



Leadership Board

Tuesday, 19th July 2016 at 2.00 pm

Meeting to be held in a Committee Room, Northumberland County Council, County Hall, Morpeth, NE61 2EF

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To All Members

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North East Combined Authority

Leadership Board (Extraordinary Meeting)

4 July 2016

Meeting held: Durham County Cricket Club, Chester-Le-Street, DH3 3QR

Present:

Councillor: P Watson (Chair)

Councillors G Davey, N Forbes, M Gannon, S Henig and I Malcolm, Mayor N Redfearn and Mr A Hodgson

REASON FOR THE MEETING

This extraordinary meeting was required to enable the Leadership Board to consider the following items within the relevant timetables as set out in the reports:

- The Governance Review and Scheme for the proposed Mayoral Combined Authority; and
- Local Growth Deal Round 3.

15 APOLOGIES FOR ABSENCE (MEMBERS)

There were no apologies for absence received.

16 DECLARATIONS OF INTEREST

There were no declarations of interest during the part of the meeting that was open to the public.

17 THE GOVERNANCE REVIEW AND SCHEME FOR THE PROPOSED MAYORAL COMBINED AUTHORITY

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on the review undertaken into the functions exercised by the North East Combined Authority (NECA) and its governance arrangements and how additional powers and functions would be likely to improve the exercise of statutory functions in the NECA area.

The report was introduced by the Head of Paid Service who explained that the recommendations in the report needed to be amended to invite the Leadership Board to seek assurances from the Government as to the terms of the proposed

devolution deal and funding in the light of the outcome of the referendum on the UK's membership of the European Union.

Members considered the alternative recommendations.

During the ensuing discussion, Members expressed concern about the current position and emphasised the need for long-term assurances over the terms of the devolution deal, particularly in relation to funding. Members also pointed out that it was important to remain committed to devolution for the North East.

RESOLVED – That:

- i. The Authority would write to the Government and request assurances that the terms of the Devolution Agreement of October 2015 would be fully committed to; and
- ii. Upon the receipt and consideration of those assurances the Leadership Board would further consider approving the scheme prior to agreeing its publication.

18 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of The Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda item 6 (Local Growth Deal Round 3) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

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DATE: 19th July 2016

SUBJECT: Transport Thematic Lead Update Report

REPORT OF: Thematic Lead for Transport

EXECUTIVE SUMMARY

This report gives details of developments and announcements since the last update report was provided to the Leadership Board on 19th April 2016. Although, due to local election and referendum 'purdah' periods, announcements have been relatively few, there has been progress as reported below regarding:

- Transport Manifesto and Plan
- Transport for the North
- Rail
- Public Transport (Buses, Metro and Smart Travel)
- Smart Travel
- Sustainable Transport
- Digital connectivity

The report also includes an update on digital connectivity, reflecting the inclusion of these issues alongside transport within the Strategic Economic Plan's 'connectivity' priority.

RECOMMENDATIONS

It is recommended that the Leadership Board note the contents of this report.

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1. **Transport developments and announcements since the previous report**

1.1 Since the last full meeting of the Leadership Board, there have been a number of transport developments affecting the North East and one positive announcement regarding sustainable travel transition year funding. These are detailed below.

2. **Transport Manifesto and Plan**

2.1 The Transport Manifesto consultation has now ended. A total of 1,736 responses were received, which compares well with other similar exercises.

2.2 The first Manifesto consultation question set out four key themes for transport (Easy to Use; Reliable; Affordable; Accessible), which respondents ranked as follows:

1. Accessible: This was the most popular, with 92% of respondents agreeing it should be a key theme.
2. Affordable: This was the 2nd most popular, with 90% respondents agreeing it should be a key theme
3. Reliable: This was the 3rd most popular, with 88% of respondents agreeing it should be a key theme
4. Easy to use: This was the 4th most popular, with 83% of respondents agreeing it should be a key theme

Respondents also thought the following key themes should be added :

- a. Safety (both road safety and crime and fear of crime on public transport). 9% of respondents thought this should be included as a key theme
- b. Sustainability. 8% of respondents thought this should be included as key theme
- c. Integrated and connected. 7% of respondents thought this should be added as a key theme

2.3 All these seven key themes will be reflected in the refreshed version of the Manifesto. They will also be explained in a Chapter of the Transport Plan entitled "What we want", which will set out each of these themes and explain what is being done, and can be done in future, to improve the offer in each case.

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2.4 Ten guiding principles were presented in the Manifesto consultation and respondents were asked to rank them in order of importance. Giving each principle a points score according to how important it was to each respondent resulted in the following ranking:

1. Good access to workplaces, services, shops and leisure (2,839 points).
2. Well-maintained, climate-resilient and safe transport networks (1,748)
3. Less road congestion (1,712)
4. More sustainable travel (1,592)
5. Growth in economic activity (1,223)
6. Better air quality and lower carbon emissions (1,018)
7. Healthy, active lifestyles (906)
8. Efficient use of transport assets (904)
9. Land use planning that favours sustainable travel (875)
10. Equality of opportunity (609).

Respondents were also asked whether there were any other Guiding Principles they thought should be added. The following emerged as the most commonly suggested additional Guiding Principles

- a. Better cycling network
- b. Joined up transport, including Integration between modes
- c. Safety across the transport network, particularly for vulnerable users
- d. Expand the public transport network
- e. Better connectivity within the UK

This gives a total of 15 guiding principles. Again, these will be reflected in the refreshed version of the Manifesto and also in the Transport Plan.

2.5 Of the many additional comments received in the Manifesto consultation, the topic that featured most highly was public transport unreliability. Other comments included:

- Promotion of cycling
- The needs of car users
- Lower fares on public transport
- The needs of rural areas
- Safety
- Inclusion of Powered Two Wheelers (PTWs)
- The needs of disabled people

There is, however, broad endorsement of the kind of subjects which are likely to feature prominently in the Transport Plan.

2.6 The draft refreshed version of the Transport Manifesto will be taken to Transport North East Committee for approval

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2.7 The Transport Plan consultation will include questions on whether respondents:

1. agree with these key themes and guiding principles
2. want them to be used to shape NECA policy and priorities – for example by prioritising future projects according to how well they score against these themes and principles in the order that respondents ranked them.

2.8 The Plan will set out key challenges, our current levels of provision, what people and organisations want and how it will be achieved. Throughout the document there will be an emphasis on ‘what success will look like’, an aspirational vision for the future of transport in the North East. A draft of the Transport Plan will be subject to a full statutory consultation.

3. Transport for the North (TfN)

3.1 Under powers available through the Cities and Local Government Devolution Act 2016, it is proposed that Transport for the North becomes a statutory body, drawing down powers to deliver investment and improve services, devolved from central government. This will require agreement from all members of TfN and a separate report on this agenda seeks approval in principle for NECA to support this proposal.

Details of progress with individual TfN workstreams is given below.

3.2 Northern Powerhouse Rail

As discussed in previous updates relating to Transport for the North, work is underway to prepare options to increase the capacity on the North’s rail network as well as speeding up journeys between key economic centres as a key plank in delivering transformational economic growth. Officers from Transport for the North and the constituent local transport authority partners are working with Network Rail and HS2 Ltd to consider overall rail network planning, capacity and line speed constraints, options for infrastructure improvements and cost and economic benefit analysis. All of the work being carried out through this workstream is known as ‘Northern Powerhouse Rail (NPR)’.

Work carried out through NPR suggests that significant track and station work will be required to achieve TfN’s ambitions for a 60 minute Newcastle – Leeds journey time with 4 trains per hour. This would bring significant economic benefits to the North East by improving connections to other major economic centres. A range of options is being considered, including major enhancements along the East Coast Main Line corridor, including – but not limited to - the reopening and enhancement of the Leamside Line as part of

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a wider package of infrastructure works. Station capacity is also a key consideration that needs to be addressed.

3.3 Road

A strategic study exploring the case for dualling the A69 and/or A66, with the aim of creating a new strategic link across the Pennines in northern England, is under way. The study will be completed by autumn 2016. The latest stakeholder workshop took place in Carlisle on 12th July. NECA officers attend the Programme Board for the study on behalf of TfN.

3.4 Freight

Work has been completed on the Northern Region Freight and Logistics Report which is due to be published over the summer. This will be followed by a series of LEP-area studies looking in more detail at the implications for individual regions. The freight sector in this area will continue to be kept informed via the North East Freight Partnership.

3.5 Strategic Local Connectivity

NECA officers are leading this workstream, which examines interventions which might complement larger schemes and have a pan-northern economic impact. This is in light of the Northern Independent Economic Review (published earlier this month by TfN), which identifies the key industries and sectors for the economy of the North. NECA's submitted schemes performed well in this process, with five out of seven being judged to potentially have a pan-Northern impact. Further work is under way to consider the next steps in this process.

3.6 International Connectivity

This workstream is tasked with reviewing international connectivity in the north and identifying ways of achieving the best possible connectivity for the north's airports and major ports. The workstream will also identify opportunities to expand into new international markets. The report is expected to be published in the autumn.

3.7 Smart Travel

Nexus officers continue to be actively involved in this workstream, with the aim of delivering smart and integrated ticketing across local transport and rail services in the North. With the introduction of smart ticketing technology now well advanced on the Tyne and Wear Metro and on bus services across the NECA area through the NESTI Programme, the NECA is in a strong position to take a lead role in the early implementation phases of new technologies.

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- 3.8 TfN has commissioned Nexus and Transport for Greater Manchester (TfGM), to jointly develop the specification for an 'Intelligent Back Office' on behalf of TfN. The Intelligent Back Office will enable the introduction of the next generation of Smart Ticketing technologies, including the use of contactless bank cards, This presents an opportunity for passengers in the NECA area to be early beneficiaries of this investment.

4. Rail update

4.1 Rail Franchising

- 4.1.1 The new Arriva Rail North and First TransPennine Express franchises are now well under way and the working arrangements are starting to bed in. Mike Paterson has been appointed as the North East Regional Director for Arriva Rail North.

4.2 North East Rail Management Unit (NERMU)

- 4.2.1 Rail North Limited formally endorsed the creation of NERMU at its meeting on the 12th May 2016. As a result the NERMU has now been formally established and It is hoped to hold the first NERMU Board meeting in September 2016. Officer groups are being established to review performance with the rail operators and Network Rail at a more detailed level, and to plan for future investment to services and stations.

4.3 Network Rail Long Term Planning Process

- 4.3.1 Network Rail is pursuing the East Coast Main Line (ECML) Route Study (from London to the Scottish Border). Primary purposes of this study are to consider the expected impact of growth on the route up to 2023 and 2043 and to work up options to mitigate or facilitate the growth. There are obvious overlaps and parallels with the NPR work. Network Rail's periodic route reviews such as this are timed to help provide options for enhancements in line with rail industry investment programmes (to date these have been known as Control Periods, with the next Control Period being CP6 2019 – 2024). The draft ECML Route Study is due to be out for consultation towards the end of 2016 and Transport North East Committee will consider its findings It will be important that any infrastructure enhancements coming forward for consideration for the section north of York are complementary to any options being considered for NPR.

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5. Public Transport

5.1 Bus

5.1.1 The Bus Services Bill has been introduced to Parliament, and it is hoped it will complete its progress through the Commons in early 2017 and gain Royal Assent in the spring. The Transport North East Committee has considered the Bill and the potential options it might provide for the NECA to deliver improvements to bus services.

5.1.2 These options are:

- A Bus Franchising Scheme, where the Elected Mayor of a Combined Authority can decide to take control of bus networks and fares, as long as a business case exists to do so. Bus operators will compete for contracts to operate services specified by the Combined Authority;
- An Enhanced Partnership Scheme, where a local transport authority and the majority of (but not all) commercial bus operators agree a Bus Plan and the operation of services is then restricted to those operators that deliver the requirements of the Plan, such as minimum vehicle quality standards or compliance with a joint ticketing scheme; and
- An Advanced Quality Partnership, where the local transport authority implements measures (a bus priority scheme or a new interchange, for instance) and use of those measures is restricted to bus operators that meet agreed quality standards (typically minimum vehicle and driver standards).

5.1.3 As requested by Leadership Board, these options are being examined through a scoping study conducted jointly by Nexus, Durham County Council and Northumberland County Council on behalf of the NECA.

5.2 Metro

5.2.1 At its meeting in March the Leadership Board confirmed Nexus' proposal to allow the current operating concession for Metro to lapse on 31st March 2017, without the option of a two-year extension being taken up. Nexus has agreed an investment package with the concessionaire covering the last year of the contract; it will then operate Metro directly until 2019. A separate report on this agenda discussed options for Metro from 2019 onwards, tied in with investment plans for a new train fleet.

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5.2.2 Day-to-day performance of the Metro has improved from below 80% to above 86.41% in June 2016 – this being a measure of trains no more than 30 seconds early or 3 minutes late, but remains below the target Nexus sets for the operator, which is 87.2%. Passenger numbers have been maintained above 40 million since the start of 2016 and Department for Transport figures show that last year Metro was among the fastest growing light rail systems in the UK.

5.3 Smart Travel

5.3.1 Pop Pay As You Go can now be used as payment for

- Arriva Services north of the Tyne and in Redcar and Cleveland
- all Go North East services in the NECA area
- Stagecoach services in South Tyneside and Sunderland
- Durham City Park and Ride
- On Metro (with a daily price cap) and the Shields Ferry
- Stanley Travel services 40, 40A and 40B in and around Durham City

Plans are in the process of being implemented that will see Pop Pay As You Go being accepted across all services of the three major bus operators by the end of the summer. Work to extend the provision across the smaller bus operators is continuing.

5.3.2 Pop Pay As You Go was developed through the North East Smart Ticketing Initiative (NESTI), a joint programme between local authorities in the Combined Authority area and those in the Tees Valley. The smart card is now also widely accepted as a form of payment on Arriva and Stagecoach services within the Tees Valley.

5.3.3 As noted in paragraph 3.8, Nexus are playing a key role in TfN's smart ticketing development.

6. **Sustainable Transport**

6.1 Go Smarter - Transition Year funding success

6.1.1 The North East Combined Authority was successful in its bid for £2.343m of funding for Go Smarter in 2016/7. This is very good news and reflects well on the team and the NECA. Local Sustainable Transport Fund (LSTF) programmes being delivered in Durham, Northumberland and Tyne and Wear ended on 31st March 2016. This was replaced by a £60m 'Access Fund' for delivery from 2017/8 and a £20m revenue fund in 2016/7 called 'Sustainable Travel Transition Year'. NECA submitted a revenue only bid and on the 23rd of May was informed that the bid was successful and the full amount requested was awarded.

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6.1.2 Go Smarter combines the most effective elements from the LSTF Go Smarter programmes in Tyne and Wear and Northumberland, and the South Durham Local Motion LSTF programme, expanding the reach and impact to additional communities with co-ordinated delivery across the North East Combined Authority area. Go Smarter builds on the investment that has increased sustainable travel for businesses, schools and local communities.

6.1.3 Go Smarter has three main themes:

- Continuation of the Schools Go Smarter (SGS) programme, promoting sustainable travel for the school run;
- Go Smarter into Employment and Training (GoSET) – Building on and developing previously successful work, targeting school leavers, sixth form college students as well as jobseekers, to support their access to jobs, education, skills and training;
- Continuation of the Go Smarter to Work (GSW) programme, encouraging commuters already in employment to choose sustainable modes of transport for their journeys to work.

6.1.4 The workstreams are underpinned by a full communications strategy to ensure that the choices around travelling sustainably are widely and fully communicated.

7. Access Fund

7.1 As noted in 6.1.1, the Government has announced that an 'Access' Fund has been launched with a value of £60m of revenue funding between 2017/8 and 2019/20. Combined Authorities, as the Local Transport Authority for the number of local authorities in their area are responsible for submitting a bid on behalf of these authorities and will be able to submit a bid for up to a maximum of £7.5million.

7.2 The deadline for bids is the 9th of September 2016. Officers will be working over the summer to develop a NECA-wide bid

8. Digital Connectivity Update

8.1 The North East Digital Leads group is currently working with Economic Directors to refine the Digital Connectivity Strategy. Their vision is based on an appraisal of regional strengths, underpinned by the Strategic Economic Plan, which will enable people, businesses and communities to play a prominent role in the digital economy.

8.2 In delivering the vision, it will be ensured that:

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- Digital connectivity plays a significant role in future economic growth – with a ‘Digital Lens’ applied to all economic priorities.
- All businesses and communities in the North East are able to benefit from the digital economy; through wealth creation, jobs and skills
- To achieve distinctiveness within the UK, being widely regarded as a leading location for sorting, analysing and adding value to data.

8.3 Project options are currently being appraised, prioritised and developed. In doing so, it is being identified what can be done by partners in the region and where there are specific asks of government to collaborate in taking propositions forward. Projects will support delivery of the Digital Connectivity Strategy, and will demonstrate a proactive approach to ensure:

- Connectivity in the North East is globally competitive – including 4G, Superfast and Ultrafast (residential and commercial). A connected approach across broadband and telephony networks throughout the region makes us a first choice for private investment in pilots and roll-out
- The North East is at the forefront of developing new technologies and data solutions, aligned to our priorities for Smart Specialisation
- Our unique European and Transatlantic connections support export – setting us apart from competitors by utilising our location to develop strategic partnerships and open up fibre
- All businesses are equipped with the skills and confidence to use digital technologies to thrive and grow
- Digital assets in the North East work for the region as a whole – opened up and connected for community benefit

9. Next Steps

NECA will:

- Develop the Transport Plan in light of the response received to the Transport Manifesto
- Continue to participate in TfN workstreams and Network Rail Long Term Planning Process
- Establish officer groups for NERMU
- Develop the scoping study in light of the Bus Services Bill
- Continue to roll out Pop Pay as You Go across the region
- Develop a region-wide bid for the ‘Access Fund’
- Continue to refine the Digital Connectivity Strategy

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10. Potential Impact on Objectives

Successful delivery of the various transport and digital connectivity schemes and investment proposals outlined in this document will assist the Combined Authority in delivering its objective to maximise the area's opportunities and potential.

11. Finance and Other Resources

The report includes information on funding and financial opportunities. There are no additional financial implications for NECA arising from the specific recommendations in this report.

12. Legal

There are no specific legal implications arising from this report.

13. Other Considerations

13.1 Human Rights

There are no specific human rights implications arising from this report.

13.2 Equalities and Diversity

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

13.3 Consultation / community engagement

Many of the transport programmes outlined in this report have been the subject of consultation, at either a regional or national level.

13.4 Risk Management

This report is for information only and there are no specific risk management implications arising from it.

13.5 Crime and disorder

This report is for information only and there are no specific risk management implications arising from it.

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13.6 Environment and Sustainability

Delivery of the various rail and public transport measures listed in this report should assist in meeting our objectives for a more sustainable transport system and improved air quality. The Sustainable Transport Transition Year funding bid referred to in section 9 is specifically aimed at the promotion of active, sustainable travel and the reduction of carbon emissions.

14. Background Documents

None.

15. Links to plans in the policy framework

The various transport schemes and programmes listed in this report link to the forthcoming Transport Plan for the North East that is covered in section 5 of this report.

16. Contact Officers

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17. Sign off

Head of Paid Service ✓

Monitoring Officer ✓

Chief Finance Officer ✓

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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