



North East Joint Transport Committee

Tuesday, 19th March, 2024 at 2.30 pm

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

AGENDA

	Page No
1. Welcome and 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 (to be given 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 16 January 2024	3 - 8
4. Forecast of Capital Outturn 2023/24 - Period to December 2023	9 - 28
5. JTC Revenue Budget Update - Reallocation of Reserves	29 - 36
6. Transport Plan Progress Report	37 - 44
7. Northumberland Line Integrated Fares	45 - 54
8. Bus Service Improvement Plan (BSIP) Capital and Revenue Programme Update	55 - 62
9. Discharge of Transport Functions by Northumberland County Council	63 - 74
10. Date of next meeting	

The next meeting will take place on Tuesday 16 April at 2.30pm in the Whickham Room, Gateshead Civic Centre.

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NORTH EAST JOINT TRANSPORT COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 16 JANUARY 2024

Meeting held: Bridges Room, Gateshead Civic Centre

COMMITTEE MEMBERS PRESENT:

Councillor: M Gannon (Chair)

Councillors: A Hopgood, C Johnson, N Kemp, M Meling, C Rowntree and G Sanderson

IN ATTENDANCE:

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

Officers: J Bailes, D Badminton-Capps, G Cocker, M Dodds, J Fenwick, P Fleming, A Flynn, A Hagg, P Holmes, G Kelly, D Laux, S Lennie, M Jackson, C Massarella, P Meikle, C Mordue, E Reynard and R Watson.

61. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Miller and Councillor E Scott.

62. DECLARATIONS OF INTEREST

There were no declarations of interest.

63. MINUTES OF THE MEETING HELD ON 19 DECEMBER 2023

The minutes were agreed as a correct record.

64. TRANSPORT BUDGET AND LEVIES 2024/2025

The Committee considered a report which set out 2024/25 Transport Budget and associated Transport Levies for the North East Joint Transport Committee (JTC) together with indicative forecasts for future years, also exemplified for consideration and approval. The budget proposals contained in the report have also taken into account comments received during consultation on the outline proposals presented to the JTC in November 2023 as well as input from members of the JTC Overview and Scrutiny Committee.

The two Combined Authorities in the JTC area are required to set the Transport Levies before 15 February 2024 to enable their constituent councils to take the levies and other contributions into account in setting their own budgets. The two Combined Authorities will formally determine to issue the levies that are agreed by the JTC at their meetings on 23 January 2024 (NECA) and 30 January 2024 (NTCA).

Until the new North East Mayoral Combined Authority (NEMCA) is established, the current decision-making arrangements apply and therefore budget and levy proposals must be agreed by the JTC. The transport budgets and levies included in the report will form part of the overall combined budget for NEMCA from May 2024.

The report provided an update on the Revenue Budget outturn for 2023/24 and set out the revenue resources planned to be used in 2024/25 to deliver the objectives of the JTC.

The proposed budget and levy for public transport activity in County Durham is £16.905m for 2024/25, of which £16.895m will be payable as a grant to Durham County Council and £10,000 retained to contribute to the central costs of the JTC. This compares with a levy for 2024/25 of £16.912m, of which £16.902m was payable as transport grant.

The proposed budget and levy for public transport activity in Northumberland is £6.562m for 2024/25, of which £6.552m will be payable as a grant to Northumberland County Council and £10,000 retained to contribute to the central costs of the JTC. This compares with a levy for 2024/25 of £6.458m, of which £6.448m was payable as transport grant.

The proposed levy for public transport activity in Tyne and Wear is £70.300m for 2024/25, of which £68.200m will be payable as a grant to Nexus. This represents a year-on-year increase of £2.500m (3.7%) in the levy compared with 2023/24 when the Tyne and Wear levy was £67.800m. As in previous years, £2.100m of the Tyne and Wear levy will be retained and used to help fund central costs of the JTC, primarily relating to historic debt charges for the former Tyne and Wear Integrated Transport Authority (TWITA) functions.

The proposed gross expenditure budget for Transport North East is £36.672m in 2024/25, funded through a range of sources, including external government grants, a contribution from the Local Transport Plan Integrated Transport Block

grant of £500,000 (equating to £62,500 for each of the seven local authorities and Nexus), a contribution from the Transport levies and interest earned on revenue balances.

A break-even position is forecast on the Tyne Tunnels revenue account for 2023/24, where increased investment income and reduction in debt financing costs will cover the deficit previously forecast for the year. For 2024/25, a break even budget will be set on the assumption that toll increases in line with RPI are applied when the Tyne and Wear Sub Committee take its decision on tolls on 18 January 2024.

The proposed increase in the tolls will apply to Class 2 and Class 3 vehicles next year. The calculated increases required, based on RPI, are from £2.20 to £2.40 for Class 2 vehicles (cars) and £4.40 to £4.80 for Class 3 vehicles. No change is proposed to the 10% discount available to pre-paid account holders or to the toll exemptions for emergency response vehicles, public bus services, disabled users and other categories of exempt vehicle as set out in the Tyne Tunnels Bylaws and River Tyne Tunnels order. The increases are required, as RPI linked increases are triggered in the contract payments to the operator of the tunnels, so the tolls must increase to maintain a balanced position.

Increased interest on revenue balances held for transport activity is forecast in the current year, and it is proposed that the additional income generated this year (£8.125m) is transferred to an earmarked reserve at the end of this financial year, to be applied to support investment and activity in future years to facilitate and following the transition to NEMCA.

Factoring in the budget proposals contained in the report, and the accompanying capital budget report to be considered later in the agenda, the JTC reserves are forecast to be £28.204 million at 31 March 2025. Details of the sums held and earmarked for specific purposes were set out in the report.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the updated forecast outturn position for the Transport budget in 2023/24 and approve the revised estimates for the year;
- (ii) Agreed a Transport net revenue budget from the levies for 2024/25 of £93.767m, as set out in section 2.4 of this report;
- (iii) Agreed the following Transport Levies for 2024/25:
 - a. Durham County Council £16,905,000
 - b. Northumberland County Council £6,562,000
 - c. Tyne and Wear Councils (detailed in Table 6) £70,300,000
- (iv) Agreed a transport revenue grant to Durham County Council for the delivery of transport services of £16,895,000, as outlined in section 2.6;

- (v) Agreed a transport revenue grant to Northumberland County Council for the delivery of transport services of £6,552,000, as outlined in section 2.10;
- (vi) Agreed a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £68,200,000;
- (vii) Approved the budget for Transport North East as set out in section 2.53 to 2.57;
- (viii) Approved the budget for the Tyne Tunnels set out in section 2.58-2.70; and
- (ix) Noted and agreed the forecast level and use of reserves at section 2.71.

65. TRANSPORT CAPITAL PROGRAMME 2024/2025

The Committee considered a report which provided an updated forecast capital outturn for 2023/24 and presented the initial 2024/25 capital programme, totalling £304.416m, for consideration and approval.

The report identified that total capital expenditure on Transport schemes of £232.693m is now forecast for 2023/24 against the revised programme budget of £278.496m – forecast slippage/underspending of £45.803m (16.4%). The main variances since the last update reported to the committee is a substantial revision of forecast expenditure on the Transforming Cities Fund Tranche 2 programme and the Active Travel Fund Tranches 2, 3 and 4 programmes. There are also variances forecast on the Bus Service Improvement Plan, the Metro Asset Renewal Programme and the Metro Flow programme which are detailed in the report.

The capital expenditure forecast on the Transforming Cities Fund Tranche 2 schemes is now estimated to be £48.212m in 2023/24. This is a revision of £12.189m on the previous forecast and is mainly due to scheme development difficulties, ongoing resource and capacity constraints and challenging market conditions which have led to some scheme promoters failing to hit assurance milestones.

£3.369m of capital expenditure is forecast on Active Travel Fund Tranches in 2023/24, which is a sizeable revision (reduction) on the previous forecast of expenditure (£22.725m) and has arisen largely due to difficulties in developments, scheme interdependencies and delays in Active Travel England sign off on final designs.

The report set out details of the Nexus Capital Programme for 2024/25, totalling £102.143m, which includes the Metro Asset Renewal Program (MARP £47.191m), Fleet Replacement Programme (MFR £50.579m), Metro Flow (MFL £1.553m) and Other Nexus Capital Projects (Nexus OCP £2.819m). At this point, no funding has been confirmed by DfT for 2025/26 and 2026/27 for the MARP. Discussions are ongoing, and a further report will be brought to the Joint Transport Committee when the outcome is known.

The programme includes an estimated £14.057m of Local Transport Plan Integrated Transport Block grant that will be received by NECA on behalf of the JTC, most of which will be paid to constituent authorities and Nexus on a quarterly basis to support their capital programmes. Expenditure on the Nexus elements is included in the sections on the Nexus capital programme and to avoid double counting the remaining £11.309m is reported against the LTP Integrated Transport Block programme line.

Most of the planned capital expenditure will be funded from specific government grants received, with these capital resources augmented with the use of earmarked reserves also. Full details of the funding of the planned expenditure were set out in the report.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the latest position in respect of the 2023/24 capital programme, summarised in section 2.1 and exemplified in more detail in the sections that follow within the report;
- (ii) Approved the proposed initial capital programme for 2024/25 which amounts to £304.416m, as summarised in section 2.1 and exemplified in more detail in the sections that follow within the report;
- (iii) Noted that grant funding for the Metro Asset Renewal Programme (MARP) for years 2025/26 and 2026/27 is still subject to Department for Transport (DfT) approval, therefore the element of Nexus' capital programme relating to the MARP in these years, can only be considered indicative at this stage, pending the outcome of ongoing discussions with DfT officials;
- (iv) Noted that a further report to consider the MARP programme once will be prepared once the grant funding for years 2025/26 and 2026/27 is confirmed by DfT; and
- (v) Approved the other elements of Nexus' capital programme (2024/25 to 2025/26) for the MARP (2024/25 only), the Fleet Replacement Programme and other projects as detailed within the report.

66. 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.'

A bid has been submitted to the Zero Emission Bus Regional Area (ZEBRA) 2 fund, which if successful, will provide funding for 43 electric buses for the North East region. The outcome of the bid is expected in mid-March.

Recent analysis of DfT statistics has shown that the North East (including Tees Valley) has seen a loss of 39 million bus miles over the past 18 years. This represents a 37% cut to the overall network. When broken down further and excluding the Tees Valley, the figures show a 31% reduction since 2010 and a 12% reduction in the 12 months leading up to March 2023. Furthermore, the statistics do not include the significant impact that Go North East industrial action had on the region's bus services at the tail end of 2023.

The redeveloped southern entrance of Sunderland rail station opened to the public on 8 December 2023. The project, which was partially funded by £16.3m from the Transforming Cities Fund (TCF), features a new ticket office, retail spaces and a new mezzanine level with office spaces reserved for rail industry staff. The southern entrance is the first step in a wider investment programme to transform the transport hub, with Sunderland Council campaigning for support for the next phases. Further works may include capacity increases and redevelopment of the station's northern entrance.

Urgent confirmation is still awaited from Government regarding the sign off of the funding for the refurbishment of the Tyne Bridge, which is due to start this month.

Councillor Kemp expressed his frustration regarding the delay of the signing off by Government Ministers for the Tyne Bridge refurbishment. He added that the consequences of any delay in starting the works are immeasurable.

Councillor Gannon agreed and added that the business case was approved in July 2023 and that confirmation has been sought since December 2023. He added that this was a colossal project which if delayed, could have profound implications on the economy and the delay would impact another year's Great North Run. He implored Ministers to sign off the project.

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

67. DATE OF NEXT MEETING

The next meeting will be held on Tuesday 20 February 2024 at 2.30pm in the Bridges Room, Gateshead Civic Centre.

North East Joint Transport Committee

Date: 19 March 2024

Subject: Forecast of Capital Outturn 2023/24 – Period to 31 December 2023

Report of: Chief Finance Officer

Executive Summary

This report provides the North East Joint Transport Committee (JTC) with an updated forecast capital outturn for 2023/24 based on the position at the end of December 2023.

The report identifies that total capital expenditure on Transport schemes of £178.340m is now forecast for 2023/24 against the revised programme budget of £243.206m – forecast slippage / underspending of £64.866m (26.7%). The main variances relate to a substantial revision of forecast expenditure on the Bus Service Improvement Plan (BSIP) (-£31.316m), the Metro Asset Renewal Programme (-£10.050m,) the Metro Fleet Replacement (-£5.965m) and the Transforming Cities Fund Tranche 2 programmes (-£15.758m) where spending has been reprofiled into later years. There are also variances forecast on the Active Travel Fund programmes (+£3.209m) which are detailed in the report.

In terms of the Bus Service Improvement Plan, Local Authorities have been undertaking detailed development work on bus priority schemes, however, delays have occurred due to resource capacity constraints and necessary programme assurance requirements meaning most of the planned spend (£31.316m) will now take place in 2024/25.

The capital expenditure forecast on the Transforming Cities Fund Tranche 2 schemes is now estimated to be £32.454m in 2023/24. This is £15.758m below the previous forecast and is mainly due to scheme development difficulties, ongoing resource and capacity constraints and challenging market conditions which have led to some scheme promoters failing to hit assurance milestones.

£6.578m of capital expenditure is now forecast on Active Travel Fund schemes in 2023/24, which is an increase on the previous estimate of £3.209m and relates to 3 schemes Whitburn Road, Sunderland, Queen Victoria Road, Newcastle and Grey Street, Newcastle. Budget provision in 2024/25 will be adjusted to offset this acceleration in spending.

An underspend of £10.050m is forecast against the revised programme for the Metro Asset Renewal Plan (MARP), due to revisions of project plans and delays in project delivery of 5 schemes detailed in the report. A variance of £5.965m is also now

forecast on the Metro Fleet Replacement project due to delays relating to a prolonged testing process. The forecast outturn is now £85.021m against a revised budget of £90.986m.

On 26 February 2024 the government published the Local Authority allocations for the Local Transport Fund. Additional funding of £72.844m has been allocated to the forthcoming North East Mayoral Combined Authority (NEMCA) for local transport improvements in County Durham for the years 2025/26 and 2026/27. Details of the grant conditions and associated assurance framework and decision making on individual schemes is yet to be published.

Total capital programme expenditure to the end of December 2023 totalled £134.144m, 75.2% of the revised forecast capital expenditure for the year.

Recommendations

The North East Joint Transport Committee is recommended to note the latest position in respect of the 2023/24 capital programme, summarised in section 2.1 and exemplified in more detail in the sections that follow.

1. Background Information

- 1.1 This report provides an update on the JTC capital programme for 2023/24 and the funding sources identified to deliver the programme, which covers a wide range of transport improvements.
- 1.2 In January 2023, the JTC approved the initial 2023/24 capital programme of £238.994m. The capital programme was updated to take account of adjustments for slippage in the 2022/23 outturn, new developments and funding secured in the year and for reprofiling proposals. The revised forecast, as reported to the JTC in January 2024 was £232.693m, with budget revisions made to adjust the budget to £243.206m.
- 1.3 The updated position set out in this report shows a revised capital programme forecast of £178.340m to year end, with expenditure to the end of December being £134.144m, or 75.2% of the revised forecast. The forecast capital expenditure to year end is £64.866m (26.7%) less than the revised budget following the January 2024 report.

2. Proposals

2023/24 Capital Programme forecast outturn

- 2.1 A summary of the Transport capital outturn forecast for 2023/24, together with details of actual expenditure to 31 December 2023 is set out in the table below, with further details provided in the sections that follow.

Table 1: Transport Capital Programme 2023/24

	2023/24 Revised Budget	2023/24 Forecast Outturn	2023/24 Updated Forecast Variance	Actual Spend to 31 Dec
	£m	£m	£m	£m
ATF Tranche 2	0.540	3.624	3.084	2.655
ATF Tranche 3	1.929	2.150	0.221	0.000
ATF Tranche 4	0.900	0.804	(0.096)	0.000
BSIP	33.291	1.975	(31.316)	0.000
CRSTS	0.000	0.000	0.000	0.000
EV Charging Infrastructure	0.153	0.153	0.000	0.153
Levelling Up Fund	4.097	1.207	(2.890)	0.000

LTP Integrated Transport Block ¹	11.391	11.396	0.005	7.434
MARP	43.686	33.636	(10.050)	20.082
MFR	90.986	85.021	(5.965)	80.511
MFL	4.126	3.083	(1.043)	3.083
Nexus OCP	3.544	2.436	(1.108)	2.013
TCF	48.212	32.454	(15.758)	17.987
Tyne Tunnels	0.287	0.337	0.050	0.226
ULEV – Taxis	0.064	0.064	0.000	0.000
Total	243.206	178.340	(64.866)	134.144

Active Travel Fund

- 2.2 In November 2020, the North East region was allocated £9.049m of grant funding from Tranche 2 of the Active Travel Fund (ATF) (£7.714m capital and £1.335m revenue). Based on the position to 31 December 2023, the 2023/24 forecast position is that spending this year will be £3.624m a variance of £3.084m against the revised budget of £0.540m, which will necessitate the reprofiling of budget from 2024/25. £2.655m grant funding has been claimed to December 2023 against 3 schemes, Grey Street, Newcastle (£1.314m) North Tyneside Strategic Corridors (£0.064m) and Whitburn Road Sunderland (£1.277m).
- 2.3 In March 2022, the North East was allocated £17.929m of capital grant funding from ATF Tranche 3. £17.612m of underspend from 2022/23 was originally rolled over into 2023/24 with a revised budget of £1.929m being forecast at the January report. The updated forecast is that spending in 2023/24 will now be £2.150m for a North Tyneside scheme, a variance of £0.221m against the revised budget due to the acceleration of spending. Other schemes within the ATF Tranche 3 programme are now entering into final development stages before delivery commences in 2024/25. Nine schemes across four local authorities were originally allocated funds, and following change control requests and the award of an additional £6.500m toward a North Tyneside scheme, there are now eight schemes and the allocation for ATF Tranche 3 totals £26.962m. A design review process on all schemes is undertaken with Active Travel England (ATE) to inform the final scheme. This ensures a quality output and is necessary prior to funding being released.
- 2.4 The majority of the allocation of Tranche 3 expenditure will be incurred next financial year, two outstanding change control requests are being finalised in partnership with ATE which will confirm the details of scheme delivery.

¹ As above. Excludes local match for MARP shown under that budget line.

- 2.5 In March 2023, the North East was also allocated £7.203m from Tranche 4 of the Active Travel Fund, of which £6.879m is capital. There are four of the schemes that are capital delivery schemes, and two that are revenue development schemes. One scheme (NCN1 – South Tyneside to Sunderland) has entered into delivery, spending in 2023/24 is forecast to be £0.804m for the South Tyneside NCN1 South Shields to Sunderland scheme against a revised budget of £0.900m, a variance of £0.096m but to date no grant funding has been defrayed. As a result, the majority of capital spend is forecast for 2024/25 with programmes and designs for all schemes being progressed at pace. Development works have progressed for the two revenue schemes.
- 2.6 The assurance process for Tranche 4 follows that for Tranche 3, in that schemes must provide an Assurance Statement and Monitoring & Evaluation plan, and also complete a design review with ATE before a GFA is issued by NECA.

Bus Service Improvement Plan

- 2.7 In April 2022, the North East's BSIP was awarded £163.5 million of indicative funding through the government's competitive BSIP funding pot, of which £73.5m was for capital expenditure. All funding has now been confirmed by DfT.
- 2.8 A series of corridor-based bus priority improvement schemes which focus on improving bus reliability on high passenger demand routes across the region was approved at JTC in July 2023 totalling £20.250m. A further £13.040m was approved for the continued roll out of Intelligent Transport Systems (ITS). Preparatory work is currently underway to develop a programme of works for the remaining allocation.
- 2.9 Forecast spend for 2023/24 is £1.975m against a revised budget of £33.291m, a variance of £31.316m which will be re-profiled into 2024/25. Local Authorities have been undertaking detailed development work on the bus priority schemes, however, due to resource capacity constraints and necessary assurance processes, this is taking longer than planned. Grant funding agreements have been progressing well since January 2024, with a number now signed off and expenditure expected to be delivered in 2024/25.

City Region Sustainable Transport Strategy

- 2.12 On establishment of the proposed mayoral combined authority, the region will be able to access £147m of new capital funds through the CRSTS. A business case, including a proposed programme to allocate this funding, will be presented to the mayor and cabinet for agreement post May 2024, which must then be submitted to Government for consideration and final sign off.
- 2.13 During the year, TNE has procured consultancy support to undertake an Independent Assessment of CRSTS candidate schemes as a means of identifying a prospective programme. An evidence-based recommendation has been developed, to ensure that the emerging indicative programme of prospective CRSTS schemes offers value for money and crucially can deliver within the CRSTS timescales.

- 2.14 Until a programme is fully developed and agreed by the new MCA, the total £147m CRSTS capital available has been indicatively profiled at £49m per annum over the period 2024/25 to 2026/27. This will be refined and updated as the programme is agreed.

Electric Vehicle Charging Infrastructure

- 2.15 Work is nearing completion on the installation of EV charging infrastructure at five further sites around the region, in West Denton, The Dunes at South Shields, Morpeth, Crook and Tynemouth Swimming Pool. Since the last report, the site in Gateshead is now live. In some cases, sites have had to be altered to reflect changing circumstances or restrictive network capacity.

Levelling Up Fund

- 2.16 Following positive subsidy control appraisal of the region's £19.5m, levelling up Fund programme, progress towards delivery of the programme has commenced. This involves the delivery of 52 electric buses and supporting infrastructure and 92 Electric Vehicle chargers at park and ride locations and key destinations. A memorandum of understanding has been signed with the Department for Transport which has seen the first capital payment of £4.104m made in January 2024. Grant funding agreements are now being prepared with scheme promoters to enable orders for vehicles and infrastructure to be placed. £1.207m is forecast to be spent in 2023/24. The remaining grant (£2.897m) is forecast to be spent by July 2024. Proportionate extensions to the programme to March 2026 have been agreed with DfT to account for the revised commencement date.

Local Transport Fund

- 2.17 On 4 October 2023, the government announced that local transport authorities (LTAs) in the North and Midlands that were not part of CRTS would benefit from a new £4.7bn Local Transport Fund (LTF) from 2025/26 until 2031/32.
- 2.18 On the 26 February 2024, the government published the Local Authority allocations for the Local Transport Fund. A total of £72,844,000 from this fund has been allocated to the forthcoming North East Mayoral Combined Authority (NEMCA) for local transport improvements in County Durham for the years 2025/26 and 2026/27. Guidance on the application and assurance associated with the scheme has not yet been published by DfT.

Nexus Capital Programme

- 2.17 The JTC approved Nexus' capital programme for 2023/24 to 2025/26 in January 2023. Following consideration of the 2022/23 outturn report a revised 2023/24 Capital Programme budget was approved by the JTC in July 2023. The programme is sub-divided into the following sections:
- i. Metro Asset Renewal Programme (MARP);
 - ii. Fleet Replacement Programme (FRP);

- iii. Other Capital Projects (OCP); and
- iv. Metro Flow (MFL).

2.18 The following report reviews the financial performance, at the end of Period 10 against the latest revised programme budget approved in terms of:

- i. Actual cumulative spend at the end of the period;
- ii. Latest forecast outturn for 2023/24; and
- iii. Actual capital grant recovery.

2.19 Nexus' revised capital programme for 2023/24, provided for gross expenditure of £142.342m. By comparison, the 2023/24 programme forecast outturn as at Period 10 stands at £124.176m. The £18.166m forecast under spend (15%) is illustrated below and detailed within the report. At the end of Period 10 the total programme spend was £105.689m, against an approved budgeted spend of £108.357m. The £2.668m variance is highlighted throughout the remainder of this report.

Table 3: Total Nexus Capital Programme

	Original Budget £m	Revised Budget £m	Actual / Forecast £m	Variance £m
Cumulative to Period 10				
Metro Asset Renewal Programme	20.819	20.819	20.082	(0.737)
Fleet Replacement Programme	80.178	80.178	80.511	0.333
Other Capital Projects	3.249	3.249	2.013	(1.236)
Metro Flow	4.111	4.111	3.083	(1.028)
	108.357	108.357	105.689	(2.668)
Outturn				
Metro Asset Renewal Programme	43.897	43.686	33.636	(10.050)
Fleet Replacement Programme	115.236	90.986	85.021	(5.965)
Other Capital Projects	3.107	3.544	2.436	(1.108)
Metro Flow	1.075	4.126	3.083	(1.043)
	163.315	142.342	124.176	(18.166)

2.20 At the end of Period 10, £100.777m of capital grant has been claimed from the DfT. This includes both the MARP and DRP. The actual amount claimed in total was 100.1% of forecast and therefore within DfT tolerance levels of +/- 5%.

Metro Asset Renewal Programme

- 2.21 Cumulative actual spend at the end of Period 10 was £20.082m (59.7% of total annual forecast) compared with an original forecast of £20.819m. This is a £0.737m under spend to date.
- 2.22 Overall, the forecast outturn for 2023/24 stands at £33.636m (including £0.469m of contingency) compared to the approved budget of £43.686m. This is a forecast under spend of £10.050m (23%). There are a number of projects that contribute to this, but those of particular note are:
- Pelaw S & C – Reflecting the staggering of works into 2024/25 to reduce the scale of line closures, reducing the impact on customers.
 - Whitley Bay Canopy – Reflecting a revision of the project plan following the appointment of Kier Transport after Buckingham Group filed for Administration.
 - Multi-Storey Car Parks – Reflecting delays in the design process owing to the standard of returns impacting on procurement timelines.
 - Control Room improvements – Reflecting delays in project delivery, but also improved forecasting as the project has progressed.
 - Nexus Office and Operational Buildings – Reflecting that project plans are in development, but no works are scheduled until the plan has been approved.
- 2.23 The December grant claim was £4.324m, compared to the forecast £4.500m and therefore within the +/- 5% DfT target. Total grant claimed to date is £21.031m and MRG (capital) grant totalling £30.900m (including £2.311m Metro Flow spend) is forecast to be claimed by year end. This represents the total available MRG (Capital) Grant for 2023/24.
- 2.24 The forecast outturn of £33.636m will be funded from £28.589m MRG capital grant from DfT, with the remaining £5.047m funded from £2.718m of local funding (LTP), plus £2.329m of MARP earmarked reserves. There is currently zero over programming. Originally over programming was £8.224m.
- 2.25 Metro Rail Grant (Capital) for 2023/24 to 2024/25 has been included as part of the North East devolution deal announced on 28 December 2022. The majority of the local contribution, currently sourced from the Public Transport allocation of the LTP Integrated Transport Block is likely to form part of CRSTS.

Fleet Replacement Programme (FRP)

- 2.26 Cumulative actual spend at the end of Period 10 was £80.511m compared to the contract reset revised expected spend of £80.178m.
- 2.27 Forecast outturn for 2023/24 is £85.021m (including a risk contingency of £0.409m), compared to the approved budget of £90.986m. The 2023/24 forecast outturn is based on the latest revised delivery programme for the new fleet of Metrocars, which takes into account delays relating to a prolonged testing

process. The £5.965m forecast underspend results in an under recovery of £4.879m against the FRG available in 2023/24. DfT have been informed and it is expected that the 2023/24 grant underspend can be re-profiled into future years.

- 2.28 The December grant claim is £5.130m compared to the forecast £5.440m and therefore slightly below the +/- 5% DfT target, at 94.3%.
- 2.29 The £85.021m forecast outturn is funded from the £89.900m DfT Fleet Replacement grant available in 2023/24. This includes forecast contingency expenditure of £0.409m and therefore if this is not incurred, spend may fall further below the forecast £4.879m under recovery of DfT Fleet Replacement grant allocation. Permission has been sought from the DfT for the virement of the under recover of grant in 2023/24.

Other Capital Projects (OCP)

- 2.30 In 2023/24 Other Capital Projects have an approved budget of £3.544m comprising of £1.878m for the Transforming Cities digital car parks project, £0.023m for the completion of the Bus Contracts system, £0.862m for Ground Investigation (GI) works at the site of the proposed North Ferry Landing relocation project, and a further £0.781m for Ferry vessels and maintenance of existing landings (North and South).
- 2.31 Cumulative actual spend at the end of Period 10 was £2.013m against the approved budget profile of £3.249m. The £1.236m under spend relates to:
- Digital Car Parking – Delays in contractor installing new and removing existing ticket machines, plus a reduction in overall use of contingency.
 - Bus Contracts system – Delays in testing due to additional software development being required.
 - Ferry North Landing Relocation – The actual cost of delivering the North Landing Relocation project GI works is less than budget.
 - Ferry – Slippage of the South Landing works and a reduction for a change in scope for the Ferry TVM solution.
- 2.32 Forecast outturn for 2023/24 is £2.436m against an approved budget of £3.544m. The £1.108m forecast underspend (31%) refers largely to the aforementioned underspend on North Landing GI works, a reduction in contingency for Digital Car Parking and slippage on the Ferry South Landing project.
- 2.33 The £2.436m outturn forecast is funded by £1.430m of Transforming Cities Grant in relation to Digital Car Parks, £0.079 LTP funding, £0.018m and £0.927m Capital Reserves.

Metro Flow (MFL)

- 2.34 Cumulative actual spend at the end of Period 10 was £3.083m, against the approved budget profile of £4.111m. The £1.028m underspend is a result of delays to delivering remaining remedial works to the main contract, which were previously being delivered by the main contractor Buckingham Group and are now delayed due to the termination of the contract.
- 2.35 Forecast outturn for 2023/24 is £3.083m compared with the approved budget of £4.126m. The forecast in-year underspend is due Buckingham Group issuing a notice of administration and the subsequent decision to terminate the contract with remedial works now scheduled to be carried out in 2024/25.
- 2.36 The forecast outturn of £3.083m is expected to be funded by £3.083m of MRG (Capital) Grant. £3.456m of 2023/24 MRG (Capital) Grant had been allocated to fund Metro Flow in this financial year. The forecast 2023/24 underspend therefore results in a £0.373m under recovery of MRG (Capital) Grant, budgeted to be used to fund Metro Flow, and zero use of TCF grant retained for Metro Flow in 2023/24.
- 2.37 Surplus TCF grant of £4.500m is anticipated, which the DFT has agreed can be retained by the region and is expected to be used as contribution towards the North Shields Ferry landing relocation.

Transforming Cities Fund

- 2.38 The North East was awarded £198m of capital grant for Tranche 2 of Transforming Cities Fund. Within the Tranche 2 schemes, £103.8m is for schemes where the decision making on funding is devolved to the region, and the remaining £94m is for the Metro Flow scheme managed by Nexus, where the decision making on the funding is retained by the Department for Transport. Updates on Metro Flow are included with the Nexus Capital Programme sections in this report.
- 2.39 Total expenditure to date within the devolved TCF Tranche 2 programme stands at approximately £64.8m, which represents 61.4% of the overall grant. This is an uplift based on the last quarters reporting. A total of £32.454m of expenditure is now forecast for 2023/24 but will be fully confirmed once final quarter claims are processed in April 2024. The remaining £29.402m is forecast to spend within the 24/25 financial year which has been confirmed with the DfT through the quarterly monitoring and reporting process implemented for TCF.

Tyne Tunnels

- 2.41 The Tyne Tunnels capital programme relates to the refurbishment of the Tyne Pedestrian and Cycle Tunnels (TPCT). The TPCT reopened for public use in August 2019 after being closed for several years for refurbishment. They are currently open to the public with no charge to users. To access the tunnels, pedestrians and cyclists can use the vertical lift at both ends. The tunnels are monitored via CCTV by the 24-hour security presence on-site.
- 2.42 The inclined glass lifts at the TPCT 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 has been significantly delayed due to the bespoke nature of the design and issues with contractors. However, the works have been completed and are in the final stages of testing and certification and should be opening to the public within the next few months.

- 2.43 There is a planned handover of the TPCT to TT2 scheduled for May 2024 on the basis that the refurbishment works are completed. However, the JTC (and any future equivalent bodies) will remain responsible for carrying out major maintenance and renewal of assets, and therefore, it is prudent to set aside funds for these capital works within the budget. An asset life cycle schedule will be developed as part of the handover documentation, which will detail when the TPCT assets are likely to require renewal based on the manufacturer's specification. This will inform the capital works budget, however in the meantime a provisional figure of £0.1m has been included in the 2024/25 budget. The future capital needs will be constantly reviewed, and the budget updated accordingly to ensure suitable provision is made for capital works.

Ultra Low Emission Vehicles – Taxi Project

- 2.44 It is expected that the final North Tyneside charger will go live imminently with orders being placed for connections. The Newcastle site remains delayed owing to legal agreements being sought. It is hoped the works will be fully complete this financial year.

3. Reasons for the Proposals

- 3.1 The proposals are presented in this report to enable the JTC to agree its capital programme for 2023/24.

4. Alternative Options Available

- 4.1 Option 1 is the recommended option.
- 4.2 Option 1 – the North East Joint Transport Committee may accept the recommendations set out in the report.
- 4.3 Option 2 – the North East Joint Transport Committee may suggest amendments or alternative proposals to be considered. Option 1 is the recommended option.

5. Next Steps and Timetable for Implementation

- 5.1 Progress against the JTC Capital Programme will be reported regularly throughout the year and monitored carefully by officers at the various delivery bodies. As and when updated information on funding bids is received, the capital programme will be updated.

6. Potential Impact on Objectives

6.1 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 potential.

7. Financial and Other Resources Implications

7.1 The financial and other resource implications are set out in the body of the report.

8. Legal Implications

8.1 The authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an Authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified. Scheme promoters are required to sign a Grant Funding Agreement (GFA) before funding is provided, within claims being made based on expenditure defrayed and an audited statement required before final retention is released. There are no other legal implications arising from this report.

9. Key Risks

9.1 Risks associated with the delivery of transport schemes by the key delivery bodies are factored into the risk management processes of those organisations.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 Projects being delivered by constituent authorities and other delivery partners, or in constituent authority areas, are subject to local consultation and planning approvals.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 None

15. Background Papers

15.1 JTC 2023/24 Capital Programme January 2023 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 17/01/2023 14:30 \(northeastca.gov.uk\)](#)

15.2 [JTC 2023/24 Capital Programme Update January 2024 \(Public Pack\)Agenda Document for North East Joint Transport Committee, 16/01/2024 14:30 \(necawebsite.s3.eu-west-2.amazonaws.com\)](#)

16. Contact Officers

16.1 Eleanor Goodman, NECA Finance Manager,
eleanor.goodman@northeastca.gov.uk

17. Sign off

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

18. Glossary

ATF – Active Travel Fund

BSIP – Bus Service Improvement Plan

CRSTS – City Region Sustainable Transport Settlement

EV – Electric Vehicles

LUF – Levelling Up Fund

LTP – Local Transport Plan

MARP – Metro Asset Renewal Plan

MFR – Metro Fleet Replacement

MFL – Metro Flow

OCP – Other Capital Projects

TCF – Transforming Cities Fund

ULEV – Ultra Low Emission Vehicles

Appendix 1 – Nexus Proposed Capital Programme 2024/25 to 2026/27

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
Metro ARP	47.191	43.941	21.816
Capital Maintenance	2.840	3.310	2.500
<i>Capital Maintenance - Existing fleet and transition.</i>	1.700	1.700	1.700
<i>Infrastructure Vehicle Renewal and Refurbishment (RRV's, wagons, etc.)</i>	0.540	0.660	-
<i>Plain Line (Heavy Maintenance)</i>	0.600	0.600	0.800
<i>Rail Grinding</i>	-	0.350	-
Civils	5.067	3.340	1.125
<i>Structural Assessments - overbridges</i>	0.075	0.075	0.075
<i>Tunnels - repairs and asbestos maintenance</i>	0.150	0.150	0.150
<i>Howdon Viaduct - Track System Renewal</i>	0.342	0.050	0.050
<i>Stoddart Street bridges - repair/waterproofing</i>	2.578	0.040	-
<i>Multi Storey Car Parks refurbishment</i>	0.066	0.925	-
<i>Surface Car Parks Refurbishment</i>	0.200	0.100	0.100
<i>Bridges - condition and assessment led repairs/painting</i>	0.750	0.750	0.750
<i>Earthworks GST-SSS</i>	0.106	-	-
<i>Carlisle Street Overbridge - deck refurbishment</i>	0.150	0.500	-
<i>Station- Heworth Interchange- Construction - Roof</i>	0.250	0.750	-
<i>Seaburn station platform repairs</i>	0.400	-	-
Level Crossings inc. foot crossing	0.100	0.100	0.100
<i>Crossing Upgrade / repairs</i>	0.100	0.100	0.100

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
Mechanical and Electrical	3.934	4.500	1.300
<i>Escalators - Haymarket (No. 1&3) 1/2 Life Refurbishment</i>	0.016	-	-
<i>Lighting inverters</i>	0.077	-	-
<i>Tunnel Lighting</i>	0.500	1.000	1.000
<i>Escalator Replacements</i>	0.850	0.505	-
<i>Lift Replacements</i>	1.120	1.680	-
<i>Fire Safety Improvement Programme</i>	0.771	0.540	-
<i>NRHQ Gas Improvement Works</i>	0.035	-	-
<i>Protection testing</i>	0.130	-	-
<i>Sump Pump Replacement Works</i>	0.225	0.225	-
<i>Lighting Control Programme</i>	0.030	0.100	0.100
<i>Decarbonisation Programme</i>	0.050	0.250	-
<i>BMS Programme</i>	0.030	0.100	0.100
<i>EV Vehicle infrastructure</i>	0.100	0.100	0.100
Overhead line	3.750	5.025	5.606
<i>OHL renewal - Continued from Phase 2 ARP</i>	3.450	3.525	3.606
<i>Replacement of fixed tensioning with automatic</i>	0.300	1.500	2.000
Permanent Way	7.058	10.345	1.031
<i>Vegetation management / Off track remedial works</i>	0.750	0.750	0.500
<i>Metro Infrastructure Boundary improvements</i>	0.100	0.100	0.100
<i>Switches & Crossings - Pelaw 7005/7006/7017 pts</i>	1.357	-	-

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
<i>Switches & Crossings - Prudhoe Street 6007A/B pts</i>	0.451	-	-
<i>Plain Line Refurbishment. SGF to Airport (Col)</i>	3.400	6.804	0.040
<i>Switches & Crossings - Monkseaton 2036Bpts (Turnout), 2034 Abpts (Crossover), 2032 AB pts (Crossover)</i>	0.750	2.300	-
<i>Lookout Protection infrastructure works</i>	0.250	0.250	0.250
<i>Bridge longitudinal timbers</i>	-	0.141	0.141
Plant	0.625	1.250	0.400
<i>Vehicle replacement Programme</i>	0.300	0.400	0.400
<i>Battery Locomotive refurbishment</i>	0.325	0.850	-
Risk Contingency	2.000	2.000	2.000
Signalling	7.561	6.898	3.380
<i>Cable Testing and Replacement</i>	0.500	0.500	0.500
<i>Location Rewire</i>	0.200	0.200	0.200
<i>Cable degradation - relay rooms</i>	1.083	-	-
<i>Scada (and Mimic)</i>	4.480	3.265	0.115
<i>LED Signal Replacement</i>	0.100	0.100	0.100
<i>Signalling componentary sundry</i>	0.200	0.200	0.200
<i>Remote condition monitoring</i>	0.100	0.100	0.100
<i>Signal Sighting works - Stop boards</i>	0.018	-	-
<i>Troughing and trayplating</i>	0.100	0.100	0.100
<i>Signalling System replacement development</i>	0.400	1.000	-

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
<i>RTMS Upgrade / refresh</i>	0.100	0.500	0.900
<i>Passenger Information Displays</i>	0.100	0.933	1.165
<i>Uninterrupted Power Supply</i>	0.100	-	-
<i>Point Heaters</i>	0.080	-	-
Stations	4.445	0.230	0.200
<i>Northumberland Park Car Park</i>	0.770	-	-
<i>Whitley Bay (Canopy)</i>	3.425	0.030	-
<i>Monkseaton (inc. canopy)</i>	0.050	-	-
<i>Chichester refurbishment</i>	0.050	0.050	0.050
<i>Halt Stations - including Sunderland line</i>	0.150	0.150	0.150
Business Applications	1.404	0.310	0.075
<i>Asset Management Software Replacement</i>	0.526	0.235	-
<i>Finance BACS application</i>	0.003	-	-
<i>Bank Note Acceptors</i>	0.800	-	-
<i>Business Applications</i>	0.075	0.075	0.075
ICT Infrastructure	3.040	0.957	0.370
<i>Microsoft SQL Server</i>	0.050	-	-
<i>Network Refresh</i>	0.050	-	-
<i>CCTV Storage Platform</i>	1.882	-	-
<i>CCTV - Safety and Security led enhancements</i>	0.050	-	-
<i>Copper ICT 50 pair cable</i>	0.110	0.050	-

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
<i>Lift Help Points</i>	0.038	0.037	-
<i>PA Speakers and Cabling</i>	0.050	0.050	0.050
<i>Office LAN</i>	0.340	-	-
<i>Telephony architecture</i>	-	0.100	-
<i>PA Head End Upgrade</i>	0.350	-	-
<i>Cyber Security / Environment Hardening</i>	-	0.425	-
<i>Wi/Fi Upgrade</i>	-	0.175	-
<i>Laptop / desktop replacement</i>	-	-	0.200
<i>Smartphone renewal</i>	0.120	0.120	0.120
Miscellaneous	4.797	1.824	-
<i>Control Centre improvements (further)</i>	1.700	-	-
<i>LV Top Shed</i>	0.150	-	-
<i>Benton Square Security</i>	0.150	-	-
<i>Infra Del NRHQ office refurb</i>	0.075	-	-
<i>Smart Card Reader 3 Upgrade / Fare collection systems</i>	1.800	-	-
<i>Nexus Office and Operational Property strategy delivery.</i>	0.872	1.824	-
<i>Upgrade TVMs, gates/barriers, validators, TOMs XP</i>	0.050	-	-
Power	0.570	0.100	0.100
<i>DC Switch Boxes</i>	0.420	-	-
<i>HV Improvements</i>	0.150	0.100	0.100
Inflation Allowance	-	3.752	3.629

Asset Category	Proposed Budget 2024/25 (£m)	Proposed Budget 2025/26 (£m)	Proposed Budget 2026/27 (£m)
<i>Inflation at 3% annually from 2027/28</i>	-	3.752	3.629
Metro Flow	1.553	-	-
Fleet Replacement Programme	50.579	32.352	0.822
<i>MSA</i>	43.283	29.031	0.822
<i>DCC</i>	0.155	-	-
<i>Project Delivery</i>	5.272	1.939	-
<i>Risk Allowance</i>	1.869	1.382	-
Other Capital Projects	1.266	0.100	0.060
<i>Ferry Vessels</i>	0.517	0.060	0.060
<i>South Landing works</i>	0.749	0.040	-
Total Capital Programme	100.589	76.393	22.698

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North East Joint Transport Committee

Date: 19 March 2024

Subject: JTC Revenue Budget Update – Reallocation of Reserves

Report of: Chief Finance Officer

Executive Summary

The JTC agreed its revenue budget for 2024/25 and considered the revised budget / outturn forecast for 2023/24 at its meeting on 16 January 2024.

Subsequent to the preparation of the reports for the meeting, the final part of the process of creating a North East Mayoral Combined Authority is now underway, with an order laid in parliament which will pave the way for the new authority to be formed, following the election.

Assuming the relevant statutory orders are passed this month and following the Mayoral Election in May the new North East Mayoral Combined Authority (NEMCA) will come into existence on Tuesday 7 May 2024, and the North East Combined Authority (NECA) will cease at that point. All assets and liabilities and contractual arrangements that NECA holds will novate to NEMCA at that point with “continuity” provisions set out in the order in this regard.

Unlike when the North of Tyne Combined Authority (NTCA) was created, the NEMCA election is before NEMCA is created and no specific funding is being provided by Government to cover the costs of the NEMCA Mayoral Election.

Costs are estimated to be in the region of £3.052m split between the North of Tyne Combined Authority (£1.392m, 45.6%) and NECA (£1.660m, 54.4%) based on the estimated costs of holding the elections in each constituent authority area and a split of regional costs based on electorate per area.

The North of Tyne Combined Authority share of the costs has been budgeted for, however, the NECA share of the NEMCA Mayoral Election costs (c£1.660m) has not and in the absence of government funding the costs need to be funded by either the NECA constituent authorities themselves or from reserves held by NECA.

The proposal is to utilise the JTC Unallocated Transport Reserve (c£0.874m) and the Transport Interest Reserve (c£0.786m) to fund these costs. This will necessitate a reallocation of these reserves from JTC to the NECA Corporate Reserve. The remaining balance on the Transport Interest Reserve (£8.179m) reflects an updated

forecast on the reserve and will be earmarked for investment in Transport related schemes and activities in support of the Regional Transport Plan from 2024/25 onwards.

Recommendations

The North East Joint Transport Committee is recommended to approve the reallocation of the JTC Unallocated Transport Reserve (c£0.874m) and an element of the Transport Interest Reserve (c£0.786m) to the NECA Corporate Reserve to fund the NECA constituent authority share of the NEMCA Mayoral Election.

1. Background Information

- 1.1 The JTC agreed its revenue budget for 2024/25 and revised budget / outturn forecast for 2023/24 at its meeting on 16 January 2024.
- 1.2 Subsequent to the preparation of the reports for the meeting, the final part of the process of creating a North East Mayoral Combined Authority is now underway, with an order laid in parliament which will pave the way for the new authority to be formed, following the election.
- 1.3 Providing the Order receives Royal Assent before 25 March 2024 (the start of the Pre-Election notice period), the Mayoral Election for the North East Mayoral Combined Authority (NEMCA) will take place on Thursday 2 May 2024, with NEMCA legally coming into existence at 00:01 on Tuesday 7 May 2024.
- 1.4 The North East Combined Authority (NECA) will cease to exist on Tuesday 7 May 2024. All assets and liabilities and contractual arrangements that NECA holds will novate to NEMCA at that point, with “continuity” provisions set out in the order in this regard.
- 1.5 The estimated costs to facilitate the election, which is being co-ordinated by Sunderland City Council, including the costs of the MCA / candidate information booklet that will be distributed to every person eligible to vote in advance of the election, is £3.052 million.

2. Proposals

MCA Election 2 May 2024 – Forecast Costs

- 2.1 Appendix 1 sets out details of the estimated costs of holding the election in each area. Costs vary depending on the number of polling stations. They relate to the MCA share of costs, with costs associated with the Police and Crime Commissioner Election and (where appropriate) local elections that will be held on that day recharged separately and helping to reduce overall costs of the MCA election. Appendix 2 provides a breakdown of the cost’s estimates provided by each constituent authority for conducting the MCA election.
- 2.2 The estimated costs will be firmed up as plans are further developed and finalised around the election in each area, such as staffing costs, any increase in electorate, number of electors voting by post etc and some of these will not be finalised until after the election, for example postage costs for returned postal votes which will depend on turnout.
- 2.3 The costs estimates would change if there was a parliamentary election called for 2 May 2024 as an element of these costs would be apportioned to that election also.
- 2.4 The forecast costs can be summarised as follows:

Combined Authority Area	Regional Costs (Apportioned)	Constituent Authority Costs	Total
	£	£	£
NECA	618,919	1,041,006	1,659,925
NTCA	434,805	957,424	1,392,229
Total	1,053,724	1,998,430	3,052,154

MCA Election 2 May 2024 – Funding

- 2.5 Unlike when the North of Tyne Combined Authority (NTCA) was created, the costs of the MCA election cannot be charged to the NEMCA as the costs relate to an event before it legally exists.
- 2.6 The NEMCA election is before NEMCA is created and no specific funding is being provided by Government to cover the costs of the NEMCA Mayoral Election.
- 2.7 NECA does not have access to any devolution funding and has not set aside any earmarked reserves to meet its share of the costs (c£1.660m). In the absence of government funding the costs need to be funded by either the NECA constituent authorities themselves or from reserves held by NECA / the JTC.
- 2.8 Within the JTC held Transport linked reserves there is an unearmarked general transport reserve of £874,000 and an earmarked reserve that has been created in 2023/24 from the investment income (interest) earned on transport linked grant such as the Bus Service Improvement Grant, Active Travel and Transforming Cities Grant and other DfT funding which was paid upfront in advance of expenditure being defrayed.
- 2.9 The earmarked reserve linked to interest earned is now forecast to be £8.965m to 31 March 2024 (an increase of £0.84m on the figure previously reported to JTC). The intention was for this to be ring fenced as a source of income to offset constituent authority match funding requirements for CRTS and other transport schemes as they come forward.
- 2.10 There is nothing in the Transport Orders or legally from a technical accounting perspective to prevent the unearmarked Transport Reserve or an element of the Transport Interest Reserve to be transferred to NECA to create an Election or Transition budget (for the costs that will need to be accounted for in 2023/24 given the extension to the year-end) to offset the NECA authorities share of the costs of conducting the NEMCA Mayoral Election.
- 2.11 The proposal is to utilise the JTC Unallocated Transport Reserve (c£0.874m) and the Transport Interest Reserve (c£0.786m) to fund the NECA share of the NEMCA Mayoral Election costs. This will necessitate a reallocation of these reserves from JTC to the NECA Corporate Reserve. The remaining balance on the Transport Interest Reserve (£8.179m) will remain earmarked for investment

in Transport related schemes and activities in support of the Regional Transport Plan from 2024/25 onwards.

3. Reasons for the Proposals

- 3.1 The proposals are presented in this report to enable the JTC to agree the transfer of JTC reserves to the NECA Corporate Reserve to help offset the NECA share of the NEMCA Mayoral Election Costs.

4. Alternative Options Available

- 4.1 Option 1 – the North East Joint Transport Committee may accept the recommendations set out in the report.
- 4.2 Option 2 – the North East Joint Transport Committee may suggest amendments or alternative proposals to be considered. Option 1 is the recommended option.
- 4.3 Option 1 is the recommended option. If the recommendations in the report are not agreed, a special meeting of the JTC would be urgently required in order to agree 2024/25 Transport Levies before the statutory deadline of 15 February 2024.

5. Next Steps and Timetable for Implementation

- 5.1 Subject to JTC agreement to the proposals set out in this report, the reallocation of reserves will be actioned and the costs of the Mayoral Election will be funded via NECA as part of the outturn and closedown of the 2023/24 year end, which has been extended to accommodate the creation of the new authority.

6. Potential Impact on Objectives

- 6.1 The budgets presented in this report are aligned to the achievement of the Transport policy objectives of the JTC. They allow a balanced budget to be established in 2024/25 and include a strategy to enable the delivery of services over the medium term.

7. Financial and Other Resources Implications

- 7.1 The financial and other resource implications are set out in the body of the report.

8. Legal Implications

- 8.1 Decisions on the reallocation of reserves are matters for the JTC to decide. There is nothing in the Transport Orders or legally from a technical accounting perspective to prevent the unearmarked Transport Reserve or an element of the Transport Interest Reserve to be transferred to NECA to create an Election or Transition budget (for the costs that will need to be accounted for in 2023/24 given the extension to the year-end) to offset the NECA authorities share of the costs of conducting the NEMCA Mayoral Election.

9. Key Risks

9.1 Transferring the reserves as set out in the report will reduce the ability to offset match funding requirements going forwards, however, in the absence of government funding the costs need to be funded by either the NECA constituent authorities themselves or from reserves held by NECA / the JTC.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The 2024/25 budget was subject to consultation with JTC, JTC Overview and Scrutiny Committee and officer groups.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 Appendix 1 – NEMCA Mayoral Election Cost Estimates & Apportionment Summary
Appendix 2 – Estimate cost for the CAM election for each voting area

15. Background Papers

15.1 Draft JTC Budget Proposals 2024/25 – report to JTC 16 January 2024 ([Public Pack](#))[Agenda Document for North East Joint Transport Committee, 16/01/2024 14:30 \(necawebsite.s3.eu-west-2.amazonaws.com\)](#)

16. Contact Officers

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17. Sign off

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

North East Joint Transport Committee

Appendix 1

NEMCA Mayoral Election Cost Estimates & Apportionment Summary

Constituent Authority	Electorate Per Constituent Authority	Regional Costs (See Below) Apportioned	Estimated cost - Holding the Election (Figures from Constituent Authority DROs)	Total Costs
Durham	389,851	£281,474.84	£586,896.00	£868,370.84
Gateshead	143,458	£103,577.56	£126,430.02	£230,007.58
South Tyneside	114,114	£82,391.01	£125,442.00	£207,833.01
Sunderland	209,798	£151,475.46	£202,238.13	£353,713.59
NECA Total	857,221	£618,918.87	£1,041,006.15	£1,659,925.02
Newcastle	187,242	£135,189.88	£254,648.84	£389,838.72
North Tyneside	158,011	£114,084.92	£143,447.00	£257,531.92
Northumberland	256,965	£185,530.32	£559,328.58	£744,858.90
NTCA Total	602,218	£434,805.12	£957,424.42	£1,392,229.54
Grand Total	1,459,439	£1,053,723.99	£1,998,430.57	£3,052,154.56

Item	Regional Costs
Information Booklet print and postage	£1,032,987.00
Staffing/ training	£11,325.00
Venue costs	£1,912.00
Stationery and equipment	£500.00
Other	£7,000.00
Regional	£1,053,724.00

North East Joint Transport Committee

Appendix 2

Estimate cost for the NEMCA election for each voting area

Electoral Area	Durham	Gateshead	Newcastle	N'land	North Tyneside	South Tyneside	Sunderland
Electorate	389,851	143,458	187,242	256,965	158,011	114,114	209,798
Number of Postal Voters	80,921	56,805	67,245	75,426	47,410	33,986	86,558
Postal voters as % of electorate	20.76%	39.60%	35.91%	29.35%	30.00%	29.78%	41.26%
Number of Polling stations	409	102	123	227	98	80	121
Polling Station costs	273,482.00	45,026.50	33,500.00	211,589.67	40,201.00	48,000.00	55,697.06
Postal Vote costs	106,827.00	35,143.47	24,906.94	190,877.88	39,040.00	38,000.00	70,342.32
Poll card costs	132,893.00	11,422.93	38,056.94	58,210.50	47,905.00	10,000.00	17,112.66
Verification and count costs	68,694.00	18,203.56	16,217.33	41,929.48	11,666.00	16,000.00	42,208.76
Other	5,000.00	16,633.56	141,967.63	56,721.05	4,635.00	13,442.00	16,877.33
Total	586,896.00	126,430.02	254,648.84	559,328.58	143,447.00	125,442.00	202,238.13

North East Joint Transport Committee

Date: 19th March 2024
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.' Key points include the following:

The BSIP funded 21 & under tickets hit a new milestone in February with over 10 million journeys taken using both the £1 single and £3 day tickets.

As a result of regional partnership working, the Go North East service 50 will now have additional, early morning services which align with shift patterns at the Nissan factory. The revised service will begin operating on 24 March 2024.

The final of recent Metro closures will take place between 29 March and 1 April 2024 between Heworth and South Gosforth, works have been part of a £38 million programme to prepare for the introduction of the new fleet of trains.

A Leamside Line All Party Parliamentary Group (APPG) met on 21 February in Westminster, chaired by Paul Howell MP for Sedgefield. The session was well attended by our region's MPs.

Passenger services on the Northumberland Line are due to open from Summer 2024. To allow for services to start at the earliest possible opportunity, a phased approach has been confirmed for opening – with Ashington, Newsham and Seaton Delaval open from this summer.

The Government has announced that £72,844,000 has been allocated to the forthcoming North East Mayoral Combined Authority (NEMCA) for local transport improvements in County Durham for the years 2025/26 and 2026/27 from the Local Transport Fund.

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

Go North East Recruitment – Go North East have plans to hire up to 200 new drivers through a newly created “Elite Bus Driver Academy”. Applicants will take place in an intensive six-week training programme that is open to new recruits and those with an existing bus drivers license. The recruitment drive is being supported by a marketing campaign that has been fitted across a fleet of buses operating in the region. The campaign is hoping to support the significant investment being spent across the North East through the Bus Service Improvement Plan.

BSIP Fare Numbers – The BSIP funded 21 & under tickets hit a new milestone in February with over 10 million journeys taken using both the £1 single and £3 day tickets. In hitting this milestone, we estimate that the incentives have saved young people across the region £7m in total, added £18m in societal value and halved emissions if those journeys had otherwise been taken by car.

The adult day tickets are still relatively new to the market however data from early sales shows that each ticket is being used an average of 3.5 times and a positive sign that they are being used for either multi-leg journeys or extra journeys are being taken. Further advertising of these tickets took place in the new year, so sales and usage is expected to increase further.

BSIP services – As a result of joint working between South Tyneside Council, Nexus, NA College Trust, the North East Automotive Alliance and the IAMP, the Go North East service 50 will now have additional early morning services which align with shift patterns at Nissan. BSIP funding has been utilised to make this possible. The revised service is due begin operation on 24 March 2024.

This partnership working came about following South Tyneside Council securing £2.5m in Department for Education funding to deliver a skills bootcamp in electric vehicle manufacturing. The bootcamp has been developed in partnership with Nissan and will help support the existing and future workforce. These additional services will create easier access to jobs at Nissan and the skills bootcamp for residents of South Tyneside.

Another new BSIP funded service that has been creating access to jobs in the region is the Arriva 777 which launched the end of January and provides a link between Morpeth, Kirkley Hall, Ponteland and Newcastle airport. It is hoped that this service will not only provide an easier public transport link to the airport for

those living in Northumberland, but also for those residents who are now able to access jobs available at the airport.

2.2 Metro

Metro Line Closures – The final of recent line closures will take place at the end of March and early April 2024. The closures are part of a £38 million programme to prepare for the introduction of the new fleet of trains. An outline of the closure dates is included below:

Planned Closure	Date
Bus replacement between Heworth and South Gosforth	29/03/24 – 01/04/24

Gosforth Depot – The £70m project to build a new depot for the Tyne and Wear Metro was completed in January. The new depot, built on the site of the previous depot, will house the existing fleet and the new fleet as the remaining trains arrive in the North East. The depot includes features 17 new train stabling lines, and new overhead lines and signalling systems. The completion of the new depot represents a major step forward in the £362m Metro fleet project.

3. **Connectivity beyond our boundaries**

3.1 Rail

Leamside Line – Work is continuing on the next stages of the delivery of Leamside Line project. The business case for the Washington Metro Loop which is being developed by Nexus is also making good progress. A Leamside Line All Party Parliamentary Group (APPG) met on 21 February in Westminster, chaired by Paul Howell MP for Sedgefield. The session was well attended by our region’s MPs. Activity is also underway on a new Leamside Line campaign microsite and case studies with regional businesses.

The Leamside Programme Board was held with partners in January 2024. Updates were provided on the different phases of the project – the development of the Washington Metro Loop OBC, the planned Ferryhill Station reopening and business case development for the wider Leamside Line.

Northumberland Line – Passenger services on the Northumberland Line are due to open from Summer 2024. To allow for services to start at the earliest possible opportunity, a phased approach has been confirmed for opening – with Ashington, Newsham and Seaton Delaval open from this summer. Work is ongoing to get the other planned stations opened as quickly as possible, although the exact dates are still to be finalised.

Partnerships workstream – Transport North East are currently working towards the development of a prospectus to inform the NEMCA Cabinet of options for agreeing a formal rail partnership. This prospectus will be shaped with internal and external partners. Introductory meetings have been held with GBRTT and Network Rail. An update on the progress of the workstream was presented to devo workstreams in February 2024.

Rail and Metro Extensions workstream – Transport North East are currently working towards the development of a prospectus of potential local rail and metro extensions. This prospectus will be shaped with internal and external partners. Feedback from partners is being reviewed, and further stakeholder workshops with external partners will commence in early 2024.

Industrial relations – ASLEF have recently taken additional industrial action at two train companies operating in the region - LNER and Northern. This included strike action on Friday 1 March and an overtime ban between 29 February to 2 March.

Members of the RMT Union agreed to an improved pay offer in November 2023, meaning they will not be involved in industrial action until Spring 2024 at the earliest.

Draft Rail Reform Bill – On 20 February the Government published the Draft Rail Reform Bill. This is a small and technical Bill that would bring together Franchising Authority functions (currently held by the Secretary of State for Transport) and Infrastructure Management functions (currently held by Network Rail) into a single public sector organisation, Great British Railways (GBR). The intention is that GBR will contract out responsibility for running train operations.

The Bill specifies an accountability framework for GBR, including a requirement to produce an annual integrated business plan covering all areas for which it is responsible, and a further report setting out how it has increased the private sector's involvement in running railway services in the previous financial year.

The draft legislation does not provide detail on the proposed regional structure of GBR, the operation of regional rail partnerships, or the timescales for agreeing the new Passenger Service Contracts, which are intended to replace the National Rail Contracts agreed during the COVID-19 pandemic.

Members should note that this is a Draft Bill which must undergo pre-legislative scrutiny by the Transport Committee before entering the Government's legislative programme. We anticipate there will be an opportunity to provide written feedback on the Draft Bill during this process. However, as a general election must be held by January 2025, and given the standard scrutiny timescales, the Rail Minister has said this Bill is unlikely to receive Royal Assent before Parliament is dissolved for a general election.

4. Making the right travel choice

- 4.1 Local Growth Fund (LGF) EV Charger Programme – Progress continues to be made on the installation of rapid EV chargers across the region, more sites are expected to go live shortly.

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

5.1 Tyne Tunnels Update

In December 2023 there were 1.472 million vehicle journeys through the Tyne Tunnels, which is a year on year increase of circa 34,000 journeys from 1.438 million in the same month in 2022, reflecting the continued growth in traffic using the tunnels. At the same time, non-compliance, which is a measure of the number of customers who failed to pay when payment was due, continues to remain below target (3%), demonstrating that the vast majority of users are able to make payment within the payment window.

Pedestrian & Cyclist Tunnel update

The Pedestrian & Cyclist Tunnel continues to be open 24/7 and work on the bespoke inclined lifts is progressing well, with the work now in the final stages of testing and certification. Once certified, the inclined lifts will enter a 'bedding-in period' during which they will be open to the public and their performance under sustained use will be monitored. It is anticipated that the inclined lifts will need to be taken out of service at points during this period for maintenance.

- 5.2 Tyne Bridge Restoration Works – Lane closures on the Tyne Bridge began on Monday 29 January to allow for pre-enablement works to begin, the restrictions are in place to protect the public and workers as unloading takes place and scaffolding is erected. Traffic across the bridge will be reduced to one lane in each direction from 9:30am till 3:30pm, Mondays to Fridays until 1 March.

Previous to this work, alternative nesting provision for kittiwakes was erected for when the kittiwakes return for their breeding season later this year.

The DfT have now released the £35.2m in funding they have allocated for the project, so further stages of works will be able to begin following the completion of this phase.

- 5.3 Local Transport Fund Announcement – On 4 October 2023, the government announced that local transport authorities (LTAs) in the North and Midlands would benefit from a new £4.7bn Local Transport Fund (LTF) from 2025/26 until 2031/32.

On the 26 February 2024, the government published the Local Authority allocations for the Local Transport Fund. A total of £72,844,000 from this fund has been allocated to the forthcoming North East Mayoral Combined Authority (NEMCA) for local transport improvements in County Durham for the years 2025/26 and 2026/27. Guidance on the application and assurance associated with the scheme is due from DfT.

6. Transport Usage Trends

- 6.1 Most recent Metro passenger numbers were estimated to be 85% of pre-pandemic levels. Bus passenger numbers in January were estimated to have increased by 5% compared to January 2022 levels. At a range of sites across the region, traffic volumes were around 5% up on January 2022 levels. In Jan 2024, at a range of sites across the region, cycling was up approximately 35% on December 2023. This is a return to levels previously seen in November 2023.

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.

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 None.

19. Background Papers

19.1 None.

20. Contact Officers

20.1 Tobyn Hughes, Managing Director, Transport North East

Tobyn.hughes@transportnortheast.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.

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North East Joint Transport Committee

Date: 19 March 2024
Subject: Northumberland Line Integrated Fares
Report of: Managing Director, Nexus

Executive Summary

This report seeks the Joint Transport Committee's approval for new fares that will allow integrated multi-modal journeys using a combination of the Northumberland Line and the Tyne and Wear Metro.

Nexus has worked with Northumberland County Council and Northern Trains Ltd (the operator of the Northumberland Line) to identify a set of integrated fares that is attractive and affordable.

The proposals is that customers will pay for multi modal journeys using "Pop" which is available both as a smartcard and an Android smartphone app. Like existing "Pop" users, Northumberland Line passengers will "touch in" at either a station validator or at an automatic ticket gate when starting their journey, and "touch out" at their final destination.

Subject to Committee approval of the proposals in this report:

- (i) A new fare zone needs to be established by Nexus, which will expand the coverage of the zonal system that is currently used to determine the price of travelling by Metro (see Appendix C).
- (ii) Customers will be able to use "Pop Pay As You Go" which is an Oyster-style system through which the ticketing system automatically calculates the cheapest fare for every trip taken, and applies a daily cap, the maximum fare a customer will be charged for travel in one day.
- (iii) Young people aged 21 and under will particularly benefit as they will have access using "Pop Blue" to single trips priced at £1 for travel anywhere on the Northumberland Line and Metro system, with daily caps of £1.70 for children under 16 and £2.20 for young people aged 21 and under.
- (iv) All commercial season tickets on offer to Tyne and Wear Metro customers will have their price range expanded to include travel along the Northumberland Line using the new fare zone.

- (v) Customers using the Northumberland Line will also have the choice of buying tickets that are valid for rail journeys only. The price of these tickets will be established by Northern Trains Ltd separately and are not covered by this report.

Recommendations

The North East Joint Transport Committee is recommended to:

- I. Approve the proposed integrated fares agreed between Nexus and Northern Trains Ltd to enable multi modal journeys on the Northumberland Line as set out in section 2 of this report, to be implemented from the point that rail services commence on the Northumberland Line;
- II. Note the alternative options explored as part of the fares review process (Section 4 refers);
- III. Note that negotiations concerning a mechanism for sharing ticket revenues for multi modal trips continue between Nexus and the operator, Northern Trains Ltd.

1. Background Information





- 1.1 The Northumberland Line project, led by Northumberland County Council, will bring passenger trains back to the existing freight only railway line between Ashington and Newcastle in 2024.
- 1.2 Joint Transport Committee (JTC) was briefed in September 2020 concerning proposals associated with the Northumberland line operating model. The business case associated with the operating model subsequently established that fare levels on the Northumberland Line were to be set in alignment with the Nexus zonal fare structure levels. It is expected that adopting this approach will drive demand levels and deliver greater economic benefits for the region through full integration with the Tyne and Wear Metro.
- 1.3 Customers will be offered a wide range of products on the Northumberland Line including:
- Zone based products retailed on the Pop Smartcard and Android Smartphone will be offered to provide fully integrated options for customers, allowing seamless travel between the Northumberland Line and the Tyne and Wear Metro network.
 - Established rail only products will be offered on the line by the operator of trains on the line, Northern Trains Limited, including paper-based tickets.
 - “Add on” tickets for the Tyne and Wear Metro network will be offered to those wishing to purchase rail only products, in accordance with established ticketing options elsewhere on the national rail network.
- 1.4 By adopting Nexus zonal fare structures, fares associated with one, two and three zone are established by Tyne and Wear Sub-Committee (TWSC). Fares to be charged from 1 April 2024 were set and agreed at the meeting of TWSC on 18 January 2024.
- 1.5 Due to distances that can be travelled on the Northumberland Line respective to the Metro network geography an integrated fare agreed by Nexus and Northern Trains Ltd needs to be agreed to allow travel between heavy rail and metro. This will involve the establishment of an additional zone, zone D. Please see appendix C for a map showing the proposed zone boundaries.
- 1.6 The preferred option is to establish an integrated fare that mirrors the method for setting of the existing one, two and three zone fares for Metro. This proposal is detailed in section 2.
- 1.7 The Joint Transport Committee is being asked to consider this proposal due to the potential expansion of zonal fares outside of Tyne and Wear into Northumberland, thereby covering a wider geography than that covered by the TWSC.

2. Proposals

2.1 Integrated travel between the Northumberland Line and Tyne and Wear Metro will be fulfilled on Pop smartcards and Android Smartphone, including Pop Pay as You Go (Pop PAYG), Junior Blue, Pop Blue and Pop season ticket cards.



2.2 *Young persons fares*

Young people currently benefit from a number of smartcard based products on Tyne and Wear Metro. These products are offered on the basis of travel across all zones, rather than different zone combinations. It is therefore proposed to extend the validity of these existing products to include Northumberland Line, with no additional fare points required. The table below summarises the full list of products that will be available for young people on the Northumberland Line.

Product		Fares
	Junior Blue (Under 16) All zones	Single £1.00 Daily Cap £1.70
	Pop Blue (21 and under) All zones	Single £1.00 Daily Cap £2.20
	18 and under season ticket All zones	1 week £9.50 4 week £36.90
	Student season ticket All zones	4 week £66.50 Annual £497.00

2.3 *Short Term Adult Products*




On the day travel for adults will be facilitated with the Pop PAYG card. Fares already set by TWSC for one, two and three zone journeys will be valid on Northumberland Line. The table below shows the full zonal combinations that will be offered for single and Daily Cap fares in order to enable seamless travel between the two networks. One, two and three zone fares that have already been set are shown alongside the proposed fares for a new fourth zone.

Short Term Adult Products	 Single	 Daily Cap (Pop PAYG)
One zone (A, B, C, D)	£1.80	£2.90
Two zone (A+B, B+C, C+D)	£2.70	£4.00

Three zone (A+B+C, B+C+D)	£3.40	£5.00
Four zone (A+B+C+D)	£3.80	£6.20

2.4 *Adult Season Ticket products – One week, four week, annual and corporate*

As well as offering adults turn up and go fares on the Pop PAYG smartcard, Nexus also offer season based tickets on Pop smartcards. It is proposed for these products to also be extended to be offered on the Northumberland Line, allowing regular users of both networks to benefit from integrated seamless travel. Adapting the multipliers established by the adult Pop PAYG product, proposed fares are established below for adult season ticket products.

Season Tickets for adults	 One Week	 Four week	 Annuals
One zone (A, B, C, D)	£13.20	£50.70	£559.00
Two zone (A+B, B+C, C+D)	£19.40	£72.50	£780.00
Three zone (A+B+C, B+C+D)	£25.70	£94.00	£864.00
Four zone (A+B+C+D)	£30.00	£105.00	£985.00

Nexus also offer discounts for annual products to customers who join via the Corporate scheme. This scheme will be extended to including Northumberland Line. A discount of roughly 20% is applied to standard annual season tickets, resulting in a four zone (A+B+C+D) Corporate season ticket fare of £790.

2.5 Appendices A and B provide a full list of integrated products that will be available to use for travel on Northumberland Line and Tyne and Wear Metro.

3. Reasons for the Proposals

3.1 The proposals in this report aim to provide customers with a wide range of options for integrated travel on Northumberland Line and Tyne and Wear Metro. The business case for Northumberland Line highlighted that by adopting this approach, it is likely that demand levels will be driven higher and greater economic benefits for the region could be achieved.

4. Alternative Options Available

4.1 In addition to the option detailed in section 2, further options at lower and higher price points were considered. However, a daily cap of £6.20 is broadly in line with established fare multipliers for Pop products and a lower or higher

fare will stray beyond the principles established in the 1 April 2024 fare setting process agreed at the meeting of TWSC on 18 January 2024.

4.2 The North East Joint Transport Committee are asked to consider the following options:

Option 1 – The North East Joint Transport Committee may accept the recommendation set out in paragraphs 2.1 to 2.4 above.

Option 2 – The North East Joint Transport Committee may not accept the recommendations set out in paragraph 2.1 and 2.4 and instruct Nexus to further consider higher priced options covered in paragraph 4.1.

5. Next Steps and Timetable for Implementation

5.1 Should the North East Joint Transport Committee approve the proposed fares for a new 4th zone covered in this paper, the fares will be established at the point trains commence service on Northumberland Line.

5.2 Nexus will continue to engage in discussions with Northern Trains Limited concerning a mechanism for sharing ticket revenues for multi modal trips.

6. Potential Impact on Objectives

6.1 The proposals contained in this report intend to ensure the requirements of the Northumberland Line business case are met, achieving greater potential for customer growth on the new railway line and benefit economic development in the region.

7. Financial and Other Resources Implications

7.1 Given this proposal is only to set the fare within the 4th zone, and because the method for calculating the reimbursement has not been agreed, Nexus' Director of Finance & Resources confirms that there are no immediate financial implications arising.

8. Legal Implications

8.1 Nexus continues to work with Northern Trains Limited to establish a "Master Services Agreement" that will establish the working arrangements between the two parties, including the method for calculating reimbursement of fare revenue. Regular review points will be established as part of this agreement.

9. Key Risks

9.1 If the proposals contained in this report are not approved, it will not be possible to deliver a fourth zone fare in time for the introduction of trains on Northumberland line. This will deny the opportunity for the line to deliver fully integrated travel at the outset of operations. It could also influence Northern

Trains Limited in their decision making concerning what fare level is established for rail only products.

10. Equality and Diversity

- 10.1 The proposals contained in this report ensure reasonable fares are introduced for adult fare payers in the context of attracting custom whilst also ensuring financial stability for the line.
- 10.2 Particular attention has been made to younger customers to ensure that fares are consistent with regionwide offers including the £1 single fare, to be made available on Junior Blue and Pop Blue smartcards.

11. Crime and Disorder

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

12. Consultation/Engagement

- 12.1 There are no specific consultation / community engagement considerations.

13. Other Impact of the Proposals

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

14. Appendices

- 14.1 Appendix A – full list of proposed integrated adult fares for Northumberland line.
Appendix B – full list of proposed integrated young person’s fares for Northumberland line.

15. Background Papers

- 15.1 North East Joint Transport Committee Tuesday, 15th September, 2020
<https://necawebsite.s3.eu-west-2.amazonaws.com/wp-content/uploads/2020/09/05145620/2020.09.15-JTC-Public-Agenda-Pack.pdf>
- 15.2 Joint Transport Committee Tyne and Wear Sub-Committee Thursday, 18th January, 2024
<https://necawebsite.s3.eu-west-2.amazonaws.com/wp-content/uploads/2024/01/05144949/2024.01.18-TWSC-Public-Agenda-Pack.pdf>

16. Contact Officers

16.1 Catherine Massarella, Managing Director Nexus

E-mail catherine.massarella@nexus.org.uk Tel: 07785380728

17. Sign off

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

18. Glossary

Daily cap/Day cap – refers to the maximum fare a customer will be charged for travel in one day

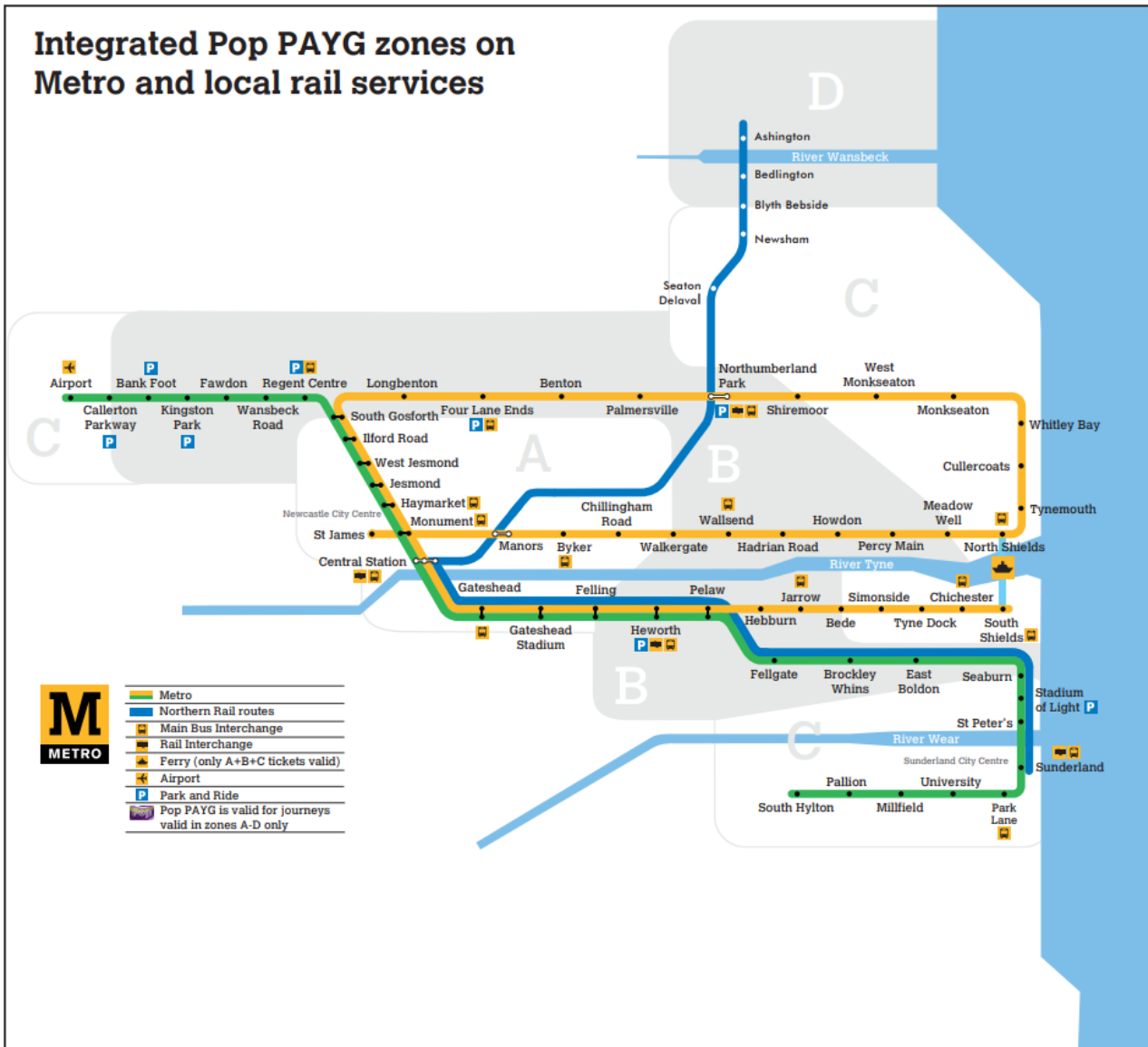
Appendix A – full list of integrated adult fares on Northumberland line

Integrated adult fares to be offered at launch of Northumberland line	
Product	
Single 1 Zone PAYG (A, B, C, D)	£1.80
Single 2 Zone PAYG (A+B, B+C, C+D)	£2.70
Single 3 Zone PAYG (A+B+C, B+C+D)	£3.40
Single All Zones PAYG (A+B+C+D)	£3.80
Daily Cap 1 Zone PAYG (A, B, C, D)	£2.90
Daily Cap 2 Zone PAYG (A+B, B+C, C+D)	£4.00
Daily Cap 3 Zone PAYG (A+B+C, B+C+D)	£5.00
Daily Cap All Zones PAYG (A+B+C+D)	£6.20
Metro Season 1 Week 1 Zone (A, B, C, D)	£13.20
Metro Season 1 Week 2 Zone (A+B, B+C, C+D)	£19.40
Metro Season 1 Week 3 Zones (A+B+C, B+C+D)	£25.70
Metro Season 1 Week All Zones (A+B+C+D)	£30.00
Metro Season 4 Week 1 Zone (A, B, C, D)	£50.70
Metro Season 4 Week 2 Zone (A+B, B+C, C+D)	£72.50
Metro Season 4 Week 3 Zones (A+B+C, B+C+D)	£94.00
Metro Season 4 Week All Zones (A+B+C+D)	£105.00
Metro Season Annual 1 Zone (A, B, C, D)	£559.00
Metro Season Annual 2 Zone (A+B, B+C, C+D)	£780.00
Metro Season Annual 3 Zones (A+B+C, B+C+D)	£864.00
Metro Season Annual All Zones (A+B+C+D)	£985.00
Corporate Annual 1 Zone (A, B, C, D)	£480.00
Corporate Annual 2 Zone (A+B, B+C, C+D)	£630.00
Corporate Annual 3 Zones (A+B+C, B+C+D)	£680.00
Corporate Annual All Zones (A+B+C+D)	£790.00
Add Zone 1 Day 1 Zone (Season add on)	£4.40
Add Zone 1 Day 2 Zone (Season add on)	£5.60
Add Zone 1 Day 3 Zone (Season add on)	£5.90

Appendix B – full list of integrated young persons fares on Northumberland line

Integrated young person fares to be offered at launch of Northumberland line	
Product	
Pop blue 21 and Under Single PAYG (A+B+C+D)	£1.00
Pop blue 21 and Under Day PAYG (A+B+C+D)	£2.20
18 and Under Metro Season 1 Week All Zones (A+B+C+D)	£9.50
18 and Under Metro Season 4 Week All Zones (A+B+C+D)	£36.90
Junior blue Under 16 Single PAYG (A+B+C+D)	£1.00
Junior blue Under 16 Day PAYG (A+B+C+D)	£1.90
Student Metro Season 4 Week All Zones (A+B+C+D)	£66.50
Student Metro Season Annual All Zones (A+B+C+D)	£497.00

Appendix C – map showing new zonal structure



North East Joint Transport Committee

Date: 19th March 2024

Subject: Bus Service Improvement Plan (BSIP) Programme Update

Report of: Managing Director, Transport North East.

Executive Summary.

This report provides an update on the Bus Service Improvement Plan (BSIP) capital and revenue programmes focusing on milestones delivered to date, and outlines proposals to advance the BSIP programme to ensure delivery by March 2025.

In addition, as part of a series of key mitigation measures relating to the Tyne Bridge restoration project, which is due to commence in early 2024, it is proposed that BSIP capital funds totaling £960,000 are allocated to accelerate the delivery of bus priority measures on Lambton Street, Gateshead town centre, subject to the production and agreement of outstanding assurance requirements.

Recommendations

The North East Joint Transport Committee is recommended to:

- i. Note the progress made to date on the delivery of the BSIP programme.
- ii. In line with the refreshed BSIP and the Enhanced Partnership Plan and Scheme, agree in principle to allocate remaining unallocated BSIP funding as follows:

BSIP Capital Funding		BSIP Revenue Funding	
Programme/Scheme	Allocation	Programme/Scheme	Allocation
Bus Priority Infrastructure Tranche 2	£20.950m	New and improved Services (including Demand Responsive Transport)	£52.502m
Strategic Park and Ride	£10m	Marketing and Tourism	£0.057m
Pocket Park and Ride	£3m	Branding	£0.40m

Safe and Accessible Stops and Stations	£5m	Staffing	£1.468m
Smart Ticketing (POP 2.0)	£1.220m	Community Bus Partnerships	£0.600m
Passenger Information*	£0.298m	Partnership Delivery Costs	£1.526m
-	-	Programme Management	£2.406m
-	-	Passenger Information*	£0.009m
Total	£40.468m	Total	£58.968m

*Funded through both capital and revenue allocations

- iii. Agree in principle to allocate up to £960,000 of BSIP capital funding, drawn from the budget indicatively allocated to the Bus Priority Infrastructure Tranche 2 programme, for the delivery of bus priority measures on Lambton Street in Gateshead town centre, and to delegate authority to the Managing Director Transport North East, following consultation with the Monitoring Officer and Chief Finance Officer, to approve the final scheme, subject the conclusion and appraisal of outstanding assurance requirements in line with the North East Transport Assurance Framework and instruct officers to prepare and sign the associated Grant Funding Agreement.

1. Background Information

- 1.1 The North East Bus Service Improvement Plan (BSIP) is the region's response to the Government's National Bus Strategy for England which was published in March 2021. The Government allocated £163.5 million in grant funding over three years to the North East following the submission of the BSIP. This award was one of the highest allocations in the country and in total equated to £73.7million of capital funding, and £89.7m in revenue funding.
- 1.2 The measures proposed for funding within the region's BSIP comprise a range of capital and revenue-based interventions, including extensive bus priority measures on roads and at junctions to speed buses up through capital funding, and fares and ticketing products including affordable fare 'caps' that work across all buses and Metro services, lowering fares for young people and providing travel passes for care leavers through revenue funding.
- 1.3 At the March 2023 meeting of the Joint Transport Committee (JTC), Members approved and made the Enhanced Partnership Plan and Scheme which set out through a statutory partnership, how Local Transport Authorities (LTAs) and local bus operators will work together to deliver our BSIP outcomes. This approval unlocked confirmed funding to enable BSIP Key Performance Indicators (KPIs) to be delivered.
- 1.4 The government's funding conditions require that all BSIP funding must be spent by March 2025 with the exception of maintaining and enhancing bus services which has been extended through to March 2026. To date the region has received £40.98m of the capital funding and £76.89m of the revenue funding with the outstanding balance due to follow on refresh of the BSIP in June 2024.
- 1.5 At the June 2023 meeting of the JTC Members agreed to the release of the following BSIP revenue funds:
- £650,000 for the bulk purchase of annual region-wide travel passes for Local Authority care leavers
 - £430,000 for the development of the region's journey planning and public transport information website
 - £12,200,000 to secure and improve bus services across the region
- 1.6 At the July 2023 meeting of the JTC Members agreed to the release of the following BSIP capital funds:
- £20,250,000 for the Bus Priority Infrastructure – Tranche 1 programme
 - £13,040,000 for the Intelligent Transport Systems (ITS) programme
- 1.7 At the same meeting Members also agreed to release a further £17,514,000 of BSIP revenue funding for the implementation of fares and ticketing schemes.
- 1.8 To date a total of £30.794m of the £89.762m BSIP revenue funding has been allocated by Members, whilst £58.968m remains unallocated. Of the £73.758m capital funding provided by BSIP, £33.290m has been allocated by Members, with

a further £40.468m still to be allocated. Proposals to allocate remaining unallocated revenue and capital funding is outlined in the section below.

2. Proposals

2.1 It is proposed to allocate the remaining unallocated BSIP funding detailed above to a series of programmes and schemes which align to the deliverables outlined within the region's BSIP and the Enhanced Partnership Plan and Scheme as below. Further information on the schemes included within the Enhanced Partnership Plan and Scheme can be found at the following web address: www.transportnortheast.gov.uk/enhancedpartnership.

BSIP Capital Funding		BSIP Revenue Funding	
Programme/Scheme	Allocation	Programme/Scheme	Allocation
Bus Priority Infrastructure Tranche 2	£20.950	New and improved Services (including Demand Responsive Transport)	£52.502m
Strategic Park and Ride	£10m	Marketing and Tourism	£0.057m
Pocket Park and Ride	£3m	Branding	£0.40m
Safe and Accessible Stops and Stations	£5m	Staffing	£1.468m
Smart Ticketing (POP 2.0)	£1.220m	Community Bus Partnerships	£0.600m
Passenger Information*	£0.298m	Partnership Delivery Costs	£1.526m
-	-	Programme Management	£2.406m
-	-	Passenger Information*	£0.009m
Total	£40.468m	Total	£58.968m

*Funded through both capital and revenue allocations

2.2 It should be noted that proposed allocations at this stage are indicative and subject to receiving the balance of outstanding BSIP grant payments from government, due in June 2024. In partnership with the seven North East local authorities and Nexus, preliminary work has been undertaken to compile a list of proposed interventions which will form the pipeline of investment to come forward through proposed allocations.

2.3 Business Cases are required for capital propositions in line with the North East Transport Assurance Framework, Business Cases will be developed and delivered by external consultants, working in partnership with the seven North East local authorities and Nexus. This working method will both expedite the process and reduce resource implications on partners. It is critical to ensure that delivery can take place within the funding period afforded by BSIP, as such Business Case work has been expedited as far as possible in the interim.

2.4 The Business Case process will identify the exact schemes and interventions which are expected to come forward within the agreed allocations, and members will be asked to formally approve each scheme when the appropriate point has been reached in the development process in line with the Assurance Framework. It is important to note that BSIP funding will not be the only source of capital funding

within the region for the period through to 2025, there is the potential to extend the reach of proposed allocations utilising additional devolved funding and/or through further BSIP funding, of which both additional capital and revenue funds are expected.

- 2.5 Within the proposed Bus Priority Infrastructure Tranche 2 allocation, there is a need, in the immediate term, to expedite delivery of the Lambton Steet scheme within Gateshead Town Centre, owing to the compressed delivery window given the upcoming Tyne Bridge works, for which the scheme provides bus priority mitigations.
- 2.6 Approval of the Lambton Street scheme will be subject to local consultation and the production of outstanding assurance requirements in line with the North East Transport Assurance Framework, however, it is proposed that approval is delegated to the Managing Director Transport North East, in consultation with the Chief Finance Officer and Monitoring Officer, in order to ensure that works can commence in early May 2024 in line with the proposed programme of delivery of the scheme.

3. Reasons for the Proposals

- 3.1 The BSIP programme runs until 31 March 2025 for all initiatives aside from services, which has been extended to 31 March 2026. It is therefore imperative that Business Case work can commence at pace. In agreeing indicative funding allocations, the parameters for Business Case work will be set, and in partnership with the seven North East local authorities and Nexus work to expedite Business Cases further will be undertaken. Allocations at this stage will be indicative, with the exact details of schemes to be identified in the production of Business Cases which will be subject to agreement and approval by the Joint Transport Committee or its successor body.
- 3.2 The proposal to delegate approval of the Lambton Street scheme to the Managing Director Transport North East, subject to the resolution of outstanding assurance requirements, is recommended due to the scheme's direct interface with the Tyne Bridge Restoration project. The Tyne Bridge Restoration project is scheduled to commence works in early April 2024, the indicative allocation of funding to the Lambton Street scheme will enable scheme development and delivery to commence at pace, it is anticipated that subject to the satisfactory provision of outstanding assurance requirements, and local consultation that the scheme will be able to commence capital delivery ahead of May 2024. Upon delivery the scheme will provide a key mitigation for Buses whilst the Tyne Bridge works are ongoing providing unimpeded priority for northbound bus services travelling along Gateshead High Street onto the A167 approach to the Tyne Bridge, this will enhance bus reliability and punctuality.

4. Alternative Options Available

- 4.1 No alternative options have been identified which could reasonably ensure the timescales for the delivery of the BSIP programme can be met.

4.2 No alternative options have been identified which could reasonably ensure the accelerated delivery of bus priority measures on Lambton Street, Gateshead town centre, mitigating the impact of lane closures during the Tyne Bridge project.

5. Next Steps and Timetable for Implementation

5.1 Work on Business Cases for the programmes and schemes provided indicative capital allocations will commence and will come forward for approval in due course.

5.2 A Grant Funding Agreement (GFA) will be issued to Gateshead Council following the resolution of outstanding assurance requirements to accelerate the development and delivery of bus priority measures on Lambton Street, Gateshead town centre.

6. Potential Impact on Objectives

6.1 The proposals outlined are consistent with and align to the policy objectives contained within the BSIP, the EP, and the North East Transport Plan. This includes the development of a package of capital and revenue schemes which improves bus reliability and increases bus patronage.

7. Financial and Other Resources Implications

7.1 To date, £117.874m of BSIP funding has been received (£76.891m revenue and £40.982m capital). Subject to the successful submission of a refreshed BSIP in June 2024, the remaining indicatively allocated funding of £45.648m (£12.872m revenue and £32.776m) will be awarded by government. All BSIP funding must be contractually committed by March 2025 in line with BSIP funding conditions.

7.2 Any delays in producing the Business Cases associated with the allocations recommended within this report and the onwards development of supporting schemes will potentially impact the delivery of the overall BSIP programme.

7.3 There are no Human Resources or ICT implications arising from the recommendations of this report.

8. Legal Implications

8.1 The delivery of capital interventions associated with the approvals are tied into the Enhanced Partnership scheme, if proposals failed to deliver it would require a formal variation to the scheme. The EP itself follows a statutory framework requiring legal notices and formal agreements. The EP is legally binding upon the JTC, North East local authorities and Nexus, and Bus Operators and specialist legal advice has been sought in support of the development of the EP.

9. Key Risks

9.1 Delay to the production of Business Cases and subsequent sign off will result in a delay to the release of funds to scheme promoters and subsequently is likely to impact on the ability of schemes to deliver by the BSIP delivery programme deadline of March 2025.

10. Equality and Diversity

10.1 All schemes proposed for funding utilising BSIP funds will be required to be designed to modern standards in compliance with appropriate legislation, ensuring that any equality and diversity implications are minimised.

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 Significant partnership working has been undertaken with the LA7 and Nexus as part of identified preliminary schemes which align to the objectives of the BSIP capital sub-programmes outlined in section 2.1 and the wider BSIP. This report has also been shared with Transport Strategy Board who have provided comments which have been taken on board.

13. Other Impact of the Proposals

13.1 None.

14. Appendices

14.1 N/A

15. Background Papers

15.1 [Joint Transport Committee Report \(Item 5\) Tuesday 21st March 2023 : \(Public Pack\)Agenda Document for North East Joint Transport Committee, 21/03/2023 14:30](#)

[Joint Transport Committee Report \(Item 6\) Tuesday 18th July 2023 : \(Public Pack\)Agenda Document for North East Joint Transport Committee, 18/07/2023 14:30 \(northeastca.gov.uk\)](#)

[Joint Transport Committee Report \(Item 5\) Tuesday 19th December 2023:\(Public Pack\) Agenda Document for North East Joint Transport Committee, 19/12/2023 14:30](#)

16. Contact Officers

16.1 Jonathan Bailes, Interim Assistant Director Transport Programme
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Heather Jones, Head of Enhanced Partnership

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17. Sign off

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

18. Glossary

- BSIP – Bus Service Improvement Plan
- DfT – Department for Transport
- GFA – Grant Funding Agreement, outlines the terms and conditions under which a scheme will be delivered, and constitutes the contract between NECA and the scheme promoter for the delivery of the scheme.
- JTC – Joint Transport Committee
- LA – Local Authority
- NECA – North East Combined Authority
- Transport Assurance Framework – a framework for business case development and review that ensures good decision making, procurement and governance is in place for all projects, for schemes that can demonstrate good value for public money
- TNE – Transport North East
- CRSTS- City Region sustainable Transport Settlement



North East Joint Transport Committee

Date: 19 March 2024

Subject: Discharge of Transport Functions by Northumberland County Council

Report of: Director of Environment and Transport, Northumberland County Council

Executive Summary

Under the Constitution of the Combined Authority, and in accordance with an Operating Agreement between the Constituent Authorities, certain functions have been delegated to the Executive of the two Constituent County Councils, namely Durham and Northumberland.

This report and the detail shown in Appendix 1 provides an update on the discharge of delegated transport functions by Northumberland County Council for the financial year 2022/23.

Recommendations

It is recommended that the Committee note the transport responsibilities of Northumberland County Council and the activities undertaken in 2022/23.

1. Background Information

- 1.1 The Combined Authority Orders of 2014 and 2018 transfer to the Combined Authorities transport functions previously carried out by Northumberland and Durham County Councils under parts 4 and 5 of the Transport Act 1985 and functions under part 2 of the Transport Act 2000.
- 1.2 Under the Constitutions of the Combined Authorities and the Standing Orders of the Joint Transport Committee, and in accordance with an Operating Agreement between all the Constituent Authorities, transport functions have been delegated to the Executive of the two Constituent County Councils, namely Durham and Northumberland. Appendix 1 to this report provides information on how these functions have been carried out in Northumberland for the financial year 2022/23.

2. Proposals

- 2.1 Members are requested to note the contents of the report.

3. Reasons for the Proposals

- 3.1 Under protocols agreed between the Constituent Authorities, it was planned for Northumberland County Council to report to the North East Joint Transport Committee on the manner in which the transport functions have been discharged, including how they have been discharged in accordance with any performance management criteria.

4. Next Steps and Timetable for Implementation

- 4.1 Under protocols agreed between the Constituent Authorities, Northumberland County Council will provide an update report to the North East Joint Transport Committee on an annual basis.

5. Potential Impact on Objectives

- 5.1 The tasks reported in this document support the objectives of creating the best possible conditions for growth in jobs, investment and living standards, to make the North East an excellent location for business, to prioritise and deliver high quality infrastructure and to enable residents to raise their skill levels and to benefit from economic growth long into the future.

6. Financial and Other Resources Implications

- 6.1 For 2022/23, the funding for Transport functions in Northumberland County Council was transferred into the Combined Authority, and the Combined Authority in turn delegated the funding to the Council to cover the discharge of its transport functions.

7. Legal Implications

- 7.1 The 2018 Order requires that the two Combined Authorities establish a joint committee for the discharge of their transport functions. In accordance with its powers as set out within the 2018 Order, the Joint Transport Committee has determined that several transport functions exercisable within the two county council areas are delegated to those councils. Responsibility for the functions, however, remains with the Joint Transport Committee; therefore, in accordance with the Joint Transport Committee's Standing Orders, the county councils are required to report to the Joint Transport Committee, on an annual basis, how they have delivered the transport functions delegated to them.

8. Key Risks

- 8.1 There are no specific risk management issues arising from this report.

9. Equality and Diversity

- 9.1 There are no specific equality and diversity issues arising from this report.

10. Crime and Disorder

- 10.1 There are no implications for crime and disorder arising directly from this report.

11. Consultation or Engagement

- 11.1 There are no specific consultation or community engagement implications arising from this report.

12. Other Impact of the Proposals

- 12.1 There are no other impacts arising from this report.

13. Appendices

- 13.1 Appendix A – North East Combined Authority (NECA), Northumberland County Council Transport Activity Report 2022/23.

14. Background Papers

- 14.1 The North East Combined Authority Constitution.

North East Combined Authority Deed of Operation dated the 29th April 2014.

Deed of Co-operation relating to the Joint Transport Committee and the North East LEP dated 4th July 2018.

15. Contact Officers

- 15.1 **Paul Jones**

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16.

Sign off:

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

North East Combined Authority (NECA) Northumberland County Council Transport Activity Report 2022/23

Introduction

1. This report covers the discharge of transport duties delegated to Northumberland County Council (NCC) for the period 1st April 2022 to the 31st March 2023.

Organisational Arrangements

2. NCC has undertaken its transport functions through the Strategic Transport and Local Services teams in line with best practice guidance from the Government and experience from other authorities. Collaborating in this way has been especially important in rural areas, as it has allowed the authority to create packages of work across sectors to maximise efficiency (for example, by making use of conventional bus services for home to school transport) and deliver consistent standards across modes. Officers have also worked closely with economic development, planning and tourism functions to ensure that public transport contributes to economic growth and social inclusion across Northumberland.

Bus Service Network

3. Northumberland has a diverse geography, including a mix of urban and large rural areas with complex travel demands that make public transport vitally important. The local bus network plays a key role in the ambitions of NCC in terms of providing access to employment, education, healthcare and service centres.
4. Historically, most bus routes in Northumberland have operated commercially without any input, subsidy or support from NCC. These represent around 80% of all services. The remaining 20% of services are either fully or partially subsidised by NCC, and these would not operate without the ongoing support of the council.
5. The network of supported services comprises approximately 45 routes, or parts of routes, that cover mainly rural areas of Northumberland. The network includes instances of services running commercially at popular/peak times, but where support is given to maintain journeys at other times (for example, in the early morning and late evening). They also include support the County Council gives to key tourist services that help boost the local economy and safeguard the environment by ensuring that people can visit notable locations without needing a car.
6. Like the two previous years, 2022/23 was unprecedented in the challenges faced by NCC in discharging its transport duties and meeting the needs of bus users. The Covid-19 pandemic still cast a shadow over both supported and commercial bus services, and although patronage and revenue continued to recover both were below the levels recorded in 2018/19.

7. Until the first national Covid-19 lockdown in March 2020, much of the bus network had been stable for several years in terms of the number of routes and frequencies, although there were periodic adjustments to service details. The lockdown led to a significant reduction in public transport provision across the County, in most cases at very short notice. During this period, NCC worked extensively with operators to ensure that essential public transport links were maintained and that the reduced and simplified network still met the essential needs of users. NCC also made sure that any changes were effectively communicated to users.
8. Following the lifting of the first lockdown and with confirmation regarding funding for the public transport industry in the form of Covid Bus Services Support Grant (CBSSG), operators in Northumberland were able to return to a largely normal network albeit with some reduced evening and weekend offerings, together with some modest reductions along high frequency corridors. These cuts were largely attributable to the absence of demand associated with the evening economy, but also in part to a reduction in driver availability due to sickness and staff being advised to isolate as per government advice.
9. CBSSG and its successor Bus Recovery Grant (BRG) effectively allowed operators to claim lost revenue on services at pre-pandemic levels, even though demand had dropped to as low as 10% of what was previously recorded. This funding was only a temporary measure, however, and was reduced in September 2021 then set to expire in March 2022 before being extended until September 2022. In the meantime, the government asked transport authorities to look at what network would be sustainable given the projected long-term impact of changes in travel behaviour on commercial viability and the funding available for securing services under subsidy contracts.
10. NCC worked closely with bus operators, neighbouring authorities and other stakeholders to create a more efficient but still effective network. This was a data led process using a combination of ticket data and research carried out by NCC, with changes taking place throughout 2021/22 and 2022/23. By March 2023, patronage had recovered to around 85% of pre-pandemic levels, which compares favourably with other areas.
11. Further support was then made available by the Department for Transport (DfT) in January 2023 to cap adult single fares at £2, aimed at encouraging bus use. Most operators in Northumberland joined the scheme that was initially funded to March 2023, but has since been extended to June 2023 and December 2024. The lower fares have generated growth in passenger numbers, although there has been a material decline in revenue in many places, especially on long distance routes. As a result, the scheme is dependent on continued financial support.

Table 1: NCC Supported Service Spending and Funds Available (2022/23)

Item	Supported Services Budget
Gross Expenditure	£1.4m* (Incl. £500k BSOG)
Funds available as at 1st April 2022	£1.4m

*In addition to the stated expenditure additional funding is provided by partner organisation to support specific services and a significant recharge from home to school transport for those elements of the supported bus network that are used to carry scholars.

Home to School Transport

12. NCC has a duty to support children attending school by providing free transport for families that live beyond the statutory walking distance from the nearest appropriate school (section 508B, Education Act 1996, inserted by the Education and Inspections Act 2006). NCC also has a statutory duty to offer free travel for children who cannot walk to school because of a disability, mobility problems or special educational needs. Furthermore, NCC has a discretionary policy of providing free transport to children to allow them to attend a particular school on grounds of religion or belief. All the council's transport policies for children of compulsory school age are available on the school transport webpage.
13. In addition, NCC has continued to provide free post-16 transport after it was re-introduced in 2018/19 for students attending their local high school or college of further education. Further details are contained in the council's post-16 transport policy, which can also be found on the school transport webpage.
14. NCC provides free home to school transport for 8,206 eligible children, as shown in Table 2 below. This costs £21.1 million per annum, including £11.7 million for mainstream children and £9.4 million for those with a disability, mobility problems or special educational needs.

Table 2: Free Home to School Transport by Age and Category (2022/23)

Category	Under 16	Post 16	Total
Mainstream	5,553	1,278	6,831
Special Educational Needs	1,155	220	1,375
Total	6,708	1,498	8,206

15. There has been a sharp rise in costs since the Covid-19 pandemic, which is reflective of national trends. The main supply-side factors driving up costs are driver shortages and fuel prices. A key demand-side factor affecting costs, however, is the lack of school places where they are required, resulting in pupils having to be "re-directed" to schools outside of their catchment area.
16. The home to school transport network covers the whole of Northumberland and substantial use is made of "feeder" services (operated mainly by taxis) connecting with "trunk" routes (run by conventional buses) at village hubs. A rolling programme of "clean sheet" area route reviews are undertaken on an annual basis, which involve a complete re-design of the network to maximise efficiency before re-tendering. The southeast area was reviewed in 2023.
17. To combat the rising costs of transport provision, greater use is being made of local bus and train services to transport schoolchildren. In 2023, a total of 662 students who qualified for school transport assistance used the public bus and rail networks. This has the dual benefit of reducing the cost of providing home to school transport while helping to support the long-term sustainability of the public transport network

(especially in rural areas). This approach gathered momentum during 2022/23 as part of work on the regional Bus Service Improvement Plan (see below).

Concessionary Travel Scheme

18. NCC participates in the government's English National Concessionary Travel Scheme (ENCTS). The national scheme entitles pass holders who are resident in England to free off-peak travel (after 09:30) on local bus services throughout England. This scheme covers both disabled people and eligible older people.
19. In addition to the national entitlements, NCC also provides some local enhancements to the scheme. For example, pass holders can travel from 09:00 onwards on journeys beginning in Northumberland. NCC is also one of a few authorities to provide companion passes to eligible disabled persons. Companion passes allow an additional person to travel for free when accompanying a disabled pass holder.
20. The cost of providing the ENCTS scheme was £4.931 million for 2022/23. While actual ENCTS patronage was still significantly lower than before Covid-19, NCC followed DfT advice to continue reimbursing operators at pre-pandemic levels for the first part of the financial year before transitioning to actuals using the recommended phasing process. By the end of 2022/23, all operators of supported/subsidised services were being paid based on actual journeys undertaken.
21. Operators of commercial services were reimbursed using an alternative model of reimbursement. Fixed price reimbursement deals were agreed with our two commercial operators, which fixed service levels throughout Northumberland in exchange for revenue certainty in respect of ENCTS reimbursement.
22. On 1st April 2022, NCC had a total of 59,057 live ENCTS passes in circulation, as shown in Table 3 below. This represented a reduction compared to the previous year and is attributable to the expiration of passes and the failure to renew passes, which in part is linked to the reduction in ENCTS journeys during the Covid-19 pandemic and the associated government messaging around only using public transport for essential journeys.

Table 3: ENCTS Passes by Type (as at 1st April 2022)

Pass Type	Number
Senior	55,196
Disabled	2,554
Disabled with Companion	1,307
Total	59,057

Community Transport

23. Community transport plays a key role across Northumberland, providing flexible and responsive solutions to unmet local transport needs, especially in rural areas where there is often insufficient demand for 'conventional' bus services. Community transport is regulated differently to 'conventional' services, so it is well placed to offer

affordable and innovative solutions that would otherwise not be available and often represents the only way that some user groups can access essential services. As a result, it helps to develop sustainable communities and contributes to social inclusion.

24. There are a range of Community Transport operators across Northumberland – some offer services without financial support from NCC while others are contracted to deliver specific activities. The following Community Transport organisations currently deliver services under contract from NCC:
 - Adapt (North East)
 - NEED Ltd
 - WATBus Community Transport
 - Upper Coquetdale Community Transport
25. Community transport users include all different types of people travelling for a range of reasons, from accessing employment, education and healthcare facilities to going shopping or visiting friends and relatives. Community transport providers are also often embedded in the communities they serve, allowing them to focus on specific local needs or even provide one-to-one help for customers.
26. Community transport operations across Northumberland were largely stable during 2022/23, as the sector continued its recovery from the Covid-19 pandemic. Most Community transport operations were suspended or significantly reduced in 2020/21, and many have not returned to their full pre-pandemic activities. NCC continues to support the sector, however, due to its important public transport role across the county.

Public Transport Information

27. Since April 2016, NCC has been working in partnership with Nexus for the provision of passenger information services. As part of this agreement, Nexus has delivered printed timetables at more than 900 bus stops in Northumberland as well as a fully managed digital offer. This partnership also allows NCC to benefit from any enhancements to Nexus systems in future months and years. The current offer includes:
 - LiveTravel Map in Northumberland to deliver Real time via smart devices and a direct link through from the QR / NFC tags installed in Northumberland.
 - Journey Planner and NaPTAN stop information will also be fully managed by Nexus on behalf of NCC.
28. By entering a partnership with Nexus, we are delivering accuracy and consistency of information, especially on cross boundary services between Northumberland and Tyne & Wear, which is a vast improvement on the previous NCC offer. In particular, the inclusion of the Live Travel Map web-app where passengers can benefit from real time information at their fingertips has been a step-change in passenger information delivery.

Bus Service Improvement Plan and Enhanced Partnership

29. NCC was actively involved in developing the region's Bus Service Improvement Plan (BSIP) and associated Enhanced Partnership (EP) with Transport North East (TNE) and other partners. On 4th April 2022, TNE received a letter from the Department for Transport (DfT) offering indicative funding of £163.5 million. This letter didn't constitute a formal or binding grant offer, however, and NCC was involved in a range of actions to clarify BSIP plans, where required by the DfT, before funding was confirmed.
30. Although the award was the largest in the UK outside of London, it didn't cover the full cost of delivering all the region's BSIP proposals. As a result, NCC worked with partners to prioritise plans, which started to be rolled out from September 2023.
31. NCC also worked to set up the Northumberland Local Bus Board. The aim of the Board is to allow representatives from across the county to meet with officers and bus operators (where necessary) to discuss and understand forthcoming alterations to the bus network and consider any planning work that is being carried out at both local and regional levels. Discussion points include changes to routes and timetables, punctuality, reliability, highway infrastructure, fares initiatives and public information.
32. The Northumberland Local Bus Board is not a public meeting. Attendance is by invitation only and includes:
 - the Cabinet Portfolio Holder for Local Services
 - A representative from each of the four Local Area Committees
 - the Strategic Transport Manager
 - an officer from the Passenger Transport team responsible for transport contract management and compliance
 - a representative from the Northumberland Disability Partnership
 - a representative from the Northumberland Association of Local Councils (NALC)
 - a representative from Transport Focus or the Confederation of Passenger Transport
 - representatives from one or more local bus operators where this is deemed necessary to address specific discussion points
33. The Board is not a decision-making body, and meetings are chaired by the Cabinet Portfolio Holder for Local Services unless otherwise directed by them.

Transport Focus

34. Transport Focus carries out regular bus passenger surveys to measure satisfaction and gather feedback about travel experiences.
35. The 'Your Bus Journey' report covering the period from January to June 2023 showed that 87% of Northumberland bus passengers were satisfied with their journey, which compared with 81% for other rural areas and 80% for England (outside of London). Northumberland compared favourably with other areas in respect of bus reliability, value for money and the range of tickets that are available

but performed less well on information and integration with other modes of transport. NCC has used data from Transport Focus and other similar organisations to inform public transport planning decision and will continue to do so.

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