sold during such Payment Period (**T**).
- 3.4 The yield per sale (**YS**) for a Product shall be calculated by dividing  $ERevU22_{pp}$  for a Payment Period for a Product by the number of that Product sold during such Payment Period (**T**).
- 3.5 The number of sales of a Product lost in a Payment Period as a result of abstraction by an Applicable Capped Fare (**T1**) shall be equal to number of that

Product sold during such Payment Period (**T**) multiplied by the Abstraction Rate (**AR**) determined for that Product in respect of such Applicable Capped Fare pursuant to paragraph 3.1.1.

- 3.6 The Revenue Lost in respect of a Product as a result of the Applicable Capped Fare shall be calculated by multiplying T1 (as calculated in accordance with paragraph 3.5 for such Product in such Payment Period) by YS (as calculated in accordance with paragraph 3.4 for such Product in such Payment Period).

#### **4 Total New Revenue for Under 22 Fares**

- 4.1 The Total New Revenue for a Product for a Payment Period shall be calculated as follows:

$$TNR_{PP} = \sum RT_{ACF} + \sum RT_{Product}$$

Where:

$RT_{ACF}$  means the revenue received from sales of each Applicable Capped Fare for Eligible Young Persons as calculated in accordance with paragraph 4.2;

$RT_{product}$  means the revenue received from sales of each Product for Eligible Young Persons as calculated in accordance with paragraph 4.3 in respect of each Applicable Capped Fare;

- 4.2 The value of  $RT_{ACF}$  for an Applicable Capped Fare in respect of a Product for a Payment Period shall be calculated by multiplying the number of journeys recorded as made using such Product in the relevant Payment Period (**J**) by the Abstraction Rate (**AR**) determined for that Product in respect of such Applicable Capped Fare pursuant to paragraph 3.1.1 and multiplying that by the Applicable Capped Fare:
- 4.3 The value of  $RT_{product}$  for a Product for a Payment Period shall be calculated as follows:

$$RT_{product} = (T - T1) \times AVJ \times Y$$

Where:

**T** is the number of that Product sold during such Payment Period (**T**)

**T1** is the number of sales of that Product lost in a Payment Period as a result of abstraction by an Applicable Capped Fare as calculated in accordance with paragraph 3.5;

**AVJ** is the average journeys for that Product as calculated in accordance with paragraph 3.3; and **Y** is the yield for such Product as calculated in accordance with paragraph 3.2,

- 4.4 The Combined Authorities shall, for the avoidance of doubt, be able to exclude from reimbursement any passengers under the age of 16 who are travelling on the Applicable Capped Fare for an Eligible Young Person. Where an Operator is not able to disaggregate such journeys from those made by Eligible Young Persons, the Combined Authorities shall be entitled to assume the volume of

such Journeys made is equal to that prior to these Arrangements, as notified in accordance with paragraph 4 of Schedule 6, or otherwise.

- 4.5 The value of  $RF_{U22}$  calculated in respect of each Operator shall be notified to NTL (or any other party who is responsible for allocation of reimbursement under any multi-operator ticketing scheme) for the purposes of revenue allocation under their multi-operator ticketing scheme.

## **5 Adjustments to baseline data**

- 5.1.1 For the first Reconciliation Period the figures notified in respect of single and daily Products sold to the relevant Eligible Persons as notified pursuant to paragraph 4 of Schedule 6 shall be used for the purposes of calculation under this Schedule 4 (**Initial Data**).
- 5.1.2 Following that period, the Abstraction Rate, the journeys made using a Product or Applicable Capped Fare; the sales of any Product or Applicable Capped Fare may be adjusted by the Combined Authorities for each Operator to reflect the overall change in patronage level for that Operator as notified pursuant to paragraph 1 of Schedule 6, including any modification required to reflect patronage recovery outside the effects of these Arrangements. In determining this level the Combined Authorities may take into account any relevant factors, including data provided by the Operator, provided that such adjustments assume that the first 10% of any growth from the data first provided pursuant to paragraph 1 of Schedule 6 is not generated by the Scheme. This may include, but not be limited to, taking into account the change in sales of ticket products which are not affected by these Arrangements, such as adult single and return sales, but in doing so the Combined Authorities should consider whether there are any other factors which mean that such changes in ticket sales are not representative of broader market growth.
- 5.1.3 The Combined Authority may require provision of such evidence as they may reasonably require in respect of past and current travel patterns on an Operator's Eligible Services, and in particular evidence supporting any other factors which an Operator believes may affect generation of Journeys on those services following introduction of the Applicable Capped Fares. Where an Operator is unable to provide such evidence or information requested the Combined Authority shall be entitled to reach their own conclusions based on the evidence available. The Combined Authorities acknowledge that such information may be confidential and/or commercially sensitive, and where this is identified by an Operator, then the Combined Authorities shall ensure that the independent third party takes account of such confidentiality and/or commercial sensitivity in the use of such information.
- 5.1.4 It is acknowledged that where a new Operator joins these Arrangements during their term, such information and data may not be available. In this case, the Combined Authority shall act reasonably in setting assumed value of Initial Product Sales for that Operator by reference to the information available, which may include consideration of the Assumed Number of Product Sales for one or more Operators providing services of a similar nature
- 5.1.5 Where the Operator does not agree with any determination of the change in Assumed Number of Product Sales then such dispute shall be the subject of the dispute resolution procedure set out in Schedule 7.



## SCHEDULE 5

### SURVEY FACILITIES

1. An Operator shall allow each of the Combined Authorities' officers servants or agents (including, but not limited to, representatives of the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive) to have access to (including the right to travel free of charge) the vehicles of the Operator on which the Fare Caps are available for the purpose of:
  - (a) surveying or counting or estimating the number of passengers (whether generally or of any particular description) and the fares paid by those passengers; and
  - (b) obtaining information on other matters relating to the journeys made by passengers which is necessary for the calculation by the Combined Authorities of reimbursement payments.
2. The survey data will be utilised by the Combined Authorities in calculating the reimbursement payable to the Operator and/or validating the data supplied by the Operator for the purpose of enabling the Combined Authorities to calculate the reimbursement due to the Operator.
3. Without prejudice to the generality of paragraph 1 above, the information to be obtained from passengers may include the following:-
  - (a) whether or not the passenger is an Eligible Person;
  - (b) if the passenger is an Eligible Person, what category of Eligible Person he or she is;
  - (c) if the passenger is not an Eligible Person, whether the passenger is a child under the age of 5, a child under the age of 16 or an elderly person;
  - (d) if the passenger has paid on-bus or is using a pre-paid ticket;
  - (e) if the passenger has paid on-bus, the fare paid and the type of ticket bought;
  - (f) if the passenger is using a pre-paid ticket, the type of ticket;
  - (g) the stage or stop at which the passenger boarded the bus and the stage or stop at which the passenger is to alight from the bus;
  - (h) if the passenger is to interchange with another mode of transport;
  - (i) permit or ticket fraud or misuse on the relevant services; and
  - (j) such other information as the Combined Authorities may from time to time reasonably consider it necessary or desirable to obtain in order to enable the Combined Authorities to reimburse each Operator in accordance with this Arrangement.

4. Each Operator is requested to ensure that each driver of its vehicles will make available to any survey staff who request the same, the total value of cash fares shown, on the relevant vehicle's electronic ticketing machine, to have been collected on any journey surveyed by such surveyor together with readings of the number of tickets issued.



## SCHEDULE 6

### DATA PROVISION

1. Every Operator claiming reimbursement under the Arrangements is required to submit to the Combined Authorities a statement relating to each Payment Period, within 10 working days of the end of that Payment Period containing the following:
  - i. the total number of Journeys made by:
    - a. each category of Eligible Persons;
    - b. other classes of passengers as may be specified by the Combined Authorities;

on the Operator's Arrangement Services during the preceding Payment Period, which may be broken down by ticket type utilized where requested by the Combined Authorities because this is required for the purposes of calculation of reimbursement.
  - ii. the total amount of fares received by the Operator in respect of each category of the passengers referred to in (i) above (whether received on or off bus).
  - iii. the total volume and value of:
    - single tickets purchased by Eligible Young Persons subject to the Fare Cap; and
    - daily tickets purchased by Eligible Young Persons subject to the Fare Cap.
  - iv. how many times daily tickets purchased by Eligible Young Persons subject to the Fare Cap were recorded as being used.
2. The information provided by an Operator under subsection iii above should include both its Electronic Ticket Machine (ETM) records, journeys based on Smartcard transactions, and should include all of an Operator's retail sales channels, save where the Combined Authorities have expressly agreed to the exclusion of a retail sales channel on the basis that the data is not significant to the Arrangements.
3. Smartcard transactions should be sourced from the Operator's ticketing backend and may be verified by the Combined Authorities.
4. Each Operator shall also provide the Combined Authorities with a baseline of the data specified in paragraph 1 for a 28 day period. For Operators participating in the Arrangements from their commencement, this should cover the period from 4 September 2022 and 1 October 2022 and should be provided on or about the commencement of these Arrangements. It is acknowledged that in respect of single and daily tickets purchased by Eligible Young Persons, Operators may not have equivalent products prior to the date of participation in this Scheme, and therefore may provide data on single, return and daily products which may have been purchased by Eligible Young Persons prior to participation by the Operator in the Scheme, and any relevant data in respect

of usage of those products by Eligible Young Persons which may inform any calculation under this Scheme.

5. In the event of any delay or failure on the part of any Operator to provide to the Combined Authorities any information to which the Combined Authorities are entitled pursuant to the Arrangements, the Combined Authorities shall be entitled to delay or withhold payment of reimbursement to the Operator concerned for such period of time as the Combined Authorities require in order to form a reasonable estimate of the amount of such payment, and/or calculate the amount of such payment (as applicable).

### **Audit Requirements**

6. A certificate of completeness and accuracy issued by an approved person who is a member of either:
  - a. the Institute of Chartered Accountants – England and Wales;
  - b. the Institute of Chartered Accountants of Scotland; or
  - c. Association of Chartered Certified Accountants,

shall be forwarded when requested by the Combined Authorities at the Operator's expense certifying the agreed information on which reimbursement shall be based at annual intervals including a certificate of mileage operated in the Principal Area.

7. This certificate will also certify the correctness of the fare scales and any boarding data submitted to the Combined Authorities.
8. An Operator who fails to provide the certificate of accuracy within 3 months of such a request shall be regarded as failing to provide the proper information and the Combined Authorities reserve the right to withhold interim payments to that Operator until such information has been provided. If necessary, any adjustment to be made to an Operator's payment shall be made within the next interim payment due to that Operator.
9. The submission of such certificates shall be deemed full and final proof of accuracy of the information so submitted. No retrospective adjustments will be considered once the certificates of accuracy have been signed by an approved person and received by the Combined Authorities.

### **Failure to provide certified statement or certificate of completeness and accuracy**

10. In the event that an Operator fails to provide a certificate of completeness and accuracy (as the case may be) in respect of information which has been used to calculate a reimbursement payment that has been made to that Operator, or the certificate of completeness and accuracy (as the case may be) indicates that the Operator was entitled to less than the reimbursement payment that has been made to the Operator then the Operator shall forthwith repay the amount of the reimbursement payment (in the case of a failure to provide a certificate of completeness and accuracy (as the case may be)) or the amount of the overpayment (in the case of a certificate of completeness and accuracy (as the case may be) indicating that the Operator is entitled to less than had been paid to it).



## SCHEDULE 7

### DISPUTE RESOLUTION PROCEDURE

1. In the event of any dispute arising in connection with any matter arising from these Arrangements which cannot be resolved by agreement between the parties representatives within 5 working days of the dispute arising, senior representatives of the parties shall, within 5 working days of a written request from either party to the other, meet in good faith to attempt to resolve the dispute.
2. If the dispute is not resolved as a result of such meeting, either the Combined Authorities or the Operator may (at such meeting or within 5 working days of its conclusion) propose to the other in writing that the dispute be referred to an independent expert (“**Independent Expert**”)
3. If the parties are unable to agree on an Independent Expert or if the Independent Expert agreed upon is unable or unwilling to act then any party may within 5 working days from the date of the proposal to appoint an Independent Expert or within a further 5 working days of notice to either party that he or she is unable or unwilling to act, apply to the President of the Law Society to appoint an Independent Expert.
4. If any matter is referred to the Independent Expert for determination in accordance with paragraph 3 above, then:
  - (a) the Independent Expert shall determine the matter, subject to the remaining provisions of this paragraph 4, on a basis that is fair and reasonable in all respects as between the Operator and the Combined Authorities and that takes into account all relevant factors and circumstances;
  - (b) the Independent Expert shall act as an expert and not as an arbitrator and its determination of the dispute shall be final and binding on the parties (save in the case of manifest error);
  - (c) the Combined Authorities and the Operator shall ensure that the Independent Expert has full access to all books, information and records in their possession or in the possession of their auditors and accountants that are relevant to the dispute and to his determination thereon; and
  - (d) the Independent Expert’s fees shall be borne equally by the parties unless he shall decide that one party has acted unreasonably (in which case his fees shall be borne as he shall direct).

## SCHEDULE 8

### ADDITIONAL COSTS

#### **1 Reimbursement for Additional Costs**

- 1.1 An Operator shall be entitled to reimbursement for Additional Costs in accordance with paragraph 19 of the Arrangements.
- 1.2 Reimbursement for Additional Costs is taken to mean the Combined Authorities' estimate based on Operator data of any Additional Costs which an Operator has incurred as a result of participation in these Arrangements, but which have not otherwise been funded by Generated Revenues for that Operator by these Arrangements.
- 1.3 Additional Costs shall be zero (0) unless the Operator has demonstrated that generation of passenger journeys has occurred as a result of the Arrangements, and the Operator is to be reimbursed for Revenue Forgone on the basis of such generation.
- 1.4 Additional Costs shall be determined by the Combined Authorities acting reasonably to reflect any Additional Costs which an Operator is able to fully evidence have occurred as a result of the Arrangements and which the Operator can demonstrate have not been funded by revenue generated for that Operator by the Arrangements. In determining such figures, the Combined Authorities may have regard to the basis of calculation of Additional Costs under its concessionary reimbursement schemes (or the concessionary reimbursement schemes of the County Council of Durham, Northumberland County Council or the Tyne and Wear Passenger Transport Executive as the case may be), but acknowledging that under these Arrangements, revenue generated for an Operator by the Arrangements will cover some or all of such Additional Costs. Where an Operator and the Combined Authorities cannot agree the value of the Additional Costs for a Payment Period, then either party shall be able to refer the dispute as to the value or existence of Additional Costs for determination in accordance with Schedule 7.

## **SCHEDULE 9**

### **ABSTRACTED REVENUE**

- 1 Reimbursement for Abstracted Revenue
  - 1.1 Reimbursement for Abstracted Revenue is taken to mean the Combined Authorities' estimate of any revenue by way of fares which an Operator would have earned in the absence of these Arrangements, but which has not been taken into account in the calculation of Revenue Forgone, and which has not been replaced by revenue generated for that Operator by these Arrangements.
  - 1.2 Abstracted Revenue shall be zero (0) unless the Operator has demonstrated that generation of passenger journeys has occurred as a result of the Arrangements, and the Operator is to be reimbursed for Revenue Forgone on the basis of such generation.
  - 1.3 Abstracted Revenue shall be determined by the Combined Authorities acting reasonably to reflect any Abstracted Revenue which an Operator is able to fully evidence has occurred as a result of these Arrangements and which the Operator can demonstrate has not been taken into account in the calculation of Revenue Forgone, and which has not been replaced by revenue generated for that Operator by these Arrangements. Where an Operator and the Combined Authorities cannot agree the value of the Abstracted Revenue for a Payment Period, then either party shall be able to refer the dispute as to the value or existence of Abstracted Revenue for determination in accordance with Schedule 7.

## North East Joint Transport Committee

---

**Date:** 18 April 2023

**Subject:** Transport Plan Progress Report

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

### Executive Summary

This report provides an update on progress made across a number of Delivery Plan categories in implementing the objectives of the North East Transport Plan and achieving the vision of 'moving to a green, healthy, dynamic and thriving North East.'

Following the making of the Bus Enhanced Partnership, the Bus Partnership Board has met and appointed an independent chair and vice chair. Following confirmation of £118m of the Bus Service Improvement Plan (BSIP) funding, work is progressing on a number of early interventions.

A celebration event to mark the arrival of the Tyne and Wear Metro's first new train took place on March 17<sup>th</sup>, with Transport Minister Richard Holden MP among the guests getting a first look at the new train, the first of 46 on order. The second unit for the new fleet has also arrived and delivery is progressing according to plan.

Due to issues with the reliability of the current 43-year-old Metro fleet, Nexus have taken the decision to temporarily withdraw extra peak time services between Pelaw and Monkseaton.

The draft version of TfN's second Strategic Transport Plan (STP2) was approved by TfN Board on 23<sup>rd</sup> March. There will now be a 12-week period of public consultation on the Plan between May and August, prior to final publication in January 2024. The Plan sets out transformative proposals to improve transport across the north including support for restoration of the Leamside line and investment in key road links (including the A19) that are affected by congestion and poor journey time reliability.

Rail performance has improved in respect of some of the Train Operating Companies (TOCs) serving the region, although Transpennine Express and Northern Rail services continue to be affected by reduced performance.

The region is due to receive £249,660 from the Local Electric Vehicle Infrastructure (LEVI) Capacity and Capability Fund which is to be spent on increasing capacity and capability for the planning and delivery of EV Infrastructure. A further indicative allocation of up to £15,829,000 capital and £1,137,340 capability funding has been awarded under the LEVI Fund to support chargepoint delivery across the next two financial years (FY), between 2023/24 and 2024/25, and is dependent on suitable plans agreed by the Department for Transport.

A second round of City Region Sustainable Transport Settlement funding was announced in the budget on March 15<sup>th</sup>. As a Mayoral Combined Authority, the proposed North East Mayoral Combined Authority will be eligible for a share of the £8.8bn figure.

The Department for Transport has reduced active travel funding for the current parliamentary term from £3.8 billion to £3 billion. This includes a £100 million reduction to dedicated capital funding for the next two years. This reduction will make it more difficult to meet walking, cycling and Net Zero targets. Further details are awaited including the potential impact on this region.

Work is progressing well to complete the refurbishment of the Tyne Pedestrian and Cycle Tunnels. The final outstanding feature is completion of the two inclined lifts. Tasks being undertaken include installing the cabin doors and basement landing doors, fitting door mechanisms and safety features on both lifts, glazing of the cabins and installation of lighting and speakers. Once this work is completed, the project can move on to the final stage of testing and certification which is currently planned for July 2023.

### **Recommendations**

The Joint Transport Committee is recommended to note the contents of this report.



## 1. Background Information

- 1.1 The North East Transport Plan sets out a vision of 'moving to a green, healthy, dynamic and thriving North East' through the delivery of transport improvements under seven policy areas. Recent developments in the transport field are discussed below, organised by policy area.

## 2. Public transport, travelling by bus, Metro, ferry and on demand public transport

- 2.1 Bus travel – Following approval of the Qualifying Agreement, a new and improved pattern of service was introduced along the Coast Road corridor on 26<sup>th</sup> March. Go North East services 309, 310 and 311 services, in conjunction with Arriva 306 and 308 services, will operate up to every 5 minutes along the Coast Road, with joint ticket acceptance between the two operators.

- 2.2 Enhanced Bus Partnership (EP) - The Bus Partnership Board held a meeting on the 30<sup>th</sup> March 2023 where they confirmed the appointment of the independent chair, Charlotte Carpenter, and vice chair, Charlie Hamilton. These appointments allow the board to meet formally now that the Enhanced Partnership (EP) has been made following the JTC meeting on 21<sup>st</sup> March 2023. Following the confirmation of £118m of the Bus Service Improvement Plan (BSIP) funding, work has progressed on the following interventions:

- Extending the provision of an annual multi-modal season ticket to care-experienced people up to the age of 25 over the whole region following the trial in Newcastle and Gateshead.
- Starting the procurement process for the region wide journey planning website
- Continuing to work with the Local Authorities on identifying pocket Park and Ride sites so they can be in place for the summer period, where possible.
- Producing a programme level Full Business Case for the bus priority measures on the busiest bus corridors in the region.

National Bus Funding - Bus Recovery Grant (BRG) funding is now due to continue until 30<sup>th</sup> June 2023. While this is welcome it does not provide long term certainty for bus operators and therefore passengers. If BRG is not continued in some form it is likely that services across the region will be reduced - to ensure a stable network it is probable that we would look to use some of the BSIP funding earmarked for service enhancements to maintain the existing network.

## 2.3 Metro

Metro fleet– A celebration event to mark the arrival of the Tyne and Wear Metro’s first new train took place on March 17<sup>th</sup> hosted by Nexus and Stadler, with Transport Minister Richard Holden MP among the guests getting a first look at the brand-new train, the first of 46 on order. The second unit for the new fleet has also arrived and delivery is progressing according to plan.

Due to issues with the reliability of the current Metro fleet, which is now 43 years old, Nexus have taken the decision to temporarily withdraw extra peak time services between Pelaw and Monkseaton in the traditional morning and evening rush hours. Any available spare train sets will be kept ready to meet demand as and when it is needed.

## 2.4 Ferry

New ferry landing at North Shields - A survey is being carried out on the bed of the River Tyne as part of the preparations to create a new Shields Ferry landing at the regenerated North Shields Fish Quay.

Nexus has commissioned the ground investigation to check how a construction project can proceed at the site once funding is received. It is proposed to relocate the north landing to Western Quay, bringing the ferry into the heart of the North Shields Fish Quay regeneration area, with easy links to the town centre and Riverside Walkway.

## 3. **Connectivity beyond our boundaries**

### 3.1 Transport for the North (TfN)

Strategic Transport Plan – The draft version of TfN’s second Strategic Transport Plan (STP2) was approved by TfN Board on 23<sup>rd</sup> March. There will now be a 12-week period of public consultation on the Plan between May and August, prior to final publication in January 2024.

The Plan, which has been recently reviewed by Transport North East and other partners, outlines a strategy for transformative improvements to transport connectivity across the north and expresses support for restoration of the Leamside line.

Upgrades to A19 junctions at Moor Farm, Seaton Burn and White Mare Pool are also included amongst a list of road interventions that TfN are recommending be taken forward for development and delivery in the next Road Investment Strategy period (RIS3 - 2025-2030).

## 3.2 Rail

Performance - In Period 10 (10/12/2022 - 06/01/2023) the proportion of Northern trains arriving at their stops within 3 minutes of schedule (TT3) improved against the last period. Nationally, there were improvements against TT3 for every Train Operating Company (TOC) that serves this region, with the exception of Transpennine Express.

However, performance improvements in the North East itself were less pronounced, with the Lines of Route seeing period on period increases being the Durham Coast, Tyne Valley and Saltburn to Bishop Auckland line.

Higher levels of sickness in the North East remain the main cause of reduced performance.

Industrial Action - RMT strikes were announced for 16, 18 and 30 March, and 1 April for TOC staff at 14 companies. On 16th and 18th March, Northern operated only limited services between Darlington and Saltburn, and Saltburn to Darlington. A reduced LNER service operated on all strike days, and there were alterations to the timetable on the days either side. TPE ran a very limited service on 16 and 18 March, with no services in the North East.

### Rail update

A new semi-fast Durham Coast service will start to be introduced in the summer, following completion of second platform works at Hartlepool.

Transport North East has secured £1.1M in 2023/24 for the Washington Metro loop Outline Business Case, to be carried out by Nexus.

An initial workshop was held with the Great British Railways Transition Team (GBRTT) on 13<sup>th</sup> March to map out the process to reach a partnership agreement by May 2024.

## **4. Making the right travel choice**

4.1 Local Electric Vehicle Infrastructure (LEVI) Capability Fund – The JTC is due to receive £249,660 from the LEVI Capacity and Capability Fund which is to be spent on increasing capacity and capability for the planning and delivery of EV Infrastructure. A proposal for allocating the funding was submitted to the Office for Zero Emission Vehicles (OSEV) on 10<sup>th</sup> March, with the funding proposed to be spent on:

- Refreshing the EV Enabling Study to identify locations for charging infrastructure up to 2035, ensuring we are well placed to meet predicted demand.
- Hiring a Senior ZEV Infrastructure Development Officer at Transport North East.

- The remaining money is split approximately evenly between the seven Local Authorities to help with resource for ZEV activity.

The region has also been awarded an indicative allocation of up to £15,829,000 capital and £1,137,340 capability funding under the LEVI Fund to support chargepoint delivery. This funding will be available across the next two financial years, between 2023/24 and 2024/25, and is dependent on suitable plans agreed by the Department for Transport.

- 4.2 City Region Sustainable Transport Settlements – In the Budget on March 15<sup>th</sup>, the government confirmed that there will be a second round of City Region Sustainable Transport Settlements. As a Mayoral Combined Authority, the proposed North East Mayoral Combined Authority will be eligible for a share of the £8.8bn figure. This will mean the new MCA can plan to deliver transport schemes with confidence over the longer-term.
- 4.3 Active Travel – As a result of the Department for Transport’s internal budget settlement, active travel funding for the current parliamentary term is being reduced from £3.8 billion to £3 billion. This includes a £100 million reduction to dedicated capital funding for the next two years. This will make it more difficult to meet walking, cycling and Net Zero targets.
- 4.4 Tyne Pedestrian and Cycle Tunnels update - The Tyne Pedestrian and Cycle Tunnels are free to use for pedestrians and cyclists to commute between North and South Tyneside (Howdon to Jarrow). The Grade II listed structure was originally built in 1951 and was fully refurbished in 2019. The tunnels are open to all users, 24 hours a day, 7 days per week.

The refurbishment which took place was planned in order to preserve the Tunnels’ heritage but add modern features such as CCTV, modern lighting and Help Points. Two of the four original Waygood-Otis escalators, once the longest single-rise, wooden-tread escalators in the world, have been kept in situ as part of the North East’s engineering heritage.

The final outstanding feature planned as part of the refurbishment is the inclined lifts; one at each end of the tunnels. They 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.

During 2022 and 2023 work has progressed well with UK specialist lift engineers contracted to bring the lifts into operation. Tasks being undertaken include installing the cabin doors and basement landing doors, fitting door mechanisms and safety features on both lifts, glazing of the cabins and installation of lighting and speakers. Once this work is completed, the project can move on to the final stage of testing and certification which is currently planned for July 2023. When they are operational, the new lifts will have capacity to carry up to 6 cyclists and their bikes in one journey.

## **5. Private transport: travelling by car and using road infrastructure**

- 5.1 Road Investment Strategy - Transport for the North is developing recommendations to submit to government for the next Road Investment Strategy (RIS3), expected to be published in 2024/25. This will be focused on the key priorities for the Strategic Road Network in the north. We are working with TfN to strengthen the case for a number of schemes in this area, particularly the A19 junctions at Moor Farm, Seaton Burn and Whitemare Pool. These have been highlighted as key pinch points that suffers from congestion and safety issues and act as a barrier to growth and development in North Tyneside, Northumberland and South Tyneside.

## **6 Transport Usage Trends**

- 6.1 Across the region public transport usage remains below pre-pandemic levels, with bus passenger numbers at 83% and Metro passengers at 96% of their pre-pandemic baselines in February. Traffic levels were around 3% down on the same period in the previous year. Daily February cycling rates across the Gateshead Millennium Bridge were around 23% up on daily January rates.

## **7. Reasons for the Proposals**

- 7.1 This report is for information purposes.

## **8. Alternative Options Available**

- 8.1 Not applicable to this report.

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

- 9.1 Next steps are set out under the respective items, where applicable.

## **10. Potential Impact on Objectives**

- 10.1 Successful delivery of the various transport schemes and investment proposals outlined in this document will assist the JTC in delivering its objective to maximise the region's opportunities and economic potential.

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

- 11.1 The report provides an update and overview of progress against the seven Delivery Plan categories in implementing the objectives of the North East

Transport Plan and achieving the vision of 'moving to a green, healthy, dynamic and thriving north-east.'

- 11.2 The North East Transport Plan includes proposed / required investment totalling £7 billion to achieve the aims and ambitions of the JTC, the majority of which is dependent on future funding decisions by central government. The financial and other resource implications aligned to the plan were agreed as part of the Transport Budget and Levies 2021/22 report to the JTC on 19 January 2021 and in subsequent reports to augment and amend the budget as appropriate.

## **12. Legal Implications**

- 12.1 There are no legal implications arising directly from this report.

## **13. Key Risks**

- 13.1 Appropriate risk management arrangements are in place for each programme of work overseen by the delivery agencies responsible.

## **14. Equality and Diversity**

- 14.1 Successful delivery of schemes to improve public transport, walking and cycling will help to address transport-related social exclusion and create a fairer society.

## **15. Crime and Disorder**

- 15.1 There are no specific crime and disorder implications associated with this report.

## **16. Consultation/Engagement**

- 16.1 Many of the schemes and proposals outlined in this report have been, or will be, the subject of engagement with appropriate stakeholders or the wider public.

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

- 17.1 No specific impacts.

## **18. Appendices**

- 18.1 Progress on Key Performance Indicators.

## **19. Background Papers**

- 19.1 None.

## 20. Contact Officers

20.1 Tobyn Hughes, Managing Director, Transport North East

[Tobyn.hughes@nexus.org.uk](mailto:Tobyn.hughes@nexus.org.uk)

## 21. Sign off

- 21.1
- The Proper Officer for Transport:
  - Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

## 22. Glossary

22.1 All abbreviations or acronyms are spelled out in the report.

## Appendix 1

### Progress on Key Performance Indicators

<u>KPI</u>	<u>Direction of travel</u>	<u>Key insight</u>
<u>Sustainable Travel</u> 33% of journeys made by public transport, walking and cycling.  Data Source: DfT National Travel Survey 2019, published August 2020.	Increase	Data in the National Travel Survey for 2021 shows that 38% of journeys are made by public transport, walking and cycling, which is an increase on the previous year.  The sample size for 2021 is significantly smaller than the sample for 2019, so it may be sensible to treat the exact figure with some degree of caution.

<p><u>Public transport accessibility</u></p> <p>45% People within 25 minutes of key employment, education and retail sites by public transport.</p> <p>Data source: Commissioned analysis August 2020</p>	No Change	Data is not yet available to update, however, there have been no major changes to infrastructure.
<p><u>Climate action</u></p> <p>CO2 emissions per capita: 1.7 tonnes CO2 emitted per persona annually using transport.</p> <p>Data source: UK local authority and regional CO2 emissions statistics: 2019, Department for Business, Energy &amp; Industrial Strategy, published June 2021</p>	Decrease	Figures for 2020 have been released and show 1.4 tonnes CO2 emitted per persona annually using transport. It can be expected that 2020 is an unusually low year due to COVID-19 related travel restrictions.
<p><u>Take up of ultra-low emission vehicles (ULEVs)</u></p> <p>0.34% Proportion of licenced vehicles in our region that are classed as ultra-low emission (end of 2019)</p> <p>Data source: Department for</p>	Increase	<p>1.2% of licenced vehicles in the region are classed as ultra-low emission (Q3 2022).</p> <p>The number of ULEVs registered in the North East increased to 12,134 at the end of Q3 2022.</p>



Transport vehicle licensing statistics		
<p><u>Air quality</u></p> <p>For 2019, the highest, median, hourly nitrogen dioxide reading was 26.9ug/m<sup>3</sup> occurring in the morning traffic peak.</p> <p>Data source: Department for Environment Food &amp; Rural Affairs Automatic Urban and Rural Network (AURN)</p>	Decrease	For 2022, the highest, median hourly nitrogen dioxide reading was 22.2ug/m <sup>3</sup> occurring in the morning traffic peak.
<p><u>Network performance</u></p> <p>In terms of efficiency, in 2019 our regional network scored 71.8%</p> <p>Data source: Department for Transport congestion data.</p>	No Change	Data is not yet available to update
<p><u>Motor vehicle traffic</u></p> <p>Estimated vehicle miles per head in our region in 2019 5,077</p> <p>Data source: Department for Transport Road Traffic Statistics, published August 2020</p>	Decrease	<p>In 2020 the estimated vehicle miles per head was 4,064. We can expect that 2020 will be unusually low due to travel restrictions in place as a result of the COVID-19 pandemic.</p> <p>National Travel Survey data for 2021 has vehicle miles per head reducing from 5,473 in 2019 to 3,900 in 2020 and 3,770 in 2021. The sample size for 2021 is significantly smaller</p>

		than the sample for 2019, so it may be sensible to treat the exact figure with some degree of caution.
<p><u>Road safety: numbers killed and seriously injured</u></p> <p>Numbers killed and seriously injured (KSI) three year rolling average (2016-17 to 2018-19) 778</p> <p>Data source: Traffic Accident Data Unit</p>	Decrease	<p>In the three-year rolling average from 2018 to 2021 there were 683 KSI.</p> <p>It is important to note that lower traffic volumes in 2020 and 2021 are likely to have contributed to the observed reduction in KSIs.</p> <p>The rolling average covering Jan-Sept 2020-22 is 453, a decrease from 498 covering Jan-Sept 2019-21.</p>
<p><u>Road safety: number of slight injuries</u></p> <p>Number of slight injuries three year rolling average (2016-17 to 2018-19) 3,275</p> <p>Data source: Traffic Accident Data Unit</p>	Decrease	<p>The three-year rolling average from 2018 to 2021 was 2,519 slight injuries.</p> <p>It is important to note that lower traffic volumes in 2020 and 2021 are likely to have contributed to the observed reduction in KSIs.</p> <p>The rolling average covering Jan-Sept 2020-22 is 1,638, a decrease from 1,839 covering Jan-Sept 2019-21.</p>



This page is intentionally left blank