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North East Joint Transport Committee

Tuesday, 15th March, 2022 at 2.30 pm

Meeting to be held in the Council Chamber, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

AGENDA

The Joint Transport Committee may wish to exclude the press and public from the meeting during consideration of items 12 and 13 by virtue of paragraphs 1, 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

11. **Leamside Line Update** **155 - 160**

12. **Transfer Proposal - PA to Managing Director, Transport North East** **161 - 164**

13. **Date of Next Meeting**

The date of the next meeting has been changed to Tuesday 14 June at 2.30pm at Gateshead Civic Centre.

Contact Officer: Emma Reynard
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NORTH EAST JOINT TRANSPORT COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: **18 January 2022**

Meeting held: Council Chamber, Gateshead Civic Centre

COMMITTEE MEMBERS PRESENT:

Councillor: M Gannon (Chair)

Councillors: J Foreman, C Johnson, K Kilgour, G Miller, G Sanderson and E Scott

IN ATTENDANCE:

Statutory Officers: M Barker (Monitoring Officer - Transport)
P Darby (Chief Finance Officer)
T Hughes (Managing Director, Transport North East)

Officers: G Armstrong, J Bailes, F Bootle, J Fenwick, R Forsyth-Ward, D Gittins, E Goodman, A Graham, M Kearney, G Mansbridge, P Meikle, P Smith, D Wafer, E Reynard and J Sparkes

Others: Councillor G Stone (JTC OSC Member)
M Gilbert (NEBus)

71. APOLOGIES FOR ABSENCE

Apologies were received from Councillor T Dixon, Councillor N Forbes and Councillor C Rowntree.

72. DECLARATION OF INTERESTS

There were no declarations of interest.

73. MINUTES OF THE LAST MEETING HELD ON 20 DECEMBER 2021

The minutes were agreed as a correct record.

74. TRANSPORT BUDGET AND LEVIES

The Chair advised the Committee that a request had been received to defer this report to allow for further discussions to take place regarding the Tyne and Wear Levy. An extraordinary meeting would be set up as soon as possible to consider the report.

RESOLVED: The North East Joint Transport Committee agreed to defer the report and consider it at its next meeting.

75. TRANSPORT CAPITAL PROGRAMME

The Committee considered a report which provided a summary of the updated forecast capital outturn for 2021/22 and the initial capital programme for 2022/23 which totals £279.774m.

The report also provided updated on capital expenditure relating to Transport schemes, the Active Travel Fund programme, the Metro Asset Renewal Plan programme and Metro Fleet replacement. In addition, an update of Transforming Cities Fund Tranche 1 and 2 schemes was provided, including Durham Bus Station and Sunderland Central Station.

RESOLVED: The North East Joint Transport Committee:

(i) Noted the latest position in respect of the 2021/22 capital programme, as set out from section 2.1 of the report; and

(ii) Approved the proposed initial capital programme for 2022/23 which amounts to £279.774m as set out from section 2.1 of the report.

76. TRANSPORT NOTH EAST – TRANSPORT PLAN PROGRESS REPORT

The Committee considered a report which provided an update on progress to deliver the objectives set out in the North East Transport Plan including the Transforming Cities Projects and the Active Travel Fund.

Great British Railways' (GBR) call for evidence was launched on 9 December 2021 and will be open for eight weeks until 4 February 2022. They are seeking support for a Whole Industry Strategic Plan (WISP), a 30-year strategy for the UK's rail system. They aim to use evidence to shape their Strategic Plan which will be a 30-year strategy for the UK's rail system. It will be shaped by a set of strategic objectives that have been developed by the UK Government for the benefit of rail passengers, freight users and taxpayers, and to support Britain's economic, environmental and social ambitions.

The Tyne Pass Scheme at the Tyne Tunnels went live on 8 November 2021. Roadworks are in place around the former toll booths which will gradually be removed and a new road layout put in place. The works are expected to continue until March/April 2022.

A number of customers have been dissatisfied with the way in which they have received Unpaid Toll Charge Notices (UTCN) since the introduction of the scheme. Transport North East is working with TT2 Ltd to ensure a fair appeals process is in place and to improve the customer experience.

Work on the inclined glass lifts at the Tyne Pedestrian and Cyclist Tunnels is continuing. However, there is currently a supplier issue which means that there is no competition date for this work yet.

Councillor Miller acknowledged that the number of dissatisfied customers at Tyne Tunnels is small but noted that there is a reputational risk for region because of this. He asked whether there was any intention to extend the time that users could take to pay the toll when they used the Tunnels?

Tobyn Hughes advised that the situation is being monitored and Transport North East is continuing to work with TT2 Ltd regarding the customer experience. Officers from TT2 Ltd attended the Tyne and Wear Sub-Committee meeting on 13 January where they answered questions from the Committee. It is felt that it is too early to change the payment process, but this will be reviewed on a regular basis.

Councillor Sanderson advised that he had been contacted by a resident about this issue and asked for additional details on the number of UTCN's that had been issued and who was responsible for monitoring the scheme.

Councillor Johnson advised that as Chair of the Tyne and Wear Sub-Committee (TWSC), he had asked officers from TT2 Ltd to attend the meeting the week before. At the meeting, TT2 Ltd advised that they were making some immediate changes to their processes following feedback from customers. The minimum amount at which the auto top-up facility can be set for pre-paid accounts has been reduced to £5. In addition, customers will receive an email alert advising them when their pre-pay balance needs to be topped up and they will still be able to use the Tunnels; previously the customer would have received a UTCN if their balance was not in credit.

Councillor Johnson also advised that TT2 Ltd had identified a number of people who had been incorrectly charged when the scheme went live. These customers are being identified and will receive a full refund.

The Tyne and Wear Sub-Committee has asked TT2 Ltd to work with Transport North East to develop a hardship fund which aims to help those customers who will be adversely affected should they receive a fine for an unpaid toll.

Councillor Johnson also advised that TT2's research has shown that extending the toll payment timescale does not encourage customers to pay the toll on time. The toll payment time is also set out within the byelaws for the Tyne Tunnels which was fully consulted on before implementation. Councillor Johnson assured the Committee that the TWSC will continue to review and monitor the Tyne Pass scheme and will make any changes if they are required.

In response to Councillor Sanderson's request for data relating to the Tunnels, officers advised that on average around 52,000 people use the Tunnels every day, with 75% of them using a pre-paid account. The compliance rate for payment during the first month was 94% but this is expected to increase as customers get used to the new process.

Councillor Sanderson made a formal request for an update report on the Tyne Pass scheme at the next meeting of the JTC, including information on toll payments and customer feedback.

Councillor Gannon agreed to this request and suggested that an update be provided for members before the next meeting. Councillor Gannon also noted that since the Tyne Pass scheme has been introduced, CO2 emissions at the Tyne Tunnels had reduced by 90%.

Councillor Sanderson asked whether the toll charge would be reduced if more people used the Tunnels, as there was more money being made from the tolls.

Councillor Scott asked for an explanation of how the Tyne and Wear Sub-Committee linked into the Joint Transport Committee.

Mike Barker advised that the JTC had delegated functions to the Tyne and Wear Sub-Committee including the Tyne Tunnels and other transport issues within Tyne and Wear. It was suggested that this information be shared with the JTC.

Councillor Gannon suggested that the minutes of the Tyne and Wear Sub-Committee meetings be included as a standing item on future JTC agendas. This was agreed by the Committee.

RESOLVED: The North East Joint Transport Committee:

(i) Noted the report;

(ii) Delegated authority to the Managing Director, Transport North East, following consultation with the Chair of the JTC, to submit a response to the GBR call for evidence on behalf of the Joint Transport Committee by the deadline of 4 February 2022; and

(iii) Requested that the minutes of the Tyne and Wear Sub-Committee be included as a standing item on future Joint Transport Committee meeting agendas.

77. ZERO EMISSION BUS REGIONAL AREAS – BUSINESS CASE APPROVAL

The Committee considered a report which sought approval for the submission of a business case to the Department for Transport for the delivery of 73 battery electric buses in the North East. The Business Case represents a total of £40.1m investment, with £18.3m sought from the Department for Transport through the Zero Emission Bus Regional Areas fund and the remaining £21.8m provided in

match funding from Go North East, Durham County Council and Northumberland County Council.

The package of investment aligns with the Bus Service Improvement Plan and was developed in consultation with all bus operators, Nexus and regional local authorities. The business case has been developed to ensure a positive Benefit Cost Ratio, represents good value for money, addresses air quality challenges, looks to overcome inequalities and supports improved skills. The business case demonstrates that the proposed package of investment can be delivered in line with the proposed timescales from the Department for Transport (two years from funding award).

RESOLVED: The North East Joint Transport Committee:

(i) Approved the submission of the full business case pursuant to a bid for funding to the Zero Emission Bus Regional Areas Fund to deliver 73 battery electric buses and associated infrastructure: and

(ii) Delegated authority to the Managing Director, Transport North East, to make minor modifications in order to finalise the business case and submit it to the Department for Transport ahead of 31 January 2022 deadline.

78. TRANSFORMING CITIES FUND TRANCHE 2 – GRANT FUNDING AGREEMENTS

The Committee considered a report which sought delegated authority to approve and allocate funding from the Transforming Cities Fund (TCF) Devolved Pot to two schemes: The South Tyneside Council, Healthier Metro Neighbourhoods scheme and the Sunderland City Council, A690 Corridor Strategic Cycle Network scheme.

Business Cases for both schemes are currently being considered in accordance with the region's Transport Assurance Framework with scheme appraisal being conducted by Transport North East's retained independent consultants.

It is necessary to expedite approval of both schemes following the anticipated conclusion of appraisal in January 2022 to meet the construction programmes outlined within both Business Cases within TCF timelines. Delegated authority is sought from the Joint Transport Committee for the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, subject to successful appraisal of scheme Business Cases and due diligence in line with the Transport Assurance Framework, to approve both the Healthier Metro Neighbourhoods scheme and the A690 Corridor Strategic Cycle Network scheme and enter into Grant Funding Agreements (GFA) for the delivery of both schemes with South Tyneside Council and Sunderland City Council.

RESOLVED: The North East Joint Transport Committee:

(i) Delegated authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £2,380,000 from the TCF Devolved Pot to the Healthier Metro Neighbourhoods scheme, subject to successful appraisal in line with the Transport Assurance Framework.

(ii) Instructed officers to prepare and sign a Grant Funding Agreement with South Tyneside Council for the Healthier Metro Neighbourhoods scheme, if approved.

(iii) Delegated authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £4,406,400 from the TCF Devolved Pot to the A690 Corridor Strategic Cycle Network scheme, subject to successful appraisal in line with the Transport Assurance Framework.

(iv) Instructed officers to prepare and sign a Grant Funding Agreement with Sunderland City Council for the A690 Corridor Strategic Cycle Network scheme, if approved.

79. LOCAL GROWTH FUND ELECTRIC VEHICLE INFRASTRUCTURE PROJECT

The Committee considered a report which sought approval to change the location of two electric vehicle charging points in Durham and Sunderland, following discussions with both local authorities. Funding for the project, to provide electric vehicle charging points in each of the North East local authority areas has been allocated through the Local Growth Fund.

RESOLVED: The North East Joint Transport Committee:

(i) Agreed to change the location of the charge point in Durham from Middleton-in-Teesdale to Crook; and

(ii) Noted and agreed that the proposals for St Mary's have been changed following discussions with Sunderland City Council and will provide four double socket posts serving eight dedicated electric car charging spaces for EV drivers.

80. NORTH EAST RAIL AND METRO STRATEGY

The Chair advised the Committee that following a request from a Committee Member, it had been agreed to defer this report to enable further briefings to take place with Committee Members, ahead of a decision being made. An extraordinary meeting would be set up as soon as possible to consider the report.

RESOLVED: The North East Joint Transport Committee agreed to defer the report and consider it at its next meeting.

81. SOUTH OF TYNE AND WEARSIDE LOOP (METRO EXPANSION) – STRATEGIC OUTLINE BUSINESS CASE DEVELOPMENT

The Committee considered a report which recommended the development of a Strategic Outline Business Case for the South of Tyne and Wearside Loop, following the conclusion of early engineering feasibility and demand forecasting work and the securing of £70,000 from the North East LEP to part fund the next step.

Councillor Gannon commented that this was a significant proposal and was a great example of how the Joint Transport Committee works together to provide improved public transport infrastructure which will be a huge benefit to the whole region. He added that it was very disappointing that the whole Leamside Line cannot be reopened, however this project will support the ongoing investments in Sunderland and Durham as well as reducing congestion across the region.

Councillor Miller agreed and added that the project has his full support.

RESOLVED: The North East Joint Transport Committee approved the development work for the South of Tyne and Wearside Loop to be undertake by Transport North East, part funded by the LEP (£70,000) and JTC (£30,000).

82. DATE OF NEXT MEETING

The North East Joint Transport Committee agreed to convene an extraordinary meeting to discuss the reports deferred at today's meeting. The next scheduled meeting of the JTC will be held on Tuesday 15 March 2022 at 2.30pm, venue to be confirmed.

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NORTH EAST JOINT TRANSPORT COMMITTEE EXTRAORDINARY MEETING

DRAFT MINUTES FOR APPROVAL

DATE: **2 FEBRUARY 2022**

Meeting held: Council Chamber, Gateshead Civic Centre

COMMITTEE MEMBERS PRESENT:

Councillor: M Gannon (Chair)

Councillors: J Foreman, N Forbes, C Johnson, G Miller, G Sanderson and E Scott

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: P Melia, J Sparkes, G Mansbridge, P Meikle, D Gittins, Huw Lewis, Martin Kearney and R Patterson.

Others: Councillor G Stone (JTC OSC Member)

83. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T Dixon and Councillor C Rowntree.

84. DECLARATION OF INTERESTS

There were no declarations of interest.

85. NORTH EAST RAIL AND METRO STRATEGY

The Committee received a report which provided a summary on the development of the North East Rail and Metro Strategy. The report outlined the consultation process which is proposed to take place from 14 February 2022.

RESOLVED: The North East Joint Transport Committee agreed to progress the draft North East Rail and Metro Strategy to public consultation.

86. TRANSPORT BUDGET AND LEVIES

The Committee considered a report that set out the 2022/23 Transport Revenue Budget and associated Transport Levies for the North East Joint Transport Committee and the indicative forecasts for future years.

Committee was advised that an increase in levies is proposed due to the withdrawal of Government funding during recovery from the pandemic. The proposed increase in the levy is 6.75%.

Committee raised concerns that it is not easy to ask for an increase in levies at a time when cuts are being made, however recognised that there were no other options in order to protect routes and services. It was suggested that lobbying government for more funding needs to continue and bus companies should be looking at using their profit to support the situation.

RESOLVED: The North East Joint Transport Committee:

(i) Noted the position of the Transport budget in 2021/22 and approved the revised estimates for the year;

(ii) Agreed a Transport net revenue budget for 2022/23 of £87.201m, as set out in section 2.5 of the report;

(iii) Agreed the following Transport Levies for 2022/23:
   a. Durham County Council - £15,619,000
   b. Northumberland County Council - £6,357,000
   c. Tyne and Wear councils (detailed in Table 6) - £65,225,000

(iv) Agreed a transport revenue grant to Durham County Council for the delivery of transport services of £15,609,000, as outlined in section 2.7;

(v) Agreed a transport revenue grant to Northumberland County Council for the delivery of transport services of £6,347,000, as outlined in section 2.9;

(vi) Agreed a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £63,125,000 as outlined in section 2.37;

(vii) Noted that a fare increase for Metro and the Ferry service which is slightly in excess of RPI is included in Nexus' budget estimates, pending agreement from the Tyne and Wear Sub-Committee when it meets on 13 January 2022;

(viii) Approved the budget for the Tyne Tunnels set out in section 2.69, which includes a recommended increase in the Tyne Tunnels tolls for inflation to be considered for approval by the Tyne and Wear Sub Committee on 13 January 2022;

(ix) Approved the budget for Transport North East as set out in section 2.61;

(x) Agreed to make permanent three posts within the Transport North East team, funded by a top slice of EP / BSIP grant funding to be received from 2022/23, as set out in section 2.60;

(xi) Agreed the forecast level and use of reserves at section 2.71.

87. DATE OF NEXT MEETING

The next meeting of the North East Joint Committee will be held on Tuesday 15 March 2022 at 2.30pm, venue to be confirmed.

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North East Joint Transport Committee

Date: **15 March 2022**

Subject: **JTC Agenda Standing Items**

Report of: **Monitoring Officer - Transport**

Executive Summary

Following a request from the Committee, this report seeks agreement to add an additional standing agenda item to future Joint Transport Committee agendas in relation to decisions made by the Joint Transport Committee Tyne and Wear Sub-Committee.

Recommendations

It is recommended that the Joint Transport Committee:

(i) Agree the addition of a standing item to the agenda in relation to Joint Transport Committee Tyne and Wear Sub-Committee decision notices and agreed minutes.

1. Background Information

1.1 In accordance with the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 (the **Order**), the North East Combined Authority (**NECA**) and the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (**NTCA**) have appointed the Joint Transport Committee (JTC) to exercise functions as specified in the Order.

1.2 In accordance with the Part 3 of the North East Joint Transport Committee Standing Orders, the Joint Transport Committee has delegated part of its functions relating to transport in Tyne and Wear area, to the Tyne and Wear Sub-Committee.

1.3 The Sub-Committee focuses on issues which would have formerly been considered by the Tyne and Wear Integrated Transport Authority which was dissolved in 2014 when its powers were transferred to NECA.

1.4 The relevant transport functions delegated to the Tyne and Wear Sub-Committee are set out in Appendix A of this report.

1.5 The Joint Transport Committee agrees the membership of and appoints the Chair and Vice Chair of the Tyne and Wear Sub-Committee at its AGM.

1.6 The Chair of the Tyne and Wear Sub-Committee for the municipal year 2021-22 is Councillor Carl Johnson, who is also Vice Chair of the Joint Transport Committee.

2. Proposal

2.1 At the last meeting of the Joint Transport Committee held on 18 January 2022, Committee Members sought clarification on the role and remit of the Tyne and Wear Sub-Committee, and also asked to be notified of decisions made by the Sub-Committee.

2.2 In order to accommodate this request, it is proposed that the decision notice published following each Tyne and Wear Sub-Committee meeting is included as part of the Joint Transport Committee agenda pack. In addition, any agreed minutes from the Sub-Committee will be included where possible.

3. Reasons for the Proposals

3.1 The proposals will enable the Joint Transport Committee to operate effectively and in accordance with the Order and the Standing Orders.

4. Alternative Options Available

4.1 There are no alternative options.

5. Next Steps and Timetable for Implementation

5.1 The proposal will be implemented at the next meeting of the Joint Transport Committee.

6. Potential Impact on Objectives

6.1 The arrangements will enable the Joint Transport Committee to be fully informed of decisions made by the Tyne and Wear Sub-Committee, thereby assisting in the delivery on its objectives.

7. Financial and Other Resources Implications

7.1 There are no financial implications.

8. Legal Implications

8.1 The Joint Transport Committee is required to make arrangements to enable relevant decision-making responsibilities and associated functions to be fulfilled. These responsibilities arise under the provisions for the Order creating NECA and the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018. The proposals set out in this report comply with these requirements.

9. Key Risks

9.1 There are no risk management implications arising from this report.

10. Equality and Diversity

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

11. Other Impact of the Proposals

11.1 The proposals comply with the principles of decision-making. Relevant consultation processes have been held where applicable.

12. Appendices

12.1 Appendix A sets out the transport functions delegated to the Tyne and Wear Sub-Committee by the Joint Transport Committee, along with membership details.

13. Background Papers

13.1 Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018.

13.2 The Durham, Gateshead, South Tyneside and Sunderland Combined Authority Order 2014 (SI 2014 No.1012) as amended by the Second Order.

13.3 The North East Joint Transport Committee Standing Orders (January 2019).

14. Contact Officers

14.1 Mike Barker, Monitoring Officer – Transport
mikebarker@gateshead.gov.uk Tel: 0191 433 2100

15. Sign off

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

16. Glossary

JTC – Joint Transport Committee
NECA – North East Combined Authority
NTCA – North of Tyne Combined Authority

Appendix A

Tyne and Wear Sub-Committee

Membership

Five Members (three Members nominated by NECA to represent Gateshead, Sunderland and South Tyneside and two Members nominated by NTCA to represent Newcastle upon Tyne and North Tyneside)

Functions

The following transport functions are delegated by the JTC to Tyne and Wear Sub-Committee in respect of the area of the Tyne and Wear Authorities:

1. Considering and recommending to JTC the creation and development of:

   (i) Advanced Quality Partnership Schemes pursuant to sections 113C to 113O of the Transport Act 2000;

   (ii) Franchising Schemes pursuant to sections 123A to 123X of the Transport Act 2000; and

   (iii) Enhanced Partnership Plans and Schemes pursuant to sections 138A to 138S of the Transport Act 2000.

2. Implementing Concessionary Travel Schemes pursuant to sections 93 to105 of the Transport Act 1985.

3. Implementing Advanced Ticketing schemes pursuant to sections 134C to 134G of the Transport Act 2000.

4. Determining the local bus information to be made available, and the way in which it should be made available, pursuant to sections 139 to 143B of the Transport Act 2000.

5. Determining the operation, performance and development of accessible transport provision (including the provision of grants) pursuant to section 106 of the Transport Act 1985.

6. Setting tolls in relation to the Tyne Tunnel.

7. Appointing Members to the Tyne and Wear Passenger Transport Executive (Nexus), the appointment and dismissal of the Director General of Nexus and discharging all other responsibilities falling on either of the Combined Authorities pursuant to the Transport Act 1968.

8. Without limitation to the above:

   (a) authorising the acquisition, disposal and development of land held by either of the Combined Authorities or NEXUS in relation to the transport functions discharged by the Transport Joint Committee (including pursuant to sub-sections 10(1)(xx), (xxii) and (xxiii) of the Transport Act 1968);

(b) determining the operation, performance and development of tendered bus services, bus stations/stops and passenger transport services pursuant to Section 10(1)(vi)(a) of the Transport Act 1968;

(c) monitoring the operation and performance of the metro service and the associated activities of NEXUS and recommending appropriate action;

(d) any other matter previously falling to be discharged by the Tyne and Wear Integrated Transport Authority prior to the creation of NECA unless such matter shall have been specifically reserved for decision by the Transport Joint Committee;

9. Monitoring the operation and performance of bus, ferry and local rail services and influencing accordingly.

10. Further transport functions as may be delegated to the Tyne and Wear Sub-Committee by the JTC as considered appropriate.

North East Joint Transport Committee

Date: **15 March 2022**

Subject: **2021/22 Capital Programme Update – Forecast of Outturn at 31 December 2021**

Report of: **Chief Finance Officer**

Executive Summary

This report provides the North East Joint Transport Committee (JTC) with an update on the forecast outturn position in relation to the 2021/22 Transport Capital Programme based on the position at the end of December 2021.

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

The report identifies that total capital expenditure on Transport schemes of £126.374m is now forecast against the revised capital programme budget of £161.788m, a forecast under-spend of £35.414m against the revised programme.

The revised programme takes account of the 2020/21 outturn and new grant approvals made since the original capital programme was set in January 2021, as well as the updated position reported to the JTC at the meeting on 18 January 2022.

The forecast underspending primarily relates to slippage / delays in relation to the Transforming Cities Fund Tranche 2 programme (excluding Metro Flow) of £19.516m, the Metro Asset Renewal Plan (£4.75m) and Metro Fleet Replacement (£4.491m) and with Metro Flow (£5.054m).

Actual expenditure to the end of December 2021 totalled £79.324m – 62.8% of the forecast total capital expenditure for the year.

Most of the capital works during the year will be funded through government grants awarded (£115.855m in 2021/22) with elements of the Nexus capital programme and the Tyne Pedestrian and Cyclist Tunnels works funded by reserves (£10.519m in 2021/22) held specifically for this purpose.

Recommendations

The North East Joint Transport Committee is recommended to note the report.

1. Background Information

1.1 This report provides an update on the JTC capital programme for 2021/22 and the funding sources identified to deliver the programme, which covers a wide range of transport improvements.

1.2 In January 2021, the JTC approved the initial 2021/22 capital programme totalling £152.674m. The capital programme was then updated to take account of adjustments for slippage from 2020/21 and for new grant approvals made after the original capital programme was agreed. Following further revisions during the year, the approved capital programme for 2021/22 currently stands at £161.788m.

1.3 The updated position shows a revised capital programme forecast of £126.374m, with expenditure to the end of December £79.324m, or 62.8% of the forecast.

2. Proposals

2.1 A summary of the Transport capital programme for 2021/22 is set out in the table below, with further details provided in the following sections.

Table 1: Capital Programme summary 2021/22

	2021/22 Revised Budget	**Spend to 31 Dec 2021**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
TCF Tranche 1	0.901	0.896	0.901	0.000
TCF Tranche 2 (Excluding Metro Flow)	32.455	2.473	12.939	(19.516)
Active Travel Fund - Tranche 2	3.752	0.693	3.392	(0.360)
EV Charging Infrastructure	0.257	0.000	0.257	0.000
Ultra-Low EV – Taxi Project	0.049	0.001	0.049	0.000
Metro Asset Renewal Plan	23.684	9.348	18.934	(4.750)
Metro Fleet Replacement	64.215	45.531	59.724	(4.491)
Nexus non-Metro Programme	3.304	0.999	2.061	(1.243)
Metro Flow	20.632	10.967	15.578	(5.054)
Tyne Tunnels	1.200	0.583	1.200	0.000
LTP	11.339	7.833	11.339	0.000
Total Capital Programme	**161.788**	**79.324**	**126.374**	**(35.414)**

Transforming Cities Fund (TCF) – Tranche 1 and Tranche 2

2.2 The North East was awarded £208m grant from the TCF, of which £10m was for Tranche 1 and £198m was for Tranche 2. Within the Tranche 2 schemes, £104m is for schemes where the decision making for 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.

2.3 There are nineteen schemes within the TCF Tranche 1 programme, of which twelve have been fully claimed and audit statements submitted which have released the retention held by NECA. There are a further five schemes which have submitted a final claim, but an audit statement is awaited to release the retention. The remaining two schemes are Barras Bridge (Newcastle City Council) and New Road to Lingley Lane (Gateshead Council) which are due to complete by the end of the financial year.

2.4 As of quarter 3 2021/22, only £4.9m of the TCF Tranche 2 funds have been expended, with £2.473m in the current year to date, which represents just 4.6% of the overall programme. Expenditure is likely to rapidly increase from quarter 4 given the agreement from the JTC in November for the early release of funding for the Intelligent Transport Systems (ITS) and North Shields Transport Hub schemes, totalling £7.74m. An additional £10.5m of expenditure is forecast this financial year which reflects the number of business cases due to come forward for review over the next couple of months and the advanced funding for the ITS and North Shields schemes.

Active Travel Fund

2.5 In November 2020, the North East region was allocated £9.049m of grant funding from Tranche 2 of the Active Travel Fund (ATF) (£7.239m capital and £1.810m revenue). £0.262m of the capital funding was used in 2020/21.

2.6 Ten Active Travel schemes across the seven Local Authorities have been allocated £6.938m from the remaining £6.978m. In order for a Grant Funding Agreement (GFA) to be set up and claims to be processed for schemes, TNE has requested that an Assurance Statement and a Monitoring and Evaluation Plan is submitted for the scheme. This is additional to the DfT requirement to submit a letter confirming the outcomes of public consultation activities. One GFA is now in place with Durham County Council and the Durham Great North Cycleway scheme is under construction. The first claim for the scheme was entered for quarter 3. The remaining documents have started to come through and GFAs will be issued, with schemes due to commence on site before the end of the financial year.

2.7 An announcement is expected by the end of March in relation to the Active Travel Fund Tranche 3 to which the region submitted a bid.

Electric Vehicle (EV) charging infrastructure

2.8 Using funding of £0.390m allocated through the Local Growth Fund, the JTC are currently in the process of delivering a number of new EV Charging Points around the north east, one in each local authority, based on a prioritisation process set out

in an Enabling Study completed last year. At its meeting in January, the JTC approved a proposal to change the proposed site for Durham County Council from Middleton in Teesdale to Crook instead, as it was no longer possible to proceed with the original site.

2.9 Forecast expenditure to the year end is £0.257m which will be funded through the Local Growth Fund grant.

Ultra-Low Emission Vehicles – Taxi Project

2.10 Nine of the ten dedicated electric vehicle charges for the taxi and private hire industry (funded by the Office of Zero Emission Vehicles) are now live and operational. Engagement events to encourage the switch to electric vehicles in the taxi trade are planned for 2021 and 2022. There are issues impacting on implementing the final site. The Coronation Street site in North Tyneside is currently being used as a Covid testing centre. Discussions are being held with North Tyneside Council on the future of this site. £0.043m budget will be carried over into 2022/23 for this site

2.11 Forecast expenditure to the year end is £0.049m which will be funded through government grant.

Nexus Capital Programme

2.12 The Joint Transport Committee approved Nexus' Capital Programme for 2021/22 to 2023/24 in January 2021. 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)

2.13 At the end of Period 9 the total programme spend was £66.845m, against the budgeted spend of £76.799m. The 2021/22 forecast outturn is £96.298m against a revised budget of £111.835m. Importantly, the under spend and associated programme implications can be accommodated and no resources will be clawed back. The £15.537m net underspend is detailed below in the table below:

Table 2: Nexus Capital Programme 2021/22

		Revised Budget	Actual/ Forecast	Variance
		£m	£m	£m
Cumulative to Period 9				
Metro Asset Renewal Programme		11.552	9.348	(2.204)
Fleet Replacement Programme		48.833	45.531	(3.304)
Other Capital Projects		1.991	0.999	(0.991)
Metro Flow		14.423	10.967	(3.456)
		76.799	**66.845**	**(9.954)**
	Original Budget	**Revised Budget**	**Actual/ Forecast**	**Variance**
	£m	**£m**	**£m**	**£m**
Outturn				
- Metro Asset Renewal Programme	19.222	23.684	18.934	(4.750)
- Fleet Replacement Programme	63.069	64.215	59.724	(4.491)
- Other Capital Projects	8.229	3.304	2.061	(1.243)
- Metro Flow	8.100	20.632	15.578	(5.054)
	98.260	**111.835**	**96.298**	**(15.537)**

2.14 At the end of Period 9, £71.376m of capital grant has been claimed from the Department for Transport (DfT). This includes both the MARP, FRP and MFL. The actual amount claimed in total was 100% of forecast and therefore within DfT tolerance levels of +/- 5%.

Metro Asset Renewal Programme (MARP)

2.15 Cumulative actual spend at the end of Period 9 was £9.348m against the revised budgeted profile of £11.552m. The £2.204m underspend relates to reduced use of contingency than forecast, together with project spend outlined below being deferred into 2022/23.

2.16 Forecast outturn for 2021/22 is £18.934m (including a risk contingency of £0.613m) against a revised budget of £23.684m. The £4.750m net decrease is as a result of:

- £2.572m of project spend deferred into 2022/23 (including Network Refresh, Tanners Bank, Battery Loco replacement Rail Grinding and Relay Rooms);
- Net savings of £1.026m (reductions in Tyne Dock track works, Heworth to South Shields plain line renewal, Cable Degradation in Relay Rooms, offsetting against increases in Tunnels Asbestos Maintenance, Northumberland Park Car Park and Christon Road S&C); and
- A review of the contingency has been undertaken which has resulted in a

reduction in the provision held of £1.152m.

2.17 The lack of long term surety is now severely impacting on delivery of the MARP because future projects aren't sufficiently developed in the life cycle and are therefore incapable of delivery within the guaranteed funding window or of being brought forward to mitigate slippage in the current year's programme. This will continue to be an issue until a multi-year funding settlement is available.

2.18 Total grant claimed to date is £8.165m and MRG capital grant totalling £16.000m is forecast to be claimed by year end. The forecast outturn is currently £0.712m above the minimum spend target of £18.222m. Arrangements have been made with the DfT in the event that the minimum spend level is not achieved, thereby ensuring no claw back of MRG capital grant at the year-end.

2.19 The remaining £2.934m of forecast spend will be funded from £2.473m of local funding (LTP and reserves), plus £0.461m Highways Challenge Fund grant for Tanners Bank.

Fleet Replacement Programme (FRP)

2.20 Cumulative actual spend at the end of Period 9 was £45.531m against the revised budget profile of £48.833m. The majority of the £3.303m underspend relates to less contingency being applied than budgeted and a realignment of contractor activities on the Gosforth Depot project. In Period 9 a negative MSA variation order was confirmed, for the removal of the energy storage test requirement, further reducing spend by £0.226m. None of this is expected to delay the depot completion date.

2.21 Forecast outturn for 2021/22 is now £59.724m which represents an underspend of budget by £4.491m. The underspend relates to the amended contractor programme at Gosforth Depot, which has turned the programme dashboard amber in respect of the Depot Construction Contract given the lack of float in the programme. As a result of the underspend, the local contribution will be deferred into 2022/23, so there is no impact on capital grant funding from DfT.

2.22 The £59.724m forecast outturn is expected to be funded from the £54.100m DfT Fleet Replacement grant available in 2021/22. With the balance funded from the local contribution of £5.624m.

Other Capital Projects (OCP)

2.23 In 2021/22 Other Capital Projects have a revised budget of £3.304m comprising of £1.322m Transforming Cities car park projects, £1.226m Ferry North Landing relocation, £0.515m Ferry vessels and infrastructure and £0.241m non Metro digital projects.

2.24 Cumulative actual spend at the end of Period 9 was £0.999m against the revised budgeted profile of £1.991m, resulting in a £0.992m underspend. This is mainly as a result of delays in the Ferry North Landing relocation project. The Ground Investigation works were due to be incurred as part of the project development ahead of the main contract procurement but will now form part of the design and build contract, which will only be progressed if funding is available.

2.25 Forecast outturn for 2021/22 is £2.061m (including a risk contingency of £0.109m) against an approved budget of £3.304m. The forecast underspend consists of:

- £0.483m relating to the Transforming Cities (TCF) car park projects. This is as a result of a reduction in contingency and programme slippage into the next financial year. Although forecasts have reduced in 2021/22 both projects are estimated to complete by the funding deadline of March 2023 and are being monitored closely.
- Additionally, there is a £0.299m overspend on Ferry vessels and the South Landing refurbishment, following a revised scope following Voith inspections, offset against a £0.723m forecast underspend on the North Landing Relocation project, due to the aforementioned programme delays. Given the current uncertainty of funding and wider market conditions, the award of contract for ground investigations will not progress at this time. Instead, they will be integrated into the design and build contract which will be released when funding is secured. Nexus has also engaged with suppliers to understand how best to structure those contracts and this feedback will be considered in future programmes and approaches.

Metro Flow (MFL)

2.26 Cumulative actual spend at the end of Period 9 was £10.967m against an expected cumulative spend of £14.423m, resulting in a £3.456m underspend. The variance relates to contractor delays to undertaking planned surveys, together with a re-costed programme from the contractor and reduced spend on PM time and de-vegetation works.

2.27 Forecast outturn for 2021/22 is £15.578m (including a risk contingency of £1.007m) against a revised budget of £20.632m. The £5.054m underspend is due to a £2.255m movement in the contractor's latest programme compared to their bid submission. Largely relating to design works these changes have not affected the programme critical path and delivery date but are being monitored by the project team. It also reflects the re-costed programme from the contractor. Additionally, the cost of the internal team is likely to be around £0.444m less than budget, although this is currently being reviewed. Finally, there is a forecast £2.355m reduction in contingency usage to the year-end.

2.28 The project is 100% TCF capital grant funded in 2021/22 with TCF grant of £20.100m delegated to and received in full by Nexus during Period 4. TCF Grant conditions allow grant, already received, to be carried forward into 2022/23 in the event that there is an underspend in year. The 2021/22 grant allocation, together with TCF grant receivable in 2022/23, must be fully utilised by the end of 2022/23.

2.29 In relation to the match funding (£8.5m Metro Rail Grant and the £4.9m to acquire Network Rail infrastructure) MRG has now been secured and a letter of comfort was received from DfT in August 2021 which Nexus is placing reliance on in relation to the acquisition of Network Rail infrastructure. This has enabled the

award of both the contracts for the 4 additional trains to Stadler and the engineering works contract to Buckingham Group. Discussions with civil servants continue in order to resolve the delay in full conformation of the funding to acquire Network Rail infrastructure.

Tyne Tunnels

2.30 The completion and certification of the inclined lifts is now the only major outstanding work required to complete the full refurbishment of the Tyne Pedestrian and Cycle Tunnels. Once this is completed, the Tunnels will be handed over from the Newcastle City Council project team, who are continuing to oversee their operation, to TT2 Ltd., who will then manage the operation of the Tunnels for the remainder of the Concession.

2.31 New contractors were appointed in Spring 2021 and work began in July. The new specialist lift engineers have made good progress on the wiring and mechanical systems which control the lift. However, there are still works to be completed on the cabin, doors and the door operating mechanisms. New parts are required but due to unexpected supplier issues there is a delay to the works until the parts can be supplied, therefore it is planned that bringing the lifts into full operation will be during 2022. The new lifts will be able to carry up to 6 cyclists and their bikes in one journey. Expenditure to the end of December 2021 is £0.583m with £1.200m forecast for the full year.

Local Transport Plan

2.32 LTP Integrated Transport Block funding is made available by the DfT to the whole JTC area. This block is allocated between the JTC constituent authorities on a locally agreed basis with an allocation to Nexus (mainly used to provide the match funding needed for the MARP capital programme. The LTP block allocation is also used to contribute to the costs of the Transport North East (TNE) team and, in Tyne and Wear only, to the Urban Traffic Management and Control (UTMC) centre. Payments have been made to the authorities for the first three quarters for the year following receipt of the grant from DfT and expenditure to 31 December 2021 is £7.833m.

Overall Capital Programme Financing

2.33 Forecast capital expenditure for 2021/22 will be financed as follows:

Table 3: Capital Programme Financing 2021/22

	2021/22 Original Budget	**2021/22 Revised Budget**	**2021/22 Revised Forecast**	**2021/22 Variance**
	£m	**£m**	**£m**	**£m**
Government Grants	147.174	151.102	115.855	(35.247)
Earmarked Reserves	5.500	10.686	10.519	(0.167)
Total Funding	**152.674**	**161.788**	**126.374**	**(35.414)**

3. Reasons for the Proposals

3.1 This report is for information, enable the JTC to fulfil its role in monitoring transport budgets on behalf of the two combined authorities.

4. Alternative Options Available

4.1 This report is for information with no decision required.

5. Next Steps and Timetable for Implementation

5.1 Performance against the capital programme for 2021/22 will be monitored for the remainder of the financial year and a report on the final outturn presented to the JTC at its meeting in July 2022.

6. Potential Impact on Objectives

6.1 Successful delivery of the various transport schemes and investment proposals outlined in this report will assist the JTC in meeting its objective to maximise the region's opportunities and potential.

7. Financial and Other Resources Implications

7.1 The financial summary is set out in the main body of the report. There are no financial or other resource implication arising from this report which is for information.

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 a local authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified. There are no legal implications arising from this report, which is for information.

9. Key Risks

9.1 Risks associated with the delivery of transport project by the key delivery bodies are factored into the risk management processes of those organisations. The impact of the COVID-19 pandemic is having a significant and continuing impact on transport budgets and the financial consequences will continue to be carefully assessed and monitored. The JTC holds reserves to mitigate against financial risks associated with its transport functions, and the forecast level of these are considered to be adequate.

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 capital programme for 2021/22 was subject to consultation with key stakeholders including constituent authorities as part of the budget setting process. Budget holders were involved in the preparation of the forecasts included in the report. Individual capital schemes are subject to consultation as part of their delivery programmes.

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 Joint Transport Committee Capital Programme 2021/22 – report to 19 January 2021 meeting: (Public Pack)Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 (northeastca.gov.uk)

16. Contact Officers

16.1 Eleanor Goodman, NECA Finance Manager, eleanor.goodman@northeastca.gov.uk, 0191 433 3860

17. Sign off

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

18. Glossary

North East Joint Transport Committee

Date: **15 March 2022**

Subject: **2021/22 Revenue Budget update – Forecast of Outturn at 31 December 2021**

Report of: **Chief Finance Officer**

Executive Summary

This report provides the North East Joint Transport Committee (JTC) with an update on the forecast outturn position in relation to the 2021/22 Transport Revenue Budget.

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

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

Underspends against the grant received from the JTC are forecast for Durham and Northumberland. For Nexus, the call on reserves is currently forecast to be £1.350m better than the original budget at £1.330m.

Expenditure on the Transport North East Core Budget is forecast to be slightly lower than the original budget, mainly due to vacancies in the team during the year and a balanced position is forecast with no use of reserves required.

A breakeven position is also forecast on the Tyne Tunnels revenue account, where lower levels of tolls income compared to the original budget for the year will be offset by lower contract payments to the tunnels operator, TT2, since their reimbursement is based on actual usage.

Recommendations

The North East Joint Transport Committee is recommended to note the report.

1. Background Information

1.1 The JTC meeting held on 19 January 2021 agreed a Transport net revenue budget for 2021/22 of £82.895m. This report presents an update against the latest budget with the forecast prepared based on the position at 31 December 2021.

2. Proposals

Forecast of Revenue Outturn 2021/22 – Period to 31 December 2021

2.1 The table below summarises the forecast outturn position against the net Transport Revenue budget for 2021/22. The levies and grants to Durham, Northumberland and Nexus are fixed for the year, but details of how the grant will be applied by each organisation to the provision of public transport services is set out in more detail in the following sections. Expenditure against the retained levy is forecast to be £0.072m below the budget of £2.120m, mainly due to reductions in financing charges on historic debt relating to the former Tyne and Wear Integrated Transport Authority.

2.2 *Table 1: 2021/22 Transport Levies and Grants*

	2021/22 Original Budget	**Spend to date (31 December 2021)**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Grant to Durham	15.457	11.593	15.457	0.000
Grant to Northumberland	6.318	4.739	6.318	0.000
Grant to Nexus	57.813	43.360	57.813	0.000
Retained Levy Budget	2.120	1.590	2.048	(0.072)
Contribution to Metro Futures Planning Studies Budget (2021/22 Only)	1.187	1.187	1.187	0.000
Tyne and Wear Levy Rebate	1.200	1.200	1.200	0.000
Total Expenditure	**84.095**	**63.669**	**84.023**	**(0.072)**
Transport Levy	(82.895)	(62.171)	(82.895)	0.000
Contribution from Nexus Reserves held by NECA	(1.200)	(1.200)	(1.200)	0.000
Contribution to JTC unearmarked reserves	0.000	0.300	0.072	0.072

Durham

2.3 The forecast of outturn at the end of December 2021 shows a projected underspend of £0.890m when compared to the original budget for the year. This projected underspend will be retained by Durham at the year-end.

2.4 *Table 2: 2021/22 Forecast of Outturn – Durham County Council*

	2021/22 Original Budget	Spend to Date (to 31 December 2021)	2021/22 Forecast Outturn	2021/22 Forecast Variance
	£m	**£m**	**£m**	**£m**
Concessionary Fares	11.932	6.271	11.082	(0.850)
Subsidised Services	2.556	2.021	2.389	(0.167)
Bus Stations	0.177	0.548	0.237	0.060
Bus Shelters	0.019	0.070	0.066	0.047
Passenger Transport Information	0.088	0.076	0.108	0.020
Staffing	0.685	0.514	0.685	0.000
Share of JTC Transport Costs	0.010	0.000	0.010	0.000
Net Expenditure	**15.467**	**9.500**	**15.427**	**(0.890)**

2.5 The underspend for Durham mainly relates to reduced payments to operators for concessionary travel and for subsidised services following a procurement exercise, plus additional grant income received. There have been some additional costs incurred in relation to repairs and security on bus stations and additional maintenance on bus shelters.

Northumberland

2.6 The forecast outturn position for 2021/22 is currently estimated to underspend by £0.315m when compared to the original budget for the year. This projected underspend will be retained by Northumberland at the year-end..

2.7 *Table 3: 2021/22 Forecast of Outturn – Northumberland County Council*

	2021/22 Original Budget	Spend to Date (to 31 December 2021)	2021/22 Forecast Outturn	2021/22 Forecast Variance
	£m	**£m**	**£m**	**£m**
Concessionary Fares	4.903	2.916	4.643	(0.260)

Subsidised Services	1.230	0.754	1.175	(0.055)
Bus Services	0.026	0.019	0.026	0.000
	2021/22 Original Budget	**Spend to Date (to 31 December 2021)**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Passenger Transport Information	0.025	0.025	0.025	0.000
Staffing	0.134	0.100	0.134	0.000
Share of JTC Transport Costs	0.010	0.000	0.010	0.000
Net Expenditure	**6.328**	**3.814**	**6.013**	**(0.315)**

2.8 In common with Northumberland's approach to funding supported services in 2020-21, Northumberland has continued to fund supported services at pre-Covid-19 levels with the majority of these services now returning to pre-Covid-19 frequency having operated at reduced frequency. These supported services include instances of services running commercially at popular and peak times, but where support is given to maintain journeys at other times for example early mornings or late evenings.

2.9 Northumberland County Council also makes payments to operators under the Government's English National Concessionary Travel Scheme (ENCTS) which entitles pass holders to free off-peak travel after 0930 on local bus services. ENCTS scheme journeys are still significantly reduced due to the ongoing implications of the Covid-19 pandemic and subsequent messaging regarding only travelling for essential purposes. During the early part of 2021-22 the Council reduced payments to those operators not running pre Covid mileage in line with government advice, with those operators being reimbursed based on the proportion of mileage currently being operated when compared with pre covid mileage, any shortfall is claimable by operators as part of the commercial BRG claim, which means despite the reduction in concessionary travel payment operators are no worse off. All other operators continue to be reimbursed at pre-pandemic levels to ensure the viability of routes and operators is maintained, in line with the Cabinet Office Procurement Policy Note 02/20 – Supplier Relief due to Covid-19, these overpayment will continue for the remainder of 2021/22 before a phased return to actual patronage levels during the early part of 2022/23.

Nexus

2.10 The 2021/22 budget was set using pre-Covid service levels on the basis that government support would continue in the form of Light Rail Revenue Restart Grant (LRRRG) and Local Authority Coronavirus Bus Services Support Grant (LACBSSG). The original budget included £21.944m of Covid support with the remaining shortfall between income and expenditure of £2.680m being funded from reserves.

2.11 In July the DfT confirmed that a final tranche of LRRRG support would be available to the end of the financial year and then it would be discontinued. LRRRG is now expected to be in excess of the original budget and is currently envisaged to be sufficient in order to cover Metro's expected fare and commercial revenue losses over the remainder of the year.

2.12 Elsewhere within the budget, there are positive variances which means that the call on reserves is currently forecast to be £1.350m better than the original budget, which given the financial challenges that lie ahead, represents a positive outcome. A summary of the forecast outturn is summarised below:

2.13 *Table 4: 2021/22 Forecast of Outturn – Nexus*

	2021/22 Original Budget	**Spend to Date (to 31 December 2021)**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Concessionary Fares	38.604	25.635	37.269	(1.335)
Bus Services	14.833	10.631	14.788	(0.045)
Metro	24.103	16.357	24.530	0.427
Other	4.897	3.440	4.919	0.022
COVID-19 Support	(21.944)	(15.170)	(22.363)	(0.419)
Levy	(57.813)	(40.390)	(57.813)	0.000
Total Expenditure	**2.680**	**0.503**	**1.330**	**(1.350)**
Reserves	(2.680)	(0.503)	(1.330)	1.350

Metro

2.14 LRRRG that is available to Nexus for the financial year is estimated as £21.102m. This is required to cover fare and commercial revenue losses, shortfalls on investment income and allowable additional costs (up to a maximum level set by DfT).

2.15 Taking into account additional costs covered by LRRRG, investment income losses forecast to be £0.145m and other commercial and miscellaneous income forecast to be £0.412m higher than budget, this will require fare revenue of £28.509m to be generated in year, in order to make up the shortfall against the 2021/22 budget.

2.16 To the end of P9, £21.093m of fare revenue has been generated, which represents a 62% recovery rate (against the evenly profiled 21/22 budget) and a 67% recovery rate (against the flat profiled pre-Covid actuals).

2.17 HV Power unit price forecasts show an approximate £2.1m overspend for the year and noting that notwithstanding the emergence of the Omicron variant and the

subsequent downturn in Metro patronage throughout December 2021, LRRRG can be used to cover additional costs to a maximum level set by the DfT, so it is currently envisaged that this increase in cost will be accommodated from within the overall Metro operating budget.

Concessionary Travel

2.18 In line with government supplementary guidance, bus operators were given notice that from 19 July 2021, concessionary fares would be reimbursed based on the number of services operating, rather than at budgeted levels. To the end of period 9, bus companies are operating on average 91% of services and deductions in concessionary fares reimbursement amount to £1.335m. Given the uncertainty around levels of service provision, the forecast for the year at this stage assumes no further deductions although to the extent that services do not recover to pre-COVID levels, further savings in this budget are likely.

Bus Services

2.19 Bus commercial revenue to the end of P9 is £1.728m which is £0.721m higher than budget. This comprises £1.460m of fare revenue, £0.176m of departure charges and £0.092m of miscellaneous income. The LACBSSG required was budgeted to be £0.762m to the end of P9, however as revenue is £0.721m higher than budget, this reduces the fare loss support required to £0.041m.

2.20 The bus shuttle service to the Nightingale vaccination centre in the Sunderland area ended on 17 October 2021. The costs for this totalled £0.372m and as this service is a direct result of Covid-19 the costs have been claimed from LACBSSG.

2.21 In addition, costs of £0.383m has been claimed as a pass through, on behalf of small operators who do not have access to LACBSSG funding.

2.22 The renewal of existing secured service contracts has seen increases of around £0.275m in 2021/22 and can be funded from LACBSSG. This brings the total LACBSSG required to support Bus Services to £1.075m (including small operator claim passthrough) which is £0.313m higher than the budget of £0.762m.

2.23 £0.847m of additional scholars services has been claimed from funding from the Department for Education and at this time there are no further additional scholars services required.

2.24 Taxi Card membership continues to be lower than budget with net savings of £0.045m identified to the end of period.

Other

2.25 Ferry revenue to the end of period 9 is £0.221m which is £0.054m higher than budget but remains £0.066m (23%) lower than pre-Covid levels. For the first quarter of the financial year, Nexus were able to claim ferry revenue losses through the MHCLG scheme. The losses in this period were £0.051m of which £0.042m is expected to be paid. Since this date, ferry revenue recovery has improved against the flat budget therefore losses have not significantly increased. Any future revenue

shortfall will be borne by Nexus and is reflected in the forecast in the table above.

Transport North East

2.26 Since its creation in 2018, the Transport North East (TNE) team has been working at capacity to develop and lead on the delivery of a very broad and ambitious transport programme on behalf of the region. NECA and NTCA together form one of the largest areas in the country by population and geographical size. TNE acts as the strategic transport body that supports both Combined Authorities (via the JTC).

2.27 Forecast expenditure on the core budget for TNE in 2021/22 is estimated to be £0.860m compared with the original budget of £0.952m, primarily as a result of vacancies in the team and additional external contributions supporting some posts. Expenditure on projects, progammes and externally funded work is forecast to be totalled £7.019m compared to the original budget of £1.708m. This is due to Covid grants allocated to the JTC and paid to delivery partners (such as Home to School Transport grant and Coronavirus Bus Services Support Grant), Active Travel Fund projects and the additional costs of the Bus Services Improvement Plan and Enhanced Partnership development (£1.018m forecast.) Forecast outturn on the BSIP work for 2021/22 is lower than the agreed revised budget for this piece of work, since the scope of what was required has changed following confirmation that the national total available is significantly less than originally communicated, and the delay to timescales communicated by the DfT which required a pause in consultation and an expectation that an Enhanced Partnership scheme is submitted by the end of April 2022. The work will be funded through DfT grant (£1.415m) and the contribution from JTC unallocated reserves previously agreed, if this is required.

2.28 The TNE core budget is funded through contributions from the Transport Levies which are retained to support JTC activity and a topslice of the Local Transport Plan Integrated Transport Block grant which is awarded to the JTC plus external contributions to fund specific posts and external grants for specific programmes and projects.

2.29 *Table 5: TNE Core Budget Forecast of Outturn 2021/22*

	2021/22 Original Budget	**Spend to Date to 31 Dec 2021**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Employee costs	0.758	0.417	0.674	(0.084)
Transport Plan / Strategy Work	0.070	0.025	0.070	0.000
Research and Development	0.100	0.000	0.045	(0.055)
Travel and Miscellaneous	0.013	0.012	0.017	0.004
IT / Equipment / Accommodation	0.011	0.008	0.009	(0.002)
Zero Emission Bus Regional Areas (ZEBRA)	0.000	0.000	0.045	0.045
Total Expenditure	**0.952**	**0.462**	**0.860**	**(0.092)**

LTP funding - TSU	(0.500)	(0.375)	(0.500)	0.000
Retained Transport Levy	(0.187)	(0.187)	(0.197)	(0.010)
External funding for specific posts	(0.216)	(0.057)	(0.163)	0.053
Total Income	**(0.903)**	**(0.619)**	**(0.860)**	**0.043**
	2021/22 Original Budget	**Spend to Date to 31 Dec 2021**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Net Expenditure to be funded from Reserves	**0.049**	**(0.157)**	**0.000**	**(0.049)**
Contribution to/(from) Reserves				
JTC unallocated reserves	0.000	0.157	0.000	0.000
Regional Transport Team reserves	(0.005)	0.000	0.000	0.005
Go Smarter legacy funds – Transport Plan	(0.044)	0.000	0.000	0.034

2.30 *Table 6: TNE Grants and Contributions Forecast of Outturn 2021/22*

	2021/22 Original Budget	**Spend to Date to 31 Dec 2021**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Go Ultra Low – Revenue	0.000	0.002	0.002	0.002
TCF Tranche 2 programme management	0.361	0.125	0.259	(0.102)
Covid-19 grants	0.000	3.734	3.734	3.734
Active Travel Planning	0.000	0.023	1.192	1.192
BSIP/ Enhanced Bus Partnership	0.160	0.173	1.018	0.858
Metro Futures Planning Studies	1.187	0.084	0.598	(0.589)
Rail Development	0.000	0.105	0.216	0.216
Total Expenditure	**1.708**	**3.886**	**7.019**	**5.311**
ERDF grant - Go Ultra Low - Revenue	0.000	(0.002)	(0.002)	(0.002)
TCF grant	(0.361)	(0.125)	(0.259)	0.102
Covid-19 grants	0.000	(3.374)	(3.734)	(3.734)
ATF Revenue grant	0.000	(0.023)	(1.192)	(1.192)
DfT Bus Capacity grant	0.000	(0.173)	(1.018)	(1.018)
Metro Futures Planning Studies - funded by Nexus contribution	(1.187)	(0.084)	(0.468)	0.719
Metro Futures Planning Studies – funded by LEP	0.000	0.000	(0.070)	(0.070)
Metro Futures Planning Studies	0.000	0.000	(0.060)	(0.060)

– funded by Transport for the North				
Rail Administration Grant (via Nexus)	0.000	0.000	(0.216)	(0.216)
	2021/22 Original Budget	**Spend to Date to 31 Dec 2021**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Total Grants and Contributions	**(1.548)**	**(3.781)**	**(7.019)**	**(5.471)**
Net Expenditure from Grants and Contributions	**0.160**	**0.105**	**0.000**	**(0.160)**

Tyne Tunnels

2.31 The Tyne Tunnels are accounted for as a ring-fenced account within the JTC budget, meaning that all costs relating to the tunnels are wholly funded from toll income and Tyne Tunnels reserves, with no call on the levy or external government funding.

2.32 The JTC receives all toll income from the vehicle tunnels and a payment under the contract with TT2 is determined based on traffic levels. The balance retained by the JTC is to meet other costs associated with the Tyne Tunnels, primarily interest and principal repayments on borrowing taken out to fund the New Tyne Crossing project and client costs associated with the management of the contract with the concessionaire.

2.33 The 2021/22 budget included an increase in tolls for Class 2 vehicles to £1.90 in line with inflation as measured by the Retail Price Index (RPI) – a year on year increase of £0.10.

2.34 Following a strong recovery during summer 2021, traffic levels dropped back slightly to around 95% of pre-pandemic levels during the period to the end of December 2021, leading to a reduced forecast level of both toll income and contract payments to TT2 when compared to the original budget for the year. This seems to have been a direct result of the autumn fuel shortage and increase in fuel prices which has resulted in reduced journey numbers.

2.35 The Tyne Pass Scheme for barrierless open road tolling, was launched on 8th November 2021. The barrierless scheme has modernised the payment system at the Tyne Tunnels and provides other benefits for the area, including significantly reduced carbon emissions.

2.36 *Table 7: Tyne Tunnels Forecast of Outturn 2021/22*

	2021/22 Original Budget	**Spend to date (to 31 December 2021)**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**

Tolls Income	(30.004)	(24.299)	(27.855)	2.149
TT2 Contract	21.707	14.991	20.411	(1.296)
Employees	0.093	0.079	0.110	0.017
Pensions	0.054	0.037	0.050	(0.004)
	2021/22 Original Budget	**Spend to date (to 31 December 2021)**	**2021/22 Forecast Outturn**	**2021/22 Forecast Variance**
	£m	**£m**	**£m**	**£m**
Premises	0.021	0.002	0.021	0.000
Support Services	0.129	0.131	0.155	0.026
Supplies & Services	0.095	0.030	0.086	(0.009)
Financing Charges	8.195	0.000	7.323	(0.872)
Interest /Other Income	(0.050)	(0.011)	(0.061)	(0.011)
Repayment from TWITA for temporary use of reserves	(0.240)	(0.240)	(0.240)	0.000
(Surplus) /Deficit on Tyne Tunnels revenue account	**0.000**	**(9.280)**	**0.000**	**0.000**

3. Reasons for the Proposals

3.1 This report is for information, enable the JTC to fulfil its role in monitoring transport budgets on behalf of the two combined authorities.

4. Alternative Options Available

4.1 This report is for information with no decision required.

5. Next Steps and Timetable for Implementation

5.1 Performance against the revenue budget for 2021/22 will be monitored for the remainder of the financial year and a report on the final outturn presented to the JTC at its meeting in July 2022.

6. Potential Impact on Objectives

6.1 There are no potential impacts arising from this report which is for information.

7. Financial and Other Resources Implications

7.1 The financial summary is set out in the main body of the report. There are no financial or other resource implication arising from this report which is for information.

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 a local authority to monitor its budgets during the year and consider what action to take if a potential deterioration is

identified. There are no legal implications arising from this report, which is for information.

9. Key Risks

9.1 Risks associated with the delivery of transport services by the key delivery bodies are factored into the risk management processes of those organisations. The impact of the COVID-19 pandemic is having a significant and continuing impact on transport budgets and the financial consequences will continue to be carefully assessed and monitored. The JTC holds reserves to mitigate against financial risks associated with its transport functions, and the forecast level of these are considered to be adequate.

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 revenue budget for 2021/22 was subject to consultation with key stakeholders including constituent authorities as part of the budget setting process. Budget holders were involved in the preparation of the forecasts included in the report.

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 Joint Transport Committee Budget 2021/22 – report to 19 January 2021 meeting: (Public Pack)Agenda Document for North East Joint Transport Committee, 19/01/2021 14:30 (northeastca.gov.uk)

16. Contact Officers

16.1 Eleanor Goodman, NECA Finance Manager, eleanor.goodman@northeastca.gov.uk, 0191 433 3860

17. Sign off

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

- Chief Finance Officer: ✓

18. Glossary

North East Joint Transport Committee

Date: **15 March 2022**

Subject: **Transforming Cities Fund Tranche 2 – Grant Funding Agreements**

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

Executive Summary.

This report seeks Joint Transport Committee approval to allocate funding from the Transforming Cities Fund (TCF) Devolved Pot to three schemes following successful appraisal in accordance with the North East Transport Assurance Framework:

- Gateshead Council - Hills Street and Gateshead Quays Sustainable Access (GA08) totalling £3,293,750 of TCF funds.
- North Tyneside Council - North Shields Transport Interchange (NT02) totalling £19,125,000 of TCF funds.
- North Tyneside Council - A188/A189 bus Priority Corridor Improvements (NT08) totalling £3,345,000 of TCF funds.

In addition, the report also requests that the Joint Transport Committee delegate authority to the Transport North East Managing Director, in consultation with the Chief Finance Officer / Section 73 Officer and Monitoring Officer, subject to successful appraisal of scheme Business Cases and due diligence in line with the Transport Assurance Framework, to approve a further three schemes from the Transforming Cities Fund programme, those schemes are:

- Gateshead Council - A167 Birtley to Eighton Lodge Cycling Scheme (GA09) with a TCF allocation of £3,825,000
- North Tyneside Council - North Tyneside Improved Cycling and Walking Links to Metro (NT10) with a TCF allocation of £3,825,000
- Sunderland City Council - Holmeside Bus Rationalisation and Priority Measures (SU04) with a TCF allocation of £879,750

Business Cases for these schemes are currently being considered in accordance with the region's Transport Assurance Framework with scheme appraisal due to be conducted by Transport North East's retained independent consultants.

It is necessary to expedite approval of these schemes following the conclusion of appraisal given the lack of Joint Transport Committee dates between March and June, in order to meet the construction and delivery programmes, given that all TCF grant funding must be fully incurred by 31st March 2023. **Appendix 1** provides an overview of the schemes seeking decision within this report.

Recommendations

The North East Joint Transport Committee is recommended to:

i. Approve the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements and release the associated £25,763,750 of funds from the TCF Devolved Pot to enable these projects to commence;

ii. Instruct officers to prepare and sign Grant Funding Agreements with Gateshead Council and North Tyneside Council for the delivery of the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements.

iii. Delegate authority to the Transport North East Managing Director, in consultation with the Section 73 Officer and Monitoring Officer, to approve the release of £8,529,750 of funds from the TCF Devolved Pot to the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures. Subject to successful appraisal in line with the Transport Assurance Framework.

iv. Instruct officers to prepare and sign Grant Funding Agreements, following successful appraisal, with: Gateshead Council, North Tyneside Council and Sunderland City Council for the delivery of the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures.

1. Background Information

1.1 In March 2020 the North East region was awarded £198m from the Government's Transforming Cities Fund to aid the delivery of sustainable transport capital measures. In total, £94m of this funding is allocated to the Nexus led Metro Flow scheme, with the remaining £104m allocated to the region to spend on smaller sustainable transport schemes.

1.2 A programme of schemes was considered by this Committee in May 2020, and the local authority promoters of those schemes have since been advancing the design of their schemes and preparing Business Cases for investment.

1.3 As they come forward, the Business Case for each scheme in the programme is considered using the regionally agreed Transport Assurance Framework and reviewed by an independent consultant retained by Transport North East (TNE) to ensure:

- the level of analysis undertaken by the scheme promoter is appropriate to the size of the scheme;
- the scheme gives good value for public money;
- the risks associated with delivery of the scheme have been identified and where possible mitigated; and
- the appropriate governance and procurement processes are in place to complete the scheme by March 2023, a key requirement of DfT's grant funding conditions.

1.4 Once successfully appraised schemes will come forward for sign off and approval at an appropriate meeting of the JTC which will enable the North East Combined Authority (NECA) to enter into a Grant Funding Agreement (GFA) with the scheme promoter, once signed the GFA gives the scheme promoter permission to draw down the funding allocation associated with the approved scheme from the TCF Devolved Pot which is held by NECA on behalf of the JTC. **Appendix 2** provides an update on the progress of the TCF programme to date.

2. Proposals

2.1 Business Cases for the following schemes: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements have now come forward and have been considered in accordance with the region's Transport Assurance Framework, with appraisal being conducted by TNE's retained consultants. Appraisal has shown the schemes recommended for approval possess strong strategic cases, offer value for money and are viable within the TCF programme timeframe.

2.2 In addition, a further three schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures have produced Outline Business Cases and are progressing Full Business Cases that are due to come forward for appraisal between March and June 2022. So as not to forestall critical stages of scheme delivery it is recommended approval of these schemes, subject to

successful appraisal, is delegated to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer.

2.3 JTC approval of these schemes will enable NECA to enter into Grant Funding Agreements (GFAs) with the scheme promoter for scheme delivery and enable each promoter permission to draw down the respective funding allocation from the TCF Devolved Pot.

2.4 In total, the amount of TCF grant funding associated with schemes seeking full approval by JTC is: £25,763,750, whilst the TCF grant funding associated with schemes seeking approval to be delegated totals: £8,529,750

3. Reasons for the Proposals

3.1 The TCF programme has just under 13 months left to deliver with financial completion of schemes required by the 31st March 2023, to date, the Department for Transport (DfT) have not given an indication that there will be likely to be any relaxation in the deadline for TCF programme delivery. It is therefore imperative that the region takes a delivery focused approach to the TCF programme, in order to ensure that schemes are able to deliver within the required programme timeframe, and all funds are fully incurred by the end of March 2023.

3.2 Following the successful appraisal of the: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange and the A188/A189 bus Priority Corridor, approval is sought from JTC for these schemes to commence delivery. The approval and onwards delivery of these schemes will contribute to the delivery of our Transforming Cities Fund programme, which in turn will contribute to delivery of the objectives in outlined within the North East Transport Plan.

3.3 In addition to seeking the full approval of the above schemes, delegated approval is sought for the following schemes: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures.

3.4 The programme for the delivery of the schemes recommended for delegated approval are on critical delivery paths. Although these schemes have not yet produced Full Business Cases these are expected to be delivered between March and June 2022. Outline Business Cases have been produced and subsequently appraised by our independent assurance consultants which have identified no fundamental issues to scheme delivery or viability. This provides comfort to the JTC that these schemes are sufficiently developed and pose limited delivery risk.

3.5 However, the programmes of delivery of these schemes would be at risk if swift approval of Full Business Cases is not forthcoming following appraisal and works start date is pushed back. The recommendations outlined in this report have been put to the JTC in order to expedite scheme approvals owing to the need for schemes to begin their construction programmes and meet the required TCF timeline for delivery and due to the lack of JTC meeting dates between March 2022 and June 2022. This will ensure schemes are approved in a timely manner and construction programmes can commence in good time, putting the region in the

best possible position for schemes to deliver within the required TCF programme timeframe and fully incur grant funds by the end of March 2023.

4. Alternative Options Available

4.1 As part of the Business Case development for all the schemes proposed for approval and delegated approval, a range of delivery options were assessed against value for money, risk and deliverability considerations in line with the Transport Assurance Framework. Preferred options were selected and progressed on the understanding that the approach detailed within the Business Case offers the best mix of benefits offset against comparably lower levels of delivery risk. The Business Cases demonstrate why the chosen solutions provide the best options in terms of meeting passenger needs whilst also providing value for public money.

4.2 Two options are presented to the North East Joint Transport Committee.

4.3 Option 1 – The North East Joint Transport Committee accept the recommendations set out in this report, approving the: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange, A188/A189 bus Priority Corridor Improvements schemes and releasing the associated £25,763,750 of funds from the TCF Devolved Pot to enable these projects to commence.

In addition, delegating authority to the TNE Managing Director, in consultation with the S73 Officer and the Monitoring Officer, to approve, subject to successful appraisals in line with the agreed regional Transport Assurance Framework, the following schemes A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling and Walking Links to Metro, Holmeside Bus Rationalisation and Priority Measures, enabling these schemes to deliver within TCF programme timescales.

4.4 Option 2 - The North East Joint Transport Committee do not accept the recommendations set out in this report, in which case the schemes outlined in this report will not be able to deliver in line with the TCF programme timescales, the benefits detailed within the Business Cases of the schemes will not be realised and the North East Transforming Cities Fund programme would be likely to underspend.

4.5 Option 1, is the recommended option.

5. Next Steps and Timetable for Implementation

5.1 Grant Funding Agreements will be prepared by officers for those schemes which have secured full approval these will be subsequently agreed with each respective scheme promoter, after which construction can commence. TNE will require that scheme promoters provide quarterly monitoring update reports on approved schemes that will detail progress, expenditure, and risks.

5.2 Full Business Cases for those schemes seeking delegated approval will be delivered between March and June 2022 and will be subsequently appraised by TNE's retained independent consultants in line with the Transport Assurance Framework, should the appraisal outcome of these schemes be successful, Grant Funding Agreements will be prepared by officers and agreed with each respective scheme promoter, after which construction can commence. TNE will also require that scheme promoters provide quarterly monitoring updates reports on these schemes which will detail progress, expenditure and risks.

6. Potential Impact on Objectives

6.1 The schemes detailed in this report will contribute positively to the high-level strategic objectives in both the regional Strategic Economic Plan and the North East Transport Plan.

7. Financial and Other Resources Implications

7.1 In total, the TCF allocation covered by this report amounts to £34,293,500 with £25,763,750 coming forward for full approval and the remaining £8,529,750 coming forward for pre-approval with final sign off delegated to the Managing Director Transport North East in consultation with the Section 73 Officer and Monitoring Officer.

Should the recommendations of this report be accepted by JTC and all associated scheme approvals be completed, a summary of the TCF Devolved Pot can be updated as follows:

- Total available TCF Funds (exc. Metroflow): £103,797,542
- Funds Committed prior to this report: £45,332,902
- Funds Committed as a result of the report: £34,293,500
- Remaining Devolved Pot: £24,171,140
- Total TCF Ask: £120,514,064
- Overprogramming: £16,716,522

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

8. Legal Implications

8.1 Grant Funding Agreements are required in order to enable the scheme promoters to commence drawing down the funding allocation associated with each individual scheme. A standard Grant Funding Agreement template has been prepared for all TCF schemes that is utilised to minimise any legal risks and ensure NECA's obligations (on behalf of the JTC) to the Department for Transport in regards to the TCF devolved funding, these obligations are appropriately transferred to the scheme promoters through the Grant Funding Agreement.

9. Key Risks

9.1 The key risk for this Committee relates to the potential for the construction of these schemes to be delayed or overspent. The funding mechanism included within the Grant Funding Agreement ensures that risks to the Committee are appropriately mitigated, transferred, and borne by both scheme promoters.

10. Equality and Diversity

10.1 All schemes will be designed to modern standards and compliant with appropriate legislation, ensuring that any equality and diversity implications are minimised.

11. Crime and Disorder

11.1 All schemes will be designed to modern standards, appropriate consultation with statutory consultees has taken place through the design of both schemes, ensuring that any crime and disorder implications will be minimised.

12. Consultation/Engagement

12.1 This report has been shared with the Transport Strategy Board, comments have been taken on board and integrated into this report. The scheme promoters have managed all consultation requirements pertaining to each individual scheme.

13. Other Impact of the Proposals

13.1 Each scheme Business Case outlines in detail the transport benefits derived from each specific intervention, however, in addition the approval of these schemes is likely to generate substantial economic benefits and improve linkages to employment centres in the regions urban core.

14. Appendices

14.1 Appendix 1: Scheme Details

Appendix 2: Programme Update

15. Background Papers

15.1 North East Transport Assurance Framework: NORTH EAST JOINT TRANSPORT COMMITTEE (transportnortheast.gov.uk)

16. Contact Officers

16.1 Jonathan Bailes, Transport Programme Lead

E-mail: jonathan.bailes@transportnortheast.gov.uk

17. Sign off

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

18. Glossary

- DfT – Department for Transport

- TCF Devolved Pot – the Transforming Cities Fund allocation from DfT that is available to spend on the prioritised schemes identified in our November 2019 TCF Strategic Outline Business Case submission

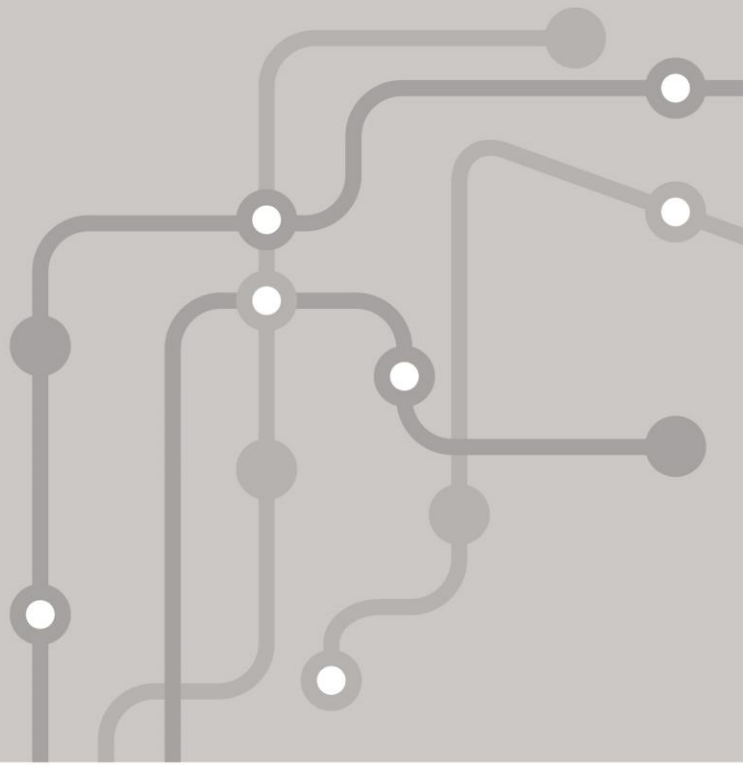
- Transport Assurance Framework – a framework for business case development and review that ensures good decision making, procurement and governance is in place for all projects, for schemes that can demonstrate good value for public money

- NECA – North East Combined Authority

- TNE – Transport North East

Transport North East

Appendix 1: Transforming Cities Fund: Scheme Details



Overview of schemes seeking full approval

The tables below provide an overview of the schemes that are sought for full approval at the March Meeting of the Joint Transport Committee:

Scheme: Hills Street and Gateshead Quays sustainable access
Description: This scheme forms part of a wider regeneration of the Gateshead Quays/Baltic Quarter area of Gateshead. It includes making permanent the temporary pedestrian and cycle facilities introduced as part of the Emergency Active Travel Fund, including Lambton Street/West Street, Askew Road/West Street and Hill Street. Further elements include the Hawks Road 'super crossing'; a signing strategy between Gateshead town centre and the Quays/Baltic Quarter; and further replacements and improvements to pedestrian crossings in the area.
TCF allocation: £3,293,750
Benefits that will be achieved: The strategic objective for the scheme is 'the safe, sustainable and successful regeneration of the Gateshead Quays/Baltic Quarter area' with the scheme's objectives of increased levels of active and healthy travel; reductions in carbon emissions and other pollutants; and reduced risk of pedestrian and cycle road casualties.

Scheme: North Shields Transport Interchange
Description: This scheme includes the delivery of the new North Shields Transport Interchange, reconfiguring the surrounding highway links and relocating the bus stands in North Shields to one central location. This scheme will also consist of wider elements in North Shields including a new active travel friendly link between the town centre and the Fish Quay, cycle improvements between the town centre and A1058, and cycle improvements on the A193 to benefit cycle movements between Tynemouth to the east and Stephenson Street junction to the west.
TCF allocation: £19,125,000
Benefits that will be achieved: The objectives include increasing the attractiveness of public transport, with the aim to affect a mode shift away from the private car; and increasing footfall and cycling activity within North Shields to influence a cultural shift towards active travel.

Scheme: A188/A189 bus Priority Corridor Improvements Phase 1
Description: The scheme will introduce a new southbound bus lane between the A188 Goathland Avenue junction and the entrance to Four Lane Ends Interchange. The scheme

will also deliver enhancements to local walking and cycling provisions, with new segregated cycle links to be delivered between the Interchange and A188 and A191 Strategic Cycle Corridors.
TCF allocation: £3,345,000
Benefits that will be achieved: The aim of this scheme is to improve the journey times of all buses along this corridor, therefore encouraging increased patronage. The pedestrian and cycling enhancements also aim to increase the use of these modes in the vicinity of the Interchange, therefore improving air quality.

Overview of schemes seeking delegated approval

The tables below provide an overview of the schemes that are sought for delegated approval at the March Meeting of the Joint Transport Committee:

Scheme: A167 Birtley to Eighton Lodge Cycling Scheme
Description: The scope of this scheme includes improved directional signage; widening of existing footways to create dual-use pedestrian/cycle paths and in parts segregated pedestrian/cycle facilities; side road crossings designed to improved crossing for pedestrians and cyclists; resurfacing of footways; and improvements to the connection between Durham Road and regional route 11. This is located on the A167 from Birtley north to the
TCF allocation: £3,825,000
Benefits that will be achieved: The objectives of the scheme include improving the standard of cycling along the A167 corridor, and thereby: increasing the number of cycling trips along the A167 between Birtley and Low Fell by 2023 compared with 2019; contributing to an increase in active travel in Gateshead over the next 10 years; and contributing to a reduction in CO2 and NO2 emissions from road traffic in Gateshead over the next 10 years.

Scheme: North Tyneside Improved Cycling/Walking Links to Metro
Description: This scheme will introduce high quality cycling and walking infrastructure to improve connectivity with four Metro stations across North Tyneside: Northumberland Park, Whitley Bay, Percy Main and North Shields.
TCF allocation: £3,825,000 TCF allocation
Benefits that will be achieved: The aim of this scheme is to improve the pedestrian and cyclist connectivity to these stations, and therefore increasing the use of these active travel modes. The mode shift would also result in an improvement to air quality in the vicinity of the schemes.

Scheme: Holmeside Bus Rationalisation and Priority Measures
Description: Holmeside is located within Sunderland City Centre and is a single carriageway road between Vine Place/Park Lane junction in the west, and Toward Road/Frederick Street junction in the east. The scheme will reassign the highway along Holmeside, providing improved pedestrian and cycle facilities, reducing the through vehicle movements in the city centre. The scheme will also introduce a one-way bus gate, with all other vehicles prohibited from using the bus gate section. The cycle improvements include a segregated eastbound cycle lane and a 10m wide 'super crossing' at the Holmeside/Crowtree Road/Park Lane junction.
TCF allocation: £879,750 TCF allocation
Benefits that will be achieved: The scheme will reduce the number of traffic movements along Holmeside, introducing bus priority measures and improving pedestrian and cyclist facilities. The aims of the scheme are to improve bus priority, increase active travel mode share, and improve air quality.

Appendix 2: Transforming Cities Fund: Programme Update **15 March 2022**

Map of TCF Interventions seeking approval

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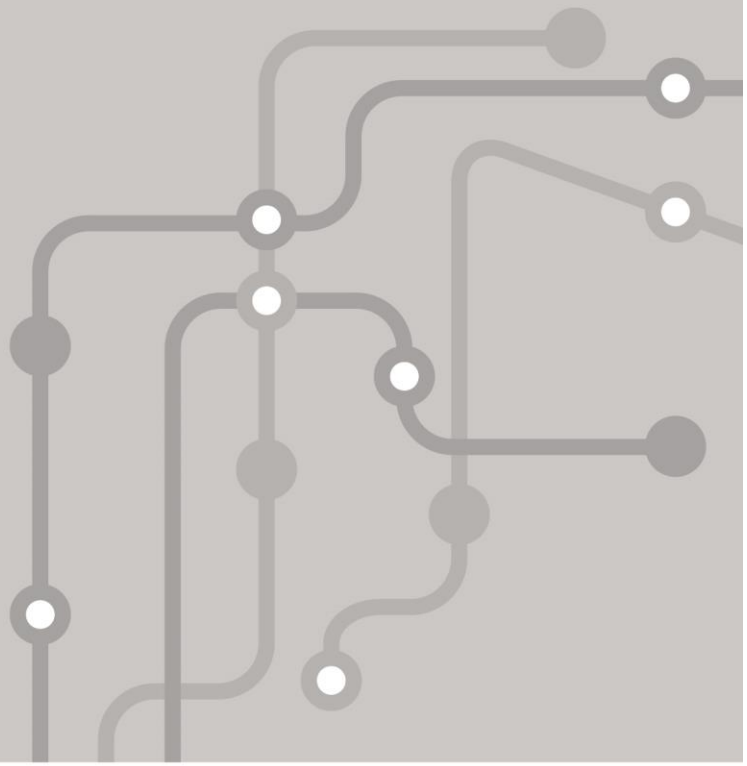
Transport North East

Appendix 2: Transforming Cities Fund: Programme Update



Programme Update

1. The TCF Tranche 2 programme has just 13 months left to deliver with financial completion of schemes required by the 31st March 2023.

2. As of the end of Q3 2021/22, in total £4.89m of TCF funds have been claimed which represents approx. 4.6% of the TCF programme. We are currently estimating a further £10.46m is likely to be incurred by the end of Q4, if this forecast, based on scheme promoter updates, is accurate, in total 14.6% of the programme would have been spent by the end of the financial year 2021/22. This translates to 85.4% of all TCF expenditure being required to be incurred in the financial year 2022/23.

Scheme Approvals

3. The Joint Transport Committee meeting held on the 18th January 2022 delegated authority to the Managing Director of Transport North East to approve two schemes within the TCF Tranche 2 programme: the South Tyneside Council, Healthier Metro Neighbourhoods scheme and the Sunderland City Council, A690 Corridor Strategic Cycle Network scheme, subject to successful Business Case appraisal, both schemes are currently going through development and appraisal with our independent assurance consultants.

4. In total, two schemes have been approved in full, signed Grant Funding Agreements and have entered in to the delivery phase: Durham Bus Station and Sunderland Station, in addition, there is also a further outstanding delegation to approve the Regional Intelligent Transport Systems (ITS) scheme which is due to complete appraisal and come forward for sign off imminently.

5. Of the 23 schemes within the TCF tranche 2 programme in total 18 schemes still require a JTC decision for approval, 3 of these schemes are seeking JTC approval as outlined in this report: Hills Street and Gateshead Quays Sustainable Access, North Shields Transport Interchange and A188/A189 bus Priority Corridor Improvements schemes and a further 3: A167 Birtley to Eighton Lodge Cycling Scheme, North Tyneside Improved Cycling & Walking Links to Metro and Holmeside Bus Rationalisation and Priority Measures are seeking a delegation to the TNE Managing Director to approve subject to successful appraisal.

6. The table below provides an overview of the TCF programme with regards to approvals:

Table 1: TCF Programme Overview

REF	Scheme	FBC Due Date	Status
DU01/04/03	Durham City Approaches	July 22	Outstanding
DU02	Park and Ride Expansion, Durham City	July 22	Outstanding
DU07	Durham Bus Station	Approved	Approved
GA01	West Tyneside Cycle Route	May 22	Outstanding
GA05	Metro Green Sustainable Access	May 22	Outstanding
GA08	Hills Street and Gateshead Quays sustainable access	Received	Approval Sought***

GA09	A167 Birtley to Eighton Lodge Cycling Scheme	Mar 22	Delegation Sought****
GA16	Gateshead Interchange Bus Lane Improvement	May 22	Outstanding
ITS01	ITS Package of Works - Regionwide	Approved*	Approved*
NE01	Transforming Newcastle City Centre	May 22	Outstanding
NE03	Newcastle - North Tyneside Active Travel Corridor	May 22	Outstanding
NE04	Newcastle Outer West	May 22	Outstanding
NE07/N002	Newcastle Airport - Ponteland cycle route	May 22	Outstanding
NE08	Newcastle Streets for People	May 22	Outstanding
NT02	North Shields Transport Interchange	Received	Approval Sought***
NT08	A188/A189 bus Priority Corridor Improvements Phase 1	Received	Approval Sought***
NT10	North Tyneside Improved Cycling/Walking Links to Metro	March 22	Delegation Sought****
NX02	Metro Park and Ride Enhancements	May 22	Outstanding
NX04a	Callerton Parkway Strategic Park and Ride Site	Jul 22	Outstanding
ST04	South Tyneside Smart Metro Stations / Healthier Metro Stations	Approved**	Approved**
SU03	Sunderland Central Station Redevelopment & Car Park	Approved	Approved
SU04	Holmeside Bus Rationalisation and Priority Measures	Mar 22	Delegation Sought****
SU15	A690 Corridor Strategic Cycle Network	Approved**	Approved**

*Approved subject to successful appraisal delegated to MD TNE at JTC 16th November 2021

** Approved subject to successful appraisal delegated to MD TNE at JTC 18th January 2022

*** Approval sought at JTC 15th March 20222

**** Approval sought subject to successful appraisal to be delegated to MD TNE at JTC 15th March 2022

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North East Joint Transport Committee

Date: **15 March 2022**

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.'

The JTC and North East LEP have submitted a joint response to the Great British Railways (GBR) Whole Industry Strategic Plan (WISP) call for evidence.

The Chair of the Joint Transport Committee met with local MPs and business leaders last month at three strategic points on the Leamside line – Follingsby, Washington and Ferryhill. The visit enabled the group to get a closer look at the route and what would be the benefits of re-opening the line.

Public consultation is underway on the North East Rail and Metro Strategy.

The region has expressed support for the key proposals of Transport for the North's new Freight Strategy.

Work has begun on installing new electric vehicle charging infrastructure at St Mary's car park, Sunderland.

Preparatory work is starting on two further Transforming Cities projects, North Shields Transport Hub and the Regionwide Intelligent Transport Systems scheme.

Eight more Active Travel schemes are now undergoing an assurance process.

Capability Fund grant payments have started to be made to local authorities.

Work continues on the Enhanced Bus Partnership scheme and a draft version of the EP Plan is to be submitted to the Department for Transport by the end of April 2022.

Responding to concerns expressed by local authorities and operators, the Department for Transport has agreed to make additional Bus Recovery Grant (BRG) funding available to local transport authorities this financial year, as well as additional light rail funding, reflecting the impact on patronage due to the move to 'Plan B' measures in December.

The Tyne Pass Scheme to introduce barrierless travel for Tyne Tunnel users went live on 8th November 2021. Work continues on the glass inclined lifts which are the last feature of the Tyne Cyclist and Pedestrian Tunnels refurbishment.

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:

- Connectivity beyond our boundaries
- Making the right travel choice
- Active Travel
- Public transport: travelling by bus, ferry and on demand public transport
- Public transport: travelling by local rail and Metro
- Private transport: travelling by car and using road infrastructure
- Research, development and innovation

Progress under various categories is outlined below.

There are also five objectives, which are:

- Carbon-neutral north east
- Overcome inequality and grow our economy
- Healthier north east
- Appealing sustainable transport choices
- Safe secure network

2. Connectivity beyond our boundaries

2.1 Rail update

In February the JTC submitted a joint response with the North East LEP to the Great British Railways (GBR) Whole Industry Strategic Plan (WISP) call for evidence.

The GBR 30-year strategic plan for Britain's railways has five areas of key focus, which the region is supportive of:

- Meeting customer needs
- Delivering financial sustainability
- Contributing to long term economic growth
- Levelling up and connectivity
- Delivering environmental sustainability

The joint response made clear that the region feels a long-term strategy has been sadly lacking leading to a fragmented approach to developing the rail network. The lack of a coherent plan has hit the North East particularly hard with recent proposals for the East Coast Mainline May 2022 timetable changes (which had they gone ahead would have reduced our connectivity across the North), as well as the disappointing outcome of the Integrated Rail Plan for the North and Midlands which severed the North East from both HS2 and Northern Powerhouse Rail.

The region's submission was also linked to the new North East Rail and Metro Strategy (see 2.4 below).

The North East call for evidence response stated clearly that transformation of the network, and the benefits to our region which will flow from that, cannot be achieved without increased levels of investment and new ways of working. The JTC has asked for a meeting with GBR to discuss how the region may help further in the development of the WISP, offering our support and perhaps trialling any pilot concepts within our 'self-contained' local rail geography.

2.2 Leamside line event and debate

Cross-party MPs, local politicians and business leaders came together on Friday 4th February at multiple locations along the Leamside Line to make the case for its reopening. The line's reopening is strongly supported by the region's political and business leaders.

Paul Howell MP for Sedgefield, Sharon Hodgson MP for Washington and Sunderland West, and Liz Twist MP for Blaydon met with Cllr Martin Gannon, Chair of the North East Joint Transport Committee and Leader of Gateshead Council alongside other supporters from the North East Chamber of Commerce, North East Local Enterprise Partnership, Transport for the North, Northern Powerhouse Partnership, Nexus and Transport North East, at three strategic points on the line –

Follingsby, Washington and Ferryhill.

The visit enabled the group to get a closer look at what scheme delivery in the future would look like.

The Leamside line was also the subject of a Westminster Hall debate on 8th February in which a range of MPs from different parties expressed their support for the line's re-opening to local rail traffic and to provide more resilience and extra capacity on the East Coast Main Line. Following the debate, in which the role of the North East Transport Plan was highlighted as offering "a comprehensive and ambitious plan for the region's transport", the Parliamentary Under-Secretary of State for Transport Wendy Morton summed up and re-affirmed the government's stance that "the case for reopening the Leamside line would be best considered as part of any future city region settlement."

2.3 Integrated Rail Plan

When attending the Transport for the North board meeting on 23rd February, the region's representatives expressed the view that, as it stands, the North East currently does not have enough capacity for today's growth in traffic and will require more investment to manage future demand for both passenger and freight services. Northern Powerhouse Rail did not include Newcastle which has impacted on our potential to be further connected to the rest of the UK. We feel that TfN's next steps to address the reduced vision of NPR need to be more reflective of the areas that did not receive the connections they were hoping for, such as the North East.

Whilst there is work planned to upgrade the ECML, we are yet to understand the impact it will have on current services during the agreed work. Network Rail are involved with discussions on a 7th and 8th train path which would help maintain and

possibly increase the ECML capacity.

Work is progressing with the Leamside Line through an umbrella Strategic Outline Business Case which will provide a view of the process of how a roll out of the line could look. These studies examine both the engineering feasibility and economic case for meeting the needs of the area. We hope to be supported through funding but are conscious that the North East has been unjustly missed out in Government funding previously.

2.4 North East Rail and Metro Strategy

The North East Rail and Metro Strategy is undergoing public consultation from 14th February 2022 for eight weeks and it is intended that the Strategy will be published by Summer 2022.

The North East is in a unique position in that it runs its own local railway (the Tyne and Wear Metro) and through this strategy seeks to better integrate local rail services and provide a clear understanding of how the North East Rail and Metro network can best serve residents and businesses in the area. Through the increase in the number of people and goods traveling by rail and Metro we will help tackle a number of key challenges in the North East whilst supporting national agendas. More rail and Metro use will:

• Reduce Carbon emissions through more efficient transfer of people and goods (modal shift)
• Improve connectivity providing more opportunities for work, training, education and leisure
• Improve health by encouraging modal shift and active travel as part of the journey
• Ensure a more secure financial future to operate key services

There will be four online consultation events held on Zoom with bookings taken through Eventbrite. One event, on Saturday 5th March, has already taken place and the other three are scheduled for:

- Tuesday 22nd March: 12pm
- Thursday 31st March: 10am
- Tuesday 5th April 6pm

There is also a telephone number that we are using to answer people's queries and to help them complete the consultation questionnaire over the phone. A rail and metro email address has been set up for people to get in touch with us, and engagement with the local press and social media has taken place to get people engaged with the consultation.

The full strategy and consultation questionnaire can be found here https://www.transportnortheast.gov.uk/railandmetro/

2.5 Transport for the North (TfN) update

Transport for the North recently concluded consultation on a new Freight and Logistics strategy. The main recommendations of the strategy included:

- Encouragement of more rail-connected warehouse clusters and rail freight interchanges across the north
- Enhanced rail capacity and capability for rail freight traffic, including on the Trans Pennine route and through County Durham
- A series of interventions to improve air quality in urban centres, including more consolidation/distribution centres, better overnight lorry parking provision, micro-consolidation and use of e-cargo bikes
- A pan-northern hydrogen transport refuelling strategy
- A Freight Data repository to improve access to freight data and plug gaps in data availability

Transport North East submitted a response to the consultation expressing general support for its proposals and outlining areas where the recommendations aligned with our own priorities.

TfN is also developing a series of policy position statements that will help inform the next version of its Strategic Transport Plan, to be published in March 2024. The latest statements cover International Connectivity and Rural Mobility.

In the latter case, an officer workshop took place in February to help TfN understand in more depth the challenges and opportunities within rural mobility for communities in the north. The north east was represented at the session and provided details of the challenges and opportunities faced in our rural areas. We will also be contributing to future sessions.

2.6 Public transport in towns and cities

The House of Lords Built Environment Committee has launched an inquiry into public transport in towns and cities. It is intended to submit evidence on behalf of the region to the inquiry before the deadline date of 11th March 2022.

3. Making the right travel choice

3.1 Local Growth Fund Electric Vehicle Infrastructure Project

Work began last month on the first of the seven sites across the region where new electric vehicle charging infrastructure is to be installed. 4 new charge points located in St Mary's car park, Sunderland will help to improve the availability of charging provision in this prominent city centre location.

Additionally, the seven local authorities in the region, Nexus and TNE are working with the North East Procurement Organisation (NEPO) to bring forward a concession agreement to enable long-term investment in the regional electric vehicle charging infrastructure (EVCI). This investment is needed to upgrade,

operate and maintain the current network and to resource its expansion in order to secure a sustainable long-term future.

3.2 Zero Emission Vehicle (ZEV) policy

A separate report on the agenda requests the Committee to approve the final version of the North East Zero Emission Vehicle policy.

3.3 Go Ultra Low taxi project

Eight of the ten dedicated chargers for the taxi and private hire industry (funded by the Office of Zero Emission Vehicles) are now live and operational. Engagement events to encourage the switch to electric vehicles in the taxi trade are planned for March 2022 and will be virtual or physical workshops.

Of the two remaining sites, progress has been made at the Blandford Square site and the connection is expected to be made this Spring. The Coronation Street site in North Tyneside remains in use as a Covid testing centre.

3.4 Transforming Cities Fund

Work continues on the two schemes currently in the delivery phase, Durham Bus Station and Sunderland Central Station. In November, JTC agreed for the early release of funding for the North Shields Transport Hub and the Regionwide Intelligent Transport System (ITS) schemes, which is allowing preparatory orders/work to commence so that both schemes can start onsite before the end of the financial year and deliver within TCF timescales. JTC also agreed a delegated decision for the ITS scheme.

In January, JTC agreed delegated decisions for the South Tyneside Healthy Metro Stations and the A690 Corridor Strategic Cycle Network schemes. At the time of writing, all three schemes are due to enter into grant funding agreements shortly.

A separate paper providing an update on the TCF programme performance and scheme approvals will be presented at this meeting.

4. Active travel

4.1 Active travel fund

In Tranche 2, at the time of writing two schemes are under construction, which are Durham Great North Cycleway and North Tyneside Strategic Corridors. The remaining six schemes in Tranche 2 are to commence on site before the end of the financial year.

The Department for Transport indicated that a funding announcement for Tranche 3 was likely to be made in November, with grant determination letters to

follow and release of funds likely to occur in December 2021.

In mid-January, the DfT wrote to TNE confirming that they would like to put eight of our ATF Tranche 3 bid schemes through an assurance process, to be led by Active Travel England. These eight schemes are:

- Brunton Road – Sandy Lane;
- Elswick Road;
- Claremont Road;
- North Tyneside Sea Front Sustainable Route (SFSR);
- Ashington: North Seaton Road;
- Blyth Town Centre to South Beach;
- B1405 European Way / Pallion New Road - Segregated Cycle Lanes; and
- A183 Dame Dorothy Street – Segregated Cycle Lanes.

The combined total ATF funding ask is £17.9m. Feedback was received on the 21st of February, with a response due back by the 22nd confirming commitment to work with Active Travel England to resolve any issues raised in the assurance process. The funding announcements are due to be made in March with the grant allocation sent before the end of the financial year.

4.2 Capability Fund

The Capability Fund grant payments have started to be made to the local authorities. At the time of writing, four of the seven required grant funding agreements are in place, and the remaining three are progressing. The first of two monitoring and evaluation questionnaires has been issued by the Department for Transport, with responses required by the end of February. The second survey is anticipated to be requested in around 6 months' time.

5. Public transport, travelling by bus, ferry and on demand public transport

5.1 Bus partnership development

After JTC agreed on the postponement of the statutory consultation on 1 February 2022 due to the DfT letter from the 11 January 2022, the Enhanced Partnership team have been working on producing a Draft version of the EP Plan and Scheme to submit to DfT by the end of April 2022. A funding announcement is expected within the next few weeks.

Once these funding levels are known prioritised interventions will start to be included in the Enhanced Partnership Scheme. An updated date for when the Enhanced Partnership will be finalised and signed is currently unknown as Transport North East are still waiting for more information from DfT.

5.2 Zero Emission Bus Regional Area (ZEBRA) bid

At the time of writing, we await the government's response to our bid to the

ZEBRA fund.

5.3 Additional Bus Recovery Grant funding

Concerns were expressed by local authorities and operators around the lack of additional Bus Recovery Grant (BRG) funding from the end of March, and the impact of the Omicron variant on the sector. Whilst restrictions have now been relaxed, the move to 'Plan B' measures following the rise of Omicron raised concern that patronage recovery may be delayed, impacting the rate of recovery of the sector and requiring cuts in services affecting up to 15% of the network due to be implemented in March and May 2022.

To avoid the cliff edge in April 2022 the Department has now announced two sets of additional funding. An additional £29m in the current financial year of which the North East will receive £399,649 for local authority supported services and a £150m package of funding for the first six months of 2022/23 for bus and light rail services.

This is good news because it indicates that funding will be made available to bus and light rail services to support them through the recovery period until October. Unfortunately however we do not yet have any details over how this funding breaks down between English regions and operators, and we do not expect this for the next few weeks. Until we have that information we will be unable to be clear on the precise impact on the North East's bus network and next steps. It is our understanding at this point that bus service changes that have already been formally registered by the bus operators are unlikely to be reversed, but that the continuation of funding may have a positive impact on cuts that were being planned for but had not yet been formally registered.

6. Public transport: travelling by local rail and Metro

6.1 Metro funding

DfT and HM Treasury have confirmed a £13.1m package of funding to support Metro until the end of the financial year. Whilst promising patronage recovery had been seen, Plan B had a negative impact on patronage and with the lifting of restrictions it is hoped that patronage will again start to recover. Plan B and the impact of Storm Malik are likely to impact on the end of year patronage recovery figure.

At the time of writing an announcement has been made around potential further funding for light rail for a period of up to six months. However, it is not known how much funding will be made available to Nexus, nor what conditions will be attached to the funding.

In order to achieve the budget as set by JTC in January, Metro patronage needs to achieve 88% of pre-Covid levels. The impact of Plan B means that patronage

is currently lagging behind where it needs to be to achieve this target.

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

7.1 Tyne Tunnel

The Tyne Pass Scheme to introduce barrierless open-road tolling for Tunnel users came into full operation on 8th November 2021. Roadworks are in place around the former toll booths which are gradually being taken down and a new road layout is being put in place. These works will continue until March/April 2022.

TT2 Ltd, the Concessionaire, operates the Tyne Tunnels and has implemented the new systems. After some initial system issues, the payment processes and ANPR cameras are working well. Journeys are already faster and carbon emissions have been significantly reduced under the open-road system. Users have quickly adapted to the new processes and 95% of users are paying the toll successfully online or via phone or Paypoint.

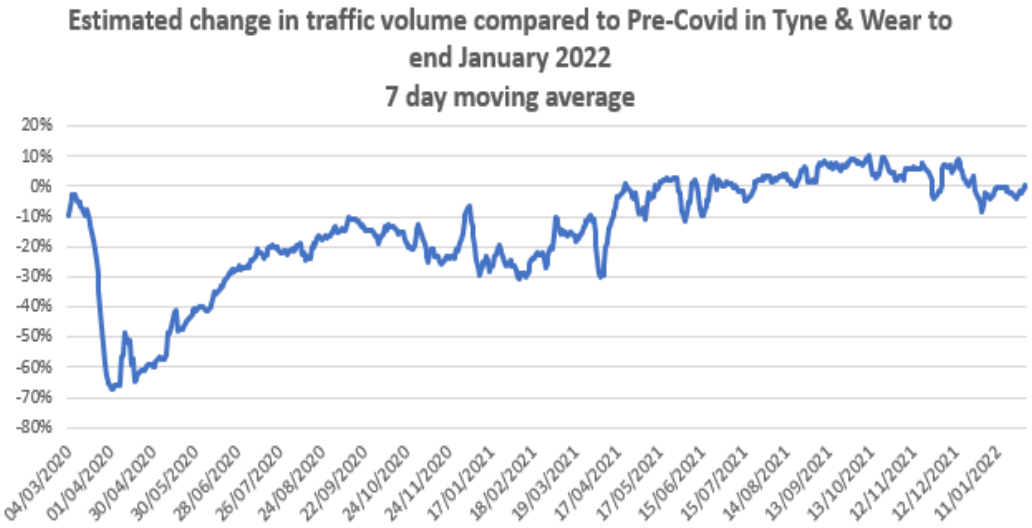
However, there is a reputational risk to JTC if the Tyne Pass scheme produces adverse outcomes for users. Of the users who have received an Unpaid Toll Charge Notice (UTCN), some have been disappointed with their experience and have set up social media groups and online petitions to register their dissatisfaction.

It is therefore important that Transport North East continues to work with TT2 on clear messaging to users, distinctive signage and fair processes for UTCNs and appeals in order to provide customers with the best possible experience under the new scheme. Officers will continue to work with TT2 towards these aims. Safeguards have been put in place via the Project Agreement with TT2 and via the processes for management of the Concession.

Tyne Cyclist and Pedestrian Tunnels (TCPT) are refurbished and open to the public 24/7 with free passage. Work continues on the glass inclined lifts which are the last feature of the refurbishment. There is no fixed date for completion of the inclined lifts as supplier issues mean that the end date is uncertain.

8. Estimated Change in Traffic Flow in Tyne and Wear

8.1 The following chart shows that at the start of the pandemic traffic levels dropped considerably but have now recovered significantly towards pre-covid levels and at times above.



9. Reasons for the Proposals

9.1 This report is for information purposes.

10. Alternative Options Available

10.1 Not applicable to this report.

11. Next Steps and Timetable for Implementation

11.1 Next steps are set out under each respective item.

12. Potential Impact on Objectives

12.1 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.

13. Financial and Other Resources Implications

13.1 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.'

13.2 The North East Transport Plan includes proposed / required investment totalling £7billion 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.

14. Legal Implications

14.1 There are no legal implications arising directly from this report.

15. Key Risks

15.1 Appropriate risk management arrangements are in place for each programme of work overseen by the delivery agencies responsible. Key risks are set out under each respective item.

16. Equality and Diversity

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

17. Crime and Disorder

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

18. Consultation/Engagement

18.1 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.

19. Other Impact of the Proposals

19.1 No specific impacts.

20. Appendices

20.1 1 - Progress on Key Performance Indicators.

21. Background Papers

21.1 None.

22. Contact Officers

22.1 Tobyn Hughes, Managing Director, Transport North East

Tobyn.hughes@nexus.org.uk

23. Sign off

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

24. Glossary

All abbreviations or acronyms are spelled out in the report.

Appendix 1

Progress on Key Performance Indicators

KPI	Direction of travel	Key insight
Sustainable Travel 33% of journeys made by public transport, walking and cycling. Data Source: DfT National Travel Survey 2019, published August 2020.	Increase	Data in the National Travel Survey for 2020 shows that 37% of journeys are made by public transport, walking and cycling, which is an increase on the previous year. Other data sources have Metro and bus use remaining below pre-covid levels even after restrictions have been lifted in 2021. For the 7 days commencing 20th November Metro was at 85% of typical journey numbers, and bus was

		at 69%.
Public transport accessibility 45% People within 25 minutes of key employment, education and retail sites by public transport. Data source: Commissioned analysis August 2020	No Change	Data is not yet available to update, however, there have been no major changes to infrastructure.
Climate action CO2 emissions per capita: 1.7 tonnes CO2 emitted per persona annually using transport. Data source: UK local authority and regional CO2 emissions statistics: 2019, Department for Business, Energy & Industrial Strategy, published June 2021	No Change	Figures for 2019 have been released and show no change in the amount of transport related CO2 emissions.
Take up of ultra-low emission vehicles (ULEVs) 0.34% Proportion of licenced vehicles in our region that are classed as ultra-low emission (end of 2019) Data source: Department for Transport vehicle	Increase	0.48% of licenced vehicles in the region are classed as ultra-low emission (end of 2020). Data published May 2021.

licensing statistics		
Air quality For 2019, the highest, median, hourly nitrogen dioxide reading was 26.9ug/m3 occurring in the morning traffic peak. Data source: Department for Environment Food & Rural Affairs Automatic Urban and Rural Network (AURN)	Decrease	For 2021, the highest, median, hourly nitrogen dioxide reading was 25.5ug/m3 occurring in the morning traffic peak. This is an increase on 2020, however 2020 was expected to be unusually low. 25.5ug/m3 is lower than the baseline in 2019 – traffic levels began the year lower than pre-covid, however for much of the year they were at or above their equivalent pre-covid level.
Network performance In terms of efficiency, in 2019 our regional network scored 71.8% Data source: Department for Transport congestion data.	No Change	Data is not yet available to update
Motor vehicle traffic Estimated vehicle miles per head in our region in 2019 5,077 Data source: Department for Transport National Travel survey, published August 2020	Decrease	In 2020 the estimated vehicle miles per head were 4,064. We can expect that 2020 will be unusually low.
Road safety: numbers	Decrease	In the three-year rolling

killed and seriously injured Numbers killed and seriously injured (KSI) three year rolling average (2016-17 to 2018-19) 778 Data source: Traffic Accident Data Unit		average from 2017 to 2020 there were 667 KSI. Recent data is provisional, and it can be expected that 2020 is lower than expected, due to the reduced traffic numbers.
Road safety: number of slight injuries Number of slight injuries three year rolling average (2016-17 to 2018-19) 3,275 Data source: Traffic Accident Data Unit	Decrease	In the three-year rolling average from 2018 to 2021 there were 2,044 slight injuries. Recent data is provisional, and it can be expected that 2020 is lower than expected, due to the reduced traffic numbers.

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North East Joint Transport Committee

Date: **15 March 2022**

Subject: **North East Zero Emission Vehicle policy**

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

Executive Summary

This report outlines details of the North East Zero Emission Vehicle policy (attached as Appendix 2) and seeks approval for the policy to be published and implemented.

Development of this policy fulfils a commitment made in the North East Transport Plan and will help deliver the five objectives of the Plan. The core goal of the Transport Plan is to encourage people to make the right travel choice and, recognising some journeys will continue to be made by car, increased use of ZEVs can enable us to decarbonise such trips.

The policy takes into account feedback from key stakeholders, including that received from the North East local authorities and Northern Powergrid, and sets out proposals for introducing more chargers to meet projected demand, including within rural communities. It also reflects the possible role of hydrogen fuel, especially for larger vehicles such as Heavy Goods Vehicles.

The policy represents a positive step to assist people who need to travel by car but wish to do so more sustainably, including those in rural areas or densely-built urban locations with no off-street charging facilities. It will also help to underpin funding bids since having a clear and agreed policy for the region will be of advantage should further funding opportunities come forward.

Recommendations

The Joint Transport Committee is recommended to approve the North East Zero Emission Vehicle Policy.

1. Background Information

1.1 Transport is the largest contributing sector to greenhouse gas emissions, representing around 27% of all UK greenhouse gas emissions. The North East Transport Plan has an objective to achieve a carbon-neutral north east and, to help achieve this (and the other stated Plan objectives) the Plan set out our intention to develop a Zero Emission Vehicle (ZEV) policy for the region. This also reflects national government policy, with the sale of new petrol and diesel vehicles to be banned from 2030 and hybrid vehicles to follow in 2035.

1.2 The core goal of the Transport Plan is to encourage people to make the right travel choice and, for those journeys that still need to be made by car, increased use of ZEVs can enable us to decarbonise such journeys. It is not our aim to encourage use of ZEVs to replace trips currently made by sustainable modes of transport. Through the measures set out in the policy, it will contribute to the Transport Plan vision of 'moving to a green, healthy, dynamic and thriving north east'.

2. Scope of the policy

2.1 A Zero Emission Vehicle is defined as any vehicle that does not emit tailpipe pollutants, for example, Battery Electric or Hydrogen Fuel Cell vehicles. The policy therefore addresses:

- Battery electric vehicles and infrastructure
- Hydrogen vehicles and infrastructure
- Private cars, taxis and freight vehicles
- Shared mobility services such as Car Clubs
- Buses (but these are mainly addressed through the Bus Service Improvement Plan)

Areas not in scope of the policy are:

- On-street residential charging schemes delivered by local authorities
- 'Special' fuels such as HVOs (hydrotreated vegetable oil),
- CNG and biodiesel (although cleaner, these are not zero emission)
- Private networks
- E-bikes and E-scooters (covered under the forthcoming North East Active Travel Strategy)

3. Content of the policy

3.1 The policy is based around the proposition that:
Excellent Infrastructure + Well-Informed People = Increase in Zero Emission Vehicles

By providing accessible infrastructure and addressing public concerns that deter the switch to ZEVs (such as the distance that can be travelled after a charge), we can

encourage growth in the number of zero emission vehicles used to replace journeys currently made using petrol/ diesel vehicles.

The policy outlines how we will complement private sector charging facilities, co-ordinate action with local authority charging initiatives and build a partnership with Northern Powergrid, assisting us to move towards a carbon-neutral north east. Although the core focus is on battery-electric vehicles, it also reflects the potential role of hydrogen fuel, especially for larger vehicles such as HGVs.

A particular focus is the challenge of rolling out ZEV infrastructure to areas of high-density housing without off street parking and in remote rural communities, where there is unlikely to be a strong economic case for private sector investment.

The policy builds upon and reflects previous successful initiatives such as the North East Go Ultra Low programme, including case studies of schemes from around the country, and will provide a foundation for future funding bids should new funding opportunities for charging facilities become available.

The policy forecasts the number of plug-in vehicles expected to be on the roads in the region by 2035 and sets out the levels of infrastructure which would be required to support future demand based on the UK government's Transport Decarbonisation plan growth scenarios and also taking into account a set of Future Travel Scenarios produced by Transport for the North.

We recognise, however, that, as society and travel patterns change, this may affect our plans - for example, as the battery range of vehicles increases, fewer chargers might be needed. The policy will therefore need to be a 'live' policy, reflective of changing circumstances and developing social / travel trends.

4. Reasons for the Proposals

4.1 This report seeks JTC approval to publish the policy and begin work on its implementation.

5. Alternative Options Available

5.1 Option 1 is for JTC to approve this report.

Option 2 would entail not approving the policy at this stage.

Option 1 is the recommended option.

6. Next Steps and Timetable for Implementation

6.1
- Subject to approval from this Committee, the policy will be published on the Transport North East website after the end of the 'call-in' period.
- We will seek funding opportunities to help us achieve our Policy Statements.
- A Road infrastructure and ZEV Strategy in 2022/23 will support the high-level goals of this policy by setting out a pipeline of schemes to encourage the

transition to ZEVs.

7. Potential Impact on Objectives

7.1 Successful delivery of the policy statements included in the ZEV policy will assist in delivery of the various objectives of the Transport Plan.

8. Financial and Other Resources Implications

8.1 Delivery of further ZEV charging infrastructure around the region, especially in locations where the commercial case for investment is less strong, will require external financial support. Publication of this policy should assist in underpinning future bids for funding.

9. Legal Implications

9.1 There are no legal implications arising directly from this report.

10. Key Risks

10.1 The main risk is the lack of available funding to introduce additional chargers and meet the goals of the policy. We will seek funding opportunities to progress these and to implement the various Policy Statements listed.

11. Equality and Diversity

11.1 A key goal of the policy is to ensure that we have a comprehensive charging network by ensuring that some investment is focused specifically at rural areas and areas of housing in urban districts without off street parking. This will ensure that residents in all parts of the region can benefit from the opportunity to use zero emission vehicles, even in locations where there may not be a strong commercial case for investment.

12. Crime and Disorder

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

13. Consultation/Engagement

13.1 Consultation has taken place with the seven North East local authorities to ensure the policy aligns with their own plans and strategies and with a number of key stakeholders, such as Newcastle University and Transport for the North. Their comments and feedback have been appropriately reflected in the policy.

14. Other Impact of the Proposals

14.1 No specific impacts.

15. Appendices

15.1 1 – List of Policy Statements.

2 – Full ZEV policy.

16. Background Papers

16.1 None.

17. Contact Officers

17.1 Rachelle Forsyth-Ward, Strategic Transport Lead
Rachelle.forsythward@transportnortheast.gov.uk

John Bourn, Senior Specialist Transport Planer
John.bourn@transportnortheast.gov.uk

18. Sign off

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

19. Glossary

All abbreviations or acronyms are spelled out in the report.

Appendix 1 - Policy Statements

Infrastructure

- Our prediction is that as many as 28,000 public electric vehicle charge points may be required in some scenarios to meet demand from users across the region up to 2035.

- We will prioritise the remaining priority sites from our regional enabling study (Enabling Electric Vehicle Charging in North East England 2021 to 2025) and continue to seek existing and new funding opportunities to take these and future sites forward.

- We will refresh our regional enabling study on an annual basis ensuring that the priority sites continue to be the most appropriate locations.

- We will seek opportunities to work with the private sector, with the aim of coordinating the installation of ZEV infrastructure in the region, ensuring that future demand is able to be met.

- We will take a flexible approach to filling the infrastructure gaps and monitor the deployment of public charge points across the region, reporting on progress.

- We will seek to enter into a strategic partnership with Northern Powergrid to make sure that the power network can support the installation of new EV charging infrastructure, both in terms of substation capacity and overall demand on the network.

- We will work with partners to review and coordinate the deployment of charging in remote rural areas and areas of high social deprivation to ensure challenges with social isolation and transport poverty are tackled equitably.

- We will work with partners where possible on charging specifications to ensure minimum requirements and robust maintenance agreements are standard across the region, ensuring a more consistent and positive user experience.

- We will ensure that the government's accessibility standards are implemented regionally in future procurement exercises and infrastructure projects.

- We will continue to grow partnerships across the region, working with key regional site owners and local authorities to understand new opportunities for public infrastructure.

- We will continue to take advantage of our region's expertise and explore

opportunities to test bed innovative clean energy solutions.

- We will continue to seek and apply for funding to install and maintain ZEV chargers across the region, especially in commercially-unviable locations, for use by the public and the taxi and private hire industry.

- We will work closely with the R&D sector to exploit hydrogen technology for vehicle propulsion and to deploy at scale if required, particularly as a means of decarbonising Heavy Goods Vehicle fleets.

People

- We will embrace current work being undertaken on accessible and inclusivity standards for infrastructure and support our partners to ensure people with mobility/accessibility impairments are able to access and use charging infrastructure.

- We will engage with the people who live, work and visit the North East to understand their current and future infrastructure requirements to enable their transition to ZEVs.

- We will continue to make use of the Go Ultra Low North East brand, as a way to market and promote activities to support the uptake of electric vehicles.

- We will continue to seek funding to install charge points for shared car club projects, particularly in rural areas and areas of high social deprivation, to help tackle challenges with social isolation and transport poverty.

- We will support a region-wide discussion on the approach to setting tariffs to deliver the best possible customer experience.

- We will procure a supplier to manage any charge points that are within our ownership and they will be required to meet a set of minimum standards including maintenance and quality.

Vehicles

- We will monitor the uptake in zero emission vehicles across the region and report on progress against projected growth.

- We must strengthen use of cleaner, greener cars and vans.

- We will continue to seek funding opportunities to deliver zero emission buses.

Appendix 2 – Zero Emission Vehicle policy

See attached for the full ZEV policy.

DRAFT

North East
Zero Emission Vehicle Policy

Moving to a green, healthy, dynamic and thriving North East

neca North East Combined Authority
DURHAM • GATESHEAD • SOUTH TYNESIDE • SUNDERLAND

NORTH OF TYNE COMBINED AUTHORITY

Transport North East

Contents

Foreword

This time last year, I was pleased to introduce the North East Transport Plan, the first to cover the whole region. I stated then that the plan was the first step in a journey towards a green, healthy, dynamic and thriving North East, and this policy represents another step towards that goal.

We know that road transport contributes 37% to the North East's carbon emissions – the most out of any sector. To tackle the climate emergency our region faces and avoid a car-dominated recovery from the pandemic, it is imperative that we increase use of green, sustainable transport. This is why we have developed a Bus Service Improvement Plan in response to the Government's National Bus Strategy, to underpin a dramatic reset of our bus network and encourage greater use. We also continue to invest heavily in better cycling and walking provision and continue to support people as they make the switch from the car to a more sustainable form of transport.

However, we also know that currently many journeys in our region are made by road and 60% of commuter trips are by car. There will be times when car travel is an appropriate choice for your journey, which is why investment in our regional electric vehicle (EV) infrastructure is so high on the North East's agenda.

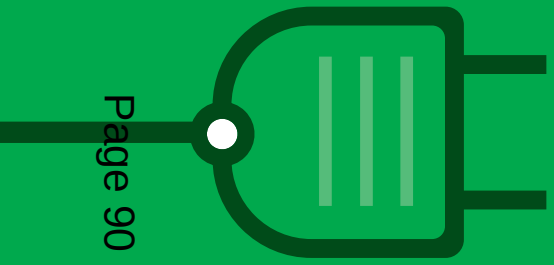
Electric vehicles provide a cleaner, more sustainable option for motorists than standard petrol or diesel cars and indeed the government has stipulated that all new cars and vans must be fully zero emission by 2035. We want the transition to emission-free driving to be as easy and seamless as possible for local people, and to happen as quickly as possible in light of the alarming climate emergency we all face.

This policy sets out how we will take a co-ordinated approach to the delivery of EV charging infrastructure, ensuring that we have a convenient, accessible and reliable network that meets the needs of local people in both our urban and rural communities. We also need to address any questions or concerns people may have about switching to zero emission vehicles.

Our region has constantly been at the forefront in promoting the use of zero emission vehicles (ZEVs). The North East is home to Europe's most successful EV (the Nissan Leaf), the UK's only large-scale battery factory (Envision, Sunderland) and recent announcements from Britishvolt confirm our position as a key global centre in emerging clean energy technologies. Through investing in EV infrastructure and supporting people to make the changes required, we can build on that record of achievement to deliver more zero emission vehicles on our roads, tackling air pollution and creating a better environment. That is the prize we strive to achieve for local people.

Councillor Martin Gannon

Chair of North East Joint Transport Committee



Executive Summary

This is the North East's first region wide Zero Emission Vehicle (ZEV) policy, and it sets out our aim to further develop and expand the North East's ZEV charging network, and to increase the uptake of Zero Emission Vehicles across the region. We define ZEVs as being any vehicle that does not emit pollutants at the tailpipe.

The policy covers a geographical area that comprises the seven local authorities in the North East, and two Combined Authorities, the North of Tyne and North East Combined Authorities, which are brought together by the North East Joint Transport Committee (NEJTC).

Our vision is one of "moving to a green, healthy, dynamic and thriving North East" and this policy will help by providing a sustainable, emission-free option for journeys that need to be made by car.

The policy builds on the five objectives of the North East Transport Plan:

- A Carbon Neutral North East
- Overcome Inequality and Grow Our Economy
- A Healthier North East
- Appealing sustainable transport choices
- Safe, secure network.

The North East Zero Emission Vehicle policy will help people make the right travel choice. It is not the aim of this policy to encourage people who are already walking, cycling or using public transport to switch to a zero-emission vehicle. Instead, we want to promote the use of such vehicles for journeys which have to be made by car, helping to tackle the climate emergency, improve air quality and address transport-related social exclusion.

Transport is the largest contributing sector to greenhouse gas emissions, representing around 27% of all UK greenhouse gas emissions[1] and this policy will assist us to move towards a carbon-neutral north east. It also reflects national government policy, with the sale of new petrol and diesel vehicles to be banned from 2030, and hybrid vehicles to follow in 2035.

Promoting the use of ZEVs not only has environmental benefits, it is also good for our economy since this region is at the forefront of the ZEV agenda, illustrated by developments such as the Nissan Leaf and four planned Gigaplants producing low carbon lithium-ion batteries in the region, reinforcing our role as a leader in the journey towards net zero and clean energy.

We also have a successful track record of securing funding and project delivery, including programmes such as Go Ultra Low and the regional taxi charger project, plus the planned Zero Emission Bus Regional Areas (ZEBRA) project.

The policy focuses on ZEV users that will take advantage of a publicly available infrastructure network while recognising and linking to the work that is happening in other areas of road transport, such as buses, freight vehicles, micro mobility, and car clubs. It also reflects the need to provide accessible solutions for people and businesses who are not currently ZEV users. By delivering a comprehensive and inclusive public infrastructure network, together with clear positive messaging, we can overcome the concerns some people have about switching to ZEVs.

We aim to complement private sector initiatives that are taking place as well as the work of local authorities who are delivering on-street residential charging schemes whilst recognizing the challenge of rolling out ZEV infrastructure to areas of high-density housing without off street parking and remote rural communities.

The policy forecasts the number of plug-in vehicles expected to be on the roads in the region by 2035 and sets out the levels of infrastructure which would be required to support future demand based on the UK government's Transport Decarbonisation plan growth scenarios.

The policy outlines the present situation in respect of the energy supply network and the EV infrastructure currently provided in the region, as well as the role of hydrogen fuel. It reports on the findings of a range of studies that help us to better understand perceptions and barriers for local businesses and residents in making the transition to ZEVs, covering issues such as accessibility of infrastructure, range anxiety and cost.

To meet our ambitions, it is vital that the ZEV infrastructure in the North East continues to grow at pace and this will need to be matched by appropriate capacity in the available power supply. Lack of infrastructure remains a significant barrier to the uptake of ZEVs and so a delivery programme that meets forecast demand is crucial.

The policy therefore forecasts the projected growth in private Zero Emission Vehicles up to 2035 and estimates the amount of public charging infrastructure that will be required to support this growth. With this in mind, we have developed a series of visionary policy statements that cover Infrastructure, People and Vehicles which set out how we will support the uptake of ZEVs in the region.

The following diagram sets out these policy statements and how they relate to the Vision and Objectives of the North East Transport Plan.

The Vision

‘Moving to a green, healthy, dynamic and thriving North East’

The Objectives

Carbon-neutral North East

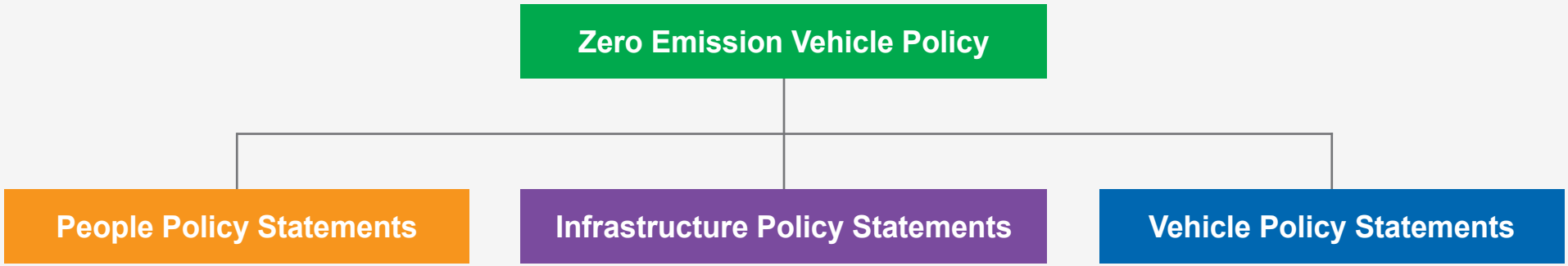
Overcome inequality and grow our economy

Healthier North East

Appealing, sustainable transport choices

Safe, secure network

Policy Statements



People Policy Statements

- We will embrace current work being undertaken on accessible and inclusivity standards for infrastructure and support our partners to ensure people with mobility/accessibility impairments are able to access and use charging infrastructure.
- We will engage with the people who live, work and visit the North East to understand their current and future infrastructure requirements to enable their transition to ZEVs.
- We will continue to make use of the Go Ultra Low North East brand, as a way to market and promote activities to support the uptake of electric vehicles.
- We will continue to seek funding to install charge points for shared car club projects, particularly in rural areas and areas of high social deprivation, to help tackle challenges with social isolation and transport poverty.
- We will support a region-wide discussion on the approach to setting tariffs to deliver the best possible customer experience.
- We will procure a supplier to manage any charge points that are within our ownership and they will be required to meet a set of minimum standards including maintenance and quality.

Our prediction is that, in the next 15 years, as many as 28,000 publicly available EV charging points may be required in some scenarios to meet demand from users across the region. This will be progressed through a region-wide programme that sits across all public and private bodies, to direct activities that support the uptake of zero emission vehicles, including monitoring progress made by partners, and making charging information available to the public in simple and easy-to-access formats.

Infrastructure Policy Statements

In some scenarios as many as 28,000 public electric vehicle charge points may be required to meet demand from users across the region up to 2035.

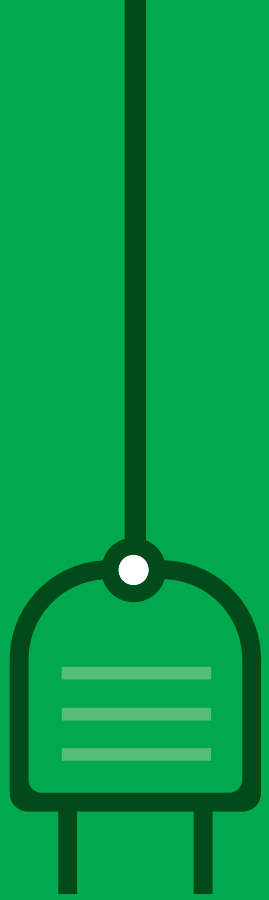
- We will prioritise the remaining priority sites from our regional enabling study (Enabling Electric Vehicle Charging in North East England 2021 to 2025) and continue to seek existing and new funding opportunities to take these and future sites forward.
- We will refresh our regional enabling study on an annual basis ensuring that the priority sites continue to be the most appropriate locations.
- We will seek opportunities to work with the private sector, with the aim of coordinating the installation of ZEV infrastructure in the region, ensuring that future demand is able to be met.
- We will take a flexible approach to filling the infrastructure gaps and monitor the deployment of public charge points across the region, reporting on progress.
- We will seek to enter into a strategic prtnership with Northern Powergrid to make sure that the power network can support the installation of new EV charging infrastructure, both in terms of substation capacity and overall demand on the network.
- We will work with partners to review and coordinate the deployment of charging in remote rural areas and areas of high social deprivation to ensure challenges with social isolation and transport poverty are tackled equitably.
- We will work with partners where possible on charging specifications to ensure minimum requirements and robust maintenance agreements are standard across the region, ensuring a more consistent and positive user experience.
- We will ensure that the government's accessibility standards are implemented regionally in future procurement exercises and infrastructure projects.
- We will continue to grow partnerships across the region, working with key regional site owners and local authorities to understand new opportunities for public infrastructure.

Infrastructure Policy Statements continued

- We will continue to take advantage of our region's expertise and explore opportunities to test bed innovative clean energy solutions.
- We will continue to seek and apply for funding to install and maintain ZEV chargers across the region, especially in commercially-unviable locations, for use by the public and the taxi and private hire industry.
- We will work closely with the R&D sector to exploit hydrogen technology for vehicle propulsion and to deploy at scale if required, particularly as a means of decarbonising Heavy Goods Vehicle fleets.

Vehicle Policy Statements

- We will monitor the uptake in zero emission vehicles across the region and report on progress against projected growth.
- We must strengthen use of cleaner, greener cars and vans.
- We will continue to seek funding opportunities to deliver zero emission buses.



1. Introduction:
What is the Zero Emission Vehicle policy?

This is the North East's first region wide Zero Emission Vehicle (ZEV) policy, and it sets out our aim to further develop and expand the North East's ZEV charging network, and to increase the uptake of zero emission vehicles across the region.

Definition: A Zero Emission Vehicle is defined in this policy as any vehicle that does not emit any pollutants at the tailpipe. For example, Battery Electric or Hydrogen Fuel Cell vehicles

The geographical area addressed by this policy comprises the seven local authorities in the North East, covering two Combined Authorities, which are brought together by the North East Joint Transport Committee (NEJTC):

- **The North of Tyne Combined Authority (NTCA)** (comprising Newcastle, North Tyneside and Northumberland)
- **The North East Combined Authority (NECA)**(comprising Durham, Gateshead, South Tyneside, and Sunderland)

Our goal is to greatly improve the lives of everyone living or working in our region. We want to deliver a modern, robust transport system region-wide and promote greener, more sustainable travel and we are working to implement our vision of "moving to a green, healthy, dynamic and thriving North East." This policy will help us to achieve that vision by providing a sustainable, emission-free option for journeys that need to be made by car.

How this policy is structured

This chapter sets out how the policy aligns with the North East Transport Plan and government policy, and the reasons why it has been developed now.

Chapter 2 details the role of the region, the scope of the policy and the case for investment in our ZEV infrastructure.

Chapter 3 explains the current situation in the North East in terms of Infrastructure, People and Vehicles and what the public have told us about their attitudes to ZEVs.

Chapter 4 looks at future demand and how current projections for electric vehicle take-up in the region compare with government targets.

Chapter 5 is a key chapter, setting out the main policy areas and listing a series of clear policy statements aimed at supporting the delivery of the Transport Plan vision and objectives.

Chapter 6 focuses on policy delivery and outlines the governance structure that will oversee it.

Chapter 7 covers the next steps.

Chapter 8 concludes the document.

The Zero Emission Vehicle policy and The North East Transport Plan

In 2021 the JTC published the North East Transport Plan (NETP) which sets out our strategy for ensuring that the transport network delivers improvements to the health, environment and economy of the North East. Our plan sets out a vision of “moving to a green, healthy, dynamic and thriving North East” and outlines our region’s transport aspirations up to 2035.

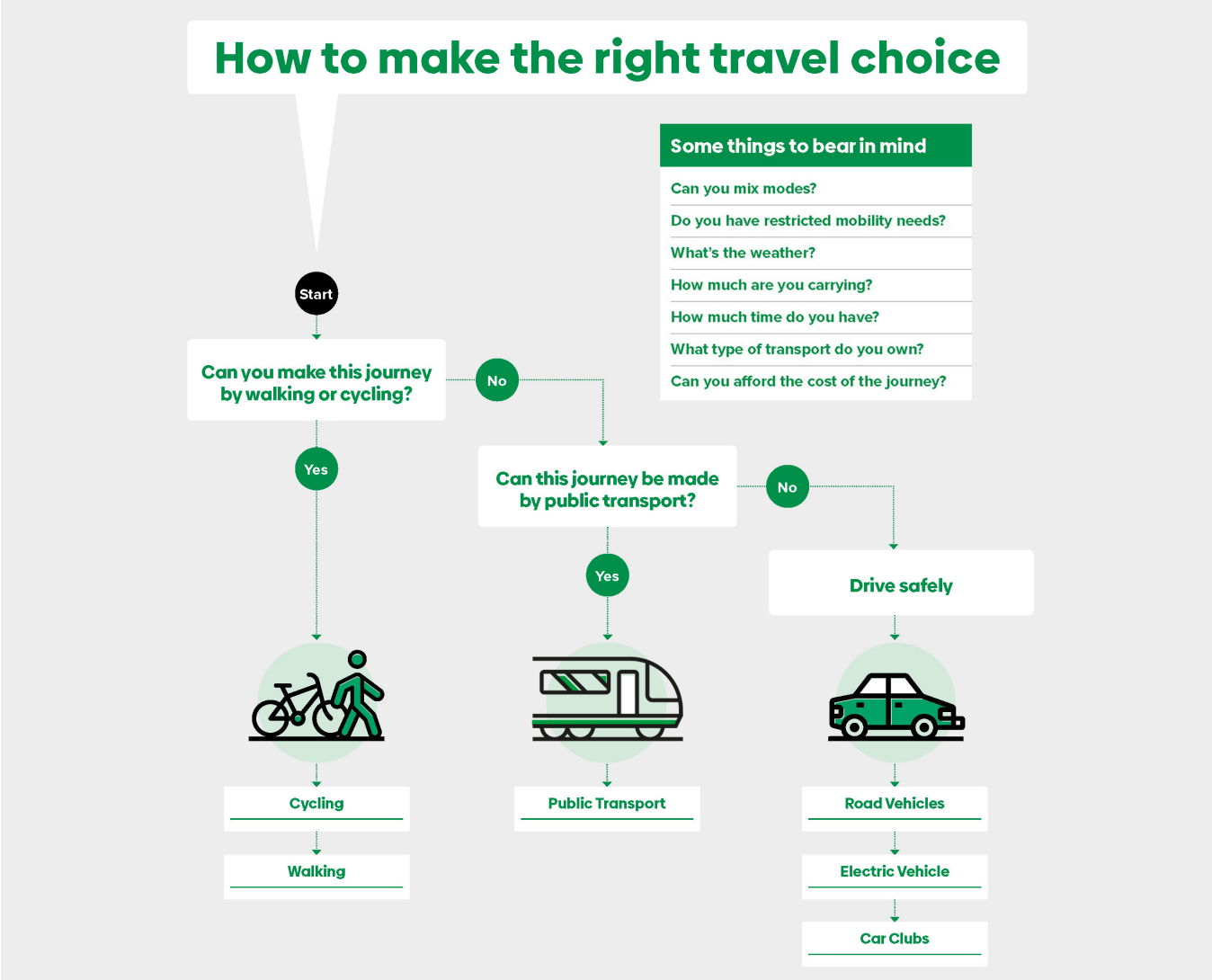
The Transport Plan has five clearly defined objectives:

- A Carbon Neutral North East
- Overcome Inequality and Grow Our Economy
- A Healthier North East
- Appealing sustainable transport choices
- Safe, secure network.

The North East Zero Emission Policy is a key commitment within our Transport Plan and aims to set out how we will plan and deliver the ZEV charging infrastructure and behaviour change initiatives required to achieve a shift to zero emission vehicles. This will support the objectives of the Plan and help us to achieve our vision.

Making the right travel choice

Central to the North East Transport Plan is our ambition to provide solutions to help people make greener travel choices where it is appropriate to do so and at a price they can afford. We want to encourage people to think through their travel options and make the right choice for their journey.



Whilst we aim to encourage the use of public transport, walking and cycling, we recognise that the car is the only suitable option for some journeys. 60% of commuter trips in our region are made by car[2] and this ZEV policy is intended to help reduce the environmental impact of car travel by encouraging the switch to zero emission vehicles.

If our vision is to be achieved then people should travel by sustainable options, such as walking, cycling or public transport, wherever possible. It is not the aim of this policy to encourage people who are already walking, cycling or using public transport to switch to a zero-emission vehicle. Instead, we want to promote the use of such vehicles for journeys which have to be made by car, enabling drivers to avoid the use of petrol or diesel fuels.

Why is a Zero Emission Vehicle Policy needed?

Successful delivery of the ZEV policy will address a number of challenges in the North East, particularly carbon emissions, air quality, transport poverty and transport related social exclusion, and contribute to the delivery of all five of our Transport Plan objectives.

Carbon emissions

In May 2019, the UK was the first national government to declare that there is an Environment and Climate Emergency, passing legislation requiring the government to reduce the UK's net emissions of greenhouse gases by 100% relative to 1990 levels by 2050.

Subsequently, our two Combined Authorities and seven local authorities have all declared their own Climate Emergencies, introducing climate change plans that centre around the need to reduce carbon emissions by at least 45%, with four of the authorities in the region committing to carbon neutrality by 2030.

Transport is the largest contributing sector to greenhouse gas emissions, representing around 27% of all UK greenhouse gas emissions[3]. As part of its strategy to tackle transport emissions, the UK Government's 2020 "Build Back Better: Our Plan for Growth" brought forward the ban on the sale of new petrol and diesel only engine cars and vans by 10 years, from 2040 to 2030.

The plan also stipulated that all new cars and vans will be fully zero emission at the tailpipe from 2035.

Air quality

The government has also called for action to improve air quality and to address harmful nitrogen dioxide emissions largely resulting from diesel-fueled road transport. Four of our seven local authorities, Durham, Gateshead, Newcastle and South Tyneside, have identified Air Quality Management Areas. In July 2022, a Clean Air Zone will be introduced to Newcastle City Centre and the Tyne, Swing, High Level and Redheugh Bridges to combat pollution levels. The Clean Air Zone charge will apply to all taxis, vans, buses, coaches and HGVs that do not meet the legally required emissions standards.

Transport poverty and transport related social exclusion

Low income, poor availability of public transport and lengthy journey times to access essential services result in some households and individuals in the North East experiencing transport poverty. Transport poverty is experienced in both urban and rural areas of the region; however, a Transport and Inequality Evidence Review for the Department for Transport has found that the impacts of transport poverty are worst for disadvantaged people in rural areas.

A more recent study carried out for Transport for the North[4] found that the extent of transport related social exclusion was under-recorded and stated that "…there is a very wide range of people for whom transport is a barrier to social inclusion." The study area included a number of communities across the North, one of which was based in Western Gateshead.

Transport poverty and transport related social exclusion have health and wellbeing and economic impacts and the ZEV policy can help to address these by identifying the infrastructure needed to connect people to employment opportunities, essential services and healthcare. Although outright purchase of a ZEV may not be a viable option for individuals experiencing transport poverty, such vehicles could be provided as part of shared mobility and car club initiatives.

Government legislation

The UK Government is committed to a transition away from internal combustion engines (ICE), with a ban on the sale of new petrol and diesel vehicles in 2030, and hybrid vehicles to follow in 2035. It is anticipated that this will cause a step change in uptake of electric vehicles across the region and nationally.

Government carbon targets

To meet the overall net zero target, all transport emissions will need to be eliminated before 2050; as the average life of a vehicle in the UK is 14 years, phasing out of petrol and diesel engine vehicles should be achieved in advance of 2050.

This was followed by the UK's Transport Decarbonisation Plan in July 2021 setting out the central role for zero emission vehicles in decarbonising the entire UK transport sector, and the need for infrastructure that is easy to use, accessible and affordable to support users in their transition away from petrol and diesel vehicles.

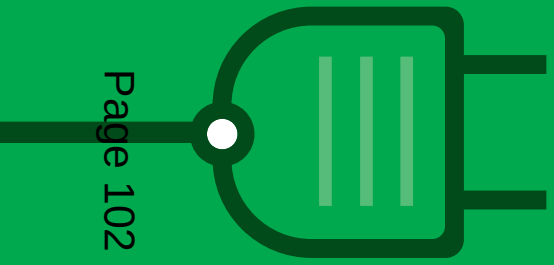
Summary

The delivery of a North East ZEV policy that covers our two combined authorities will ensure a consistent approach to delivering an accessible and sustainable ZEV public infrastructure network that helps achieve our Transport Plan vision and objectives, tackles the region's climate emergency and helps to address transport poverty and transport related social exclusion. The policy will also assist with the government's target to phase out the sale of new petrol and diesel engine cars.

The policy is intended to provide a strategic overview in planning and delivering a ZEV infrastructure network for people who live, work, and visit the North East by ensuring that all future public ZEV infrastructure projects:

- Cover both urban and rural areas
- Are sustainable and well maintained
- Meet current and future legislative requirements
- Plug the gap between commercial and home charging facilities – supporting local authority infrastructure plans and ensuring charging infrastructure is provided in areas that are not covered by commercial operators
- Support the full range of users who will make use of a public network, including those with disabilities, mobility issues, and the elderly
- Are actively promoted, highlighting the benefits to the region, such as reduced CO2 emissions and improved air quality through the complete removal of localised and toxic tailpipe emissions.

It is recognised that the forecasts in this policy are aspirational, and are dependent upon long-term availability of government funding, together with private sector funding.



2. The Role of the Region and Scope of this Policy

Our case for investment

While 28% of households in the North East do not own a car – the highest proportion outside of London – we know that car ownership has grown sharply in recent years, with the number of households without a car falling from 37% in 2002/3.[5] It is also the case that road transport contributes 37% to the North East's carbon emissions – the most out of any sector.[6]

With car ownership growing and large rural areas that have limited or no bus or rail alternatives, it is essential that our investment in public transport, walking and cycling is accompanied by investment in ZEV infrastructure to provide clean options for journeys that have to be made by car.

We are in a strong position to make the economic case for this investment. As home to one of the world's first electric vehicles, the Nissan Leaf, home to the U.K.'s first drive-through rapid filling station since 2019 and Europe's first battery production facility, the North-East is at the forefront of the ZEV agenda, enabling us to provide sustainable alternatives whilst growing the economy.

The recent announcement to deliver the UK's first Gigaplant producing low carbon lithium-ion batteries in Cambois, Northumberland further reinforces our role as a leader in the journey towards net zero and clean energy.

We do not only lead the way in EV infrastructure and battery production, our research and design (R&D) centres are also working to identify alternative fuel sources, with 17 of our 21 centres focusing on electrification.

Our region's experience and determination to reduce carbon emissions means we have the capability to not only develop clean transport solutions but to identify innovative test bed solutions which can be replicated elsewhere to assist with the UK's move to net zero. We aim to maximise this potential by increasing the provision of charging infrastructure in the North East, helping to build on our status as a global leader in growing ZEV uptake.

Our role

Our role is to support the large-scale uptake of ZEVs across the North East. In the first instance this means ensuring that ZEV charging infrastructure is widely available and readily accessible. We will identify the areas where ZEV publicly-available charging infrastructure needs to be installed across the region in order to ensure widespread availability, and work with partners to ensure that installation takes place.

In many cases we anticipate that installation of publicly-available charge points will be carried out by the private sector, either as part of the facilities provided to the general public in a commercial setting (such as a supermarket or retail park), or where a charge point provider installs a charge-point at its own cost and risk in order to generate a commercial income. Our role in these cases is to ensure that information about the charging point is made widely available to the general public.

In many other cases it is likely that public sector bodies will have their own plans to install publicly-available charge points. Where this is the case our role is to assist with sourcing funding (where appropriate), to provide support and advice to the public sector body to facilitate installation, and to ensure that information about the charging point is made widely available to the general public.

In a relatively small number of cases there may be no plans for any existing body to install publicly-available charge points. In these cases we may seek appropriate funding streams which will enable us to install charging infrastructure on behalf of the region.

Our experience

We have a successful track record of securing funding and delivering the associated projects. This policy will build on our work to date including:

Go Ultra Low North East programme

We received £3.053m for our Go Ultra Low North East programme, which was jointly funded by the European Regional Development Fund (ERDF) and the Office for Zero Emission Vehicles (OZEV). The funding was awarded to research the most effective configurations for rapid EV charging infrastructure in order to inform future investment and activity as well as enhance the regional rapid charging infrastructure. The main deliverables of the programme,which ended early in 2021, consisted of:

- the delivery of 11 Rapid Hubs
  - Gateshead Leisure Centre
  - Angel of the North
  - Metrocentre
  - Gosforth High Street
  - Kingston Park
  - Beaconsfield car park, Tynemouth
  - Bournemouth Gardens, Whitley Bay
  - Smithy Square, Cramlington
  - Wentworth Leisure Centre, Hexham
  - Blyth- Keel Row
  - Washington, Speculation Place
- the delivery of the UK's first electric vehicle rapid charging station
- Partnership work with businesses to encourage more take-up of the growing EV charging network, helping the business community take steps to lower their carbon footprint.
- A wide range of marketing and promotional activities, raising awareness of the project and highlighting the wide-ranging benefits of sustainable travel.

NECA own charge points installed through the GUL North East programme. This includes the filling station at West Wear Street, Sunderland and 11 charging hubs. NECA lease the land that these chargers are located on from the local authorities. Through an installation, operation and maintenance contract, an external Contractor provides the operation and ongoing maintenance of the network. Charge points installed through GUL have a 15-year economic lifespan with a major upgrade planned for year 7.

Key Lessons

Through the delivery of this programme, the following lessons have been learned and will be implemented when delivering similar future projects:

- Partnership working between regional bodies and local authorities is fundamental to the success of delivery;
- No two sites are the same in terms of costs and deliverability;
- Future proof sites where possible;
- Early engagement with Northern Powergrid;
- Delivering and engagement with private developers is still in its infancy;
- High levels of continued charge point reliability and visibility are key to raising driver's confidence and usage.

The data and analysis obtained through the project will help with future recommendations and interventions.

Go Ultra Low Taxi Project

We secured just over £500,000 in grant funding from the Office of Low Emission Vehicles to deliver 10 rapid chargers for taxi and private hire vehicles across the seven local authorities. Marketing and engagement activity is also being carried out to encourage taxi and private hire companies to switch to zero emission vehicles. The charge points delivered through the project are owned by the local authority in which they are located.

Zero Emission Bus Regional Areas (ZEBRA)

Working in partnership with Go North East, Durham County Council and Northumberland County Council, we submitted a successful Expression of Interest to the Department for Transport's (DfT), Zero Emission Bus Regional Areas (ZEBRA) Scheme requesting funding to deliver 73 zero emission buses in the region.

Local Growth Fund EV project

We successfully bid to receive Local Growth Fund monies from the North East Local Enterprise Partnership to:

- produce an Enabling Study and 5-year Blueprint for delivering the next wave of electric vehicle chargers across the region
- Install charging infrastructure at the seven priority sites identified in the enabling study.

As a region, we have experience of delivering ZEV infrastructure to meet today's needs whilst developing a blueprint for additional infrastructure to meet future demand.

Our links with the automotive sector (one in three British cars are built at the Nissan plant in Sunderland) and the research expertise of our local universities underpin our case for investment from government to build on our impressive achievements to date, level up the economy and secure a green and lasting economic recovery.

Scope of this policy

The policy focuses on ZEV users that will take advantage of a publicly available infrastructure network while recognising and linking to the work that is happening in other areas of road transport, such as buses, micro mobility, and sustainable travel. It will be followed in 2022/23 by a Road infrastructure and Zero Emission Vehicle Strategy setting out in more detail how we will support sustainable, low carbon travel around and through the region, including rural areas, making clean alternative fuels a realistic and attractive option.

What is in scope?

- Public electric vehicle charging infrastructure delivered by TNE on behalf of the regional partners
- Battery electric vehicles and hydrogen vehicles
- Hydrogen refueling infrastructure
- Promotional and marketing activities delivered by TNE under the Go Ultra Low North East banner
- Plug in hybrid vehicles are considered in the medium term as they will require infrastructure to charge them
- Cars, small vans, HGVs, taxis and private hire vehicles and fleets making use of the public charging network

- Shared mobility services such as electric car clubs and the effective integration of ZEV provision with the wider transport network, such as through the provision of charge points at Metro stations
- Buses are included within the scope of the policy but will mainly be addressed through North East's Bus Service Improvement Plan (BSIP).

What is out of Scope

- On-street residential charging schemes will be delivered by local authorities. However, we will look to allocate a proportion of regional funding for ZEV infrastructure to areas of high-density housing without off street parking, areas with limited public transport provision and remote rural communities.
- Private networks and home charge points are not included
- HVOs (hydrotreated vegetable oil), CNG and biodiesel, are not included in scope because, despite being cleaner alternatives with lower tailpipe emissions than their conventional counterparts, they are not zero emission vehicles.
- E-bikes and E-scooters will be covered under the regional Active Travel Strategy.

Structure of the ZEV Policy

The policy aims to complement the work being undertaken at a local authority level in delivering electric vehicle charging infrastructure. Working on a regional footprint, the JTC aims to add value by taking a strategic overview of the network, ensuring any identified gaps are filled, and that refuelling infrastructure is inclusive to all users.

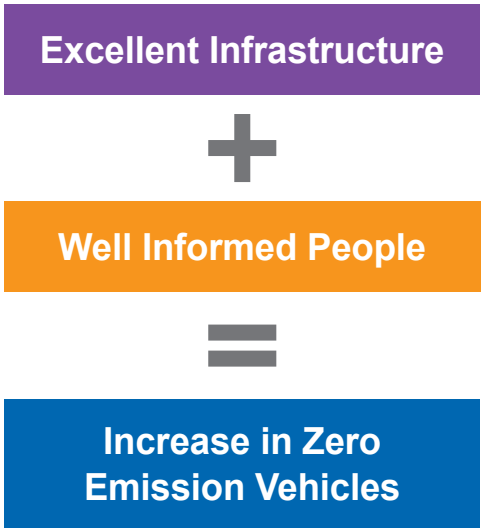
Whilst every authority is unique, we recognise that there are some common challenges that we face at a regional level, such as the provision of charging infrastructure in areas of old, high-density housing without private parking space, as well as the need to ensure rural communities have equitable access to charging sites. Some investment should therefore be targeted specifically at rural areas and areas of housing in urban districts without off street parking.

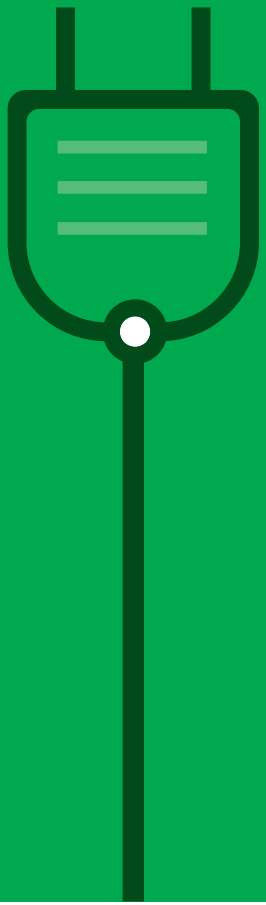
The policy forecasts the number of plug-in vehicles expected to be on the roads in the region by 2035 and sets out the levels of infrastructure which would be required to support future demand based on the UK government's Transport Decarbonisation plan growth scenarios.

Research carried out by the energy regulator Ofgem in May 2021 reveals that almost one in four (24%) consumers plan to buy an electric vehicle or plug-in hybrid in the next five years. There are, however, still concerns about the availability of charging infrastructure and the range of journeys, with research by Aviva also showing that 81% of people were concerned about the battery charge and range of electric cars. These concerns will be discussed in more detail in the Current Situation: People section of this policy.

It is our belief that, by delivering a comprehensive and inclusive public infrastructure network, together with clear positive messaging, we can overcome these concerns and people will feel more confident in switching to ZEVs.

We have therefore structured this ZEV Policy to focus on the approach that:





3. Current Situation

The North East has been at the forefront of decarbonisation and developing low-carbon solutions for our transport network, with a number of successes in progressing the delivery of ZEV facilities. This chapter details our wealth of experience in bidding for and installing EV infrastructure and provides an overview of the feedback we have received from EV users and non- users.

The energy supply network

In order to meet the growing demand for electric vehicles, as we strategically plan the growth of our charging network it will be important to ensure that we consider the energy supply network in our area. Any lack of capacity on the local energy network can be a major barrier to the widespread installation of electric vehicle charge points. This issue can be exacerbated in areas where there is likely to be an even greater demand for charge points, such as densely populated urban areas where car ownership is high, but space is a premium, and in the most remote locations in the region, where travelling distances are greater. When identifying locations for new public charging infrastructure, energy supply must be considered to ensure that there is sufficient energy to enable vehicles to be charged.

Northern Powergrid (NPG) are the custodians of the electrical network in our region. Any work which is undertaken in this area will be done through partnership working with NPG.

Infrastructure

To support the widescale transition to zero emission vehicles, the North East will require a mix of differing infrastructure options that meet the needs of users. This section describes the current status of electric vehicle charging infrastructure and hydrogen refuelling infrastructure in the region.

Electric Vehicle Charging Infrastructure

As outlined earlier, the North East has consistently been at the forefront of electric vehicle charging since the 2009 “Plugged in Places” programme was launched and we are experienced in bidding for ZEV funding and delivering associated infrastructure.

Funded by the Office for Zero Emission Vehicles and the European Regional Development Fund (ERDF), the Go Ultra Low North East (GULNE) programme has delivered the UK’s first Electric Vehicle filling station and 11 new rapid charging hubs across the region since 2016 to support the increasing uptake of ZEVs. Estimates produced as part of the programme indicate that the infrastructure which was deployed through the GULNE project has the potential to save 1820 tonnes of Carbon by 2030.

Newcastle University, who were partners on the now completed GULNE programme, have installed two ultra-rapid and four rapid chargers at their Helix site and are set to further expand their charging offer through The Garage project which is a transport hub and car park with sustainability at the core, offering a range of fast chargers.

The region has also secured additional funding from OZEV to install rapid electric charge points for taxis and private hire vehicles at 10 locations across the North East. These are currently being installed, with eight of the chargers now in operation.

There are currently over 800 publicly accessible charging posts in the North East, offering a range of different charging speeds ranging from 3.7kW to >50kW, as detailed in Table 1.

It should be noted that there are various options for charging a vehicle from slow to ultra-rapid. The most suitable solution will depend on the needs of the user. Ultra-rapid chargers are the fastest way to charge an ZEV and take a fraction of the time a slow or fast charger would take. However, the rate of which ZEVs are able to charge is ultimately dependent on the vehicle model. Consequently, only the newest ZEVs on today’s market are able to maximise these newest charging rates at 100-150kW when they plug in.

Characteristic	Slow	Fast	Rapid	Ultra-rapid
Power	3.7- <7kW	7-22kW	43-50kW	>50kW
Mileage added per hour	10-<30 mi	20-94 mi	116-215 mi	300-400mi
Charging time	10-12hrs	3-4hrs	40 minutes	20 minutes
Primary use	Residential	On-street and Destination	Taxi ranks, motorway services, and Hubs	Taxi ranks, motorway services and Hubs

Figure 1: Overview of the current charging technology in the North East

Approximately 560 of the public charge points in the North East are Fast (7kW-22kW). On average, fast chargers are situated 1.45km apart, but the gap can be up to 16.76km from the nearest available charger in some more rural areas. These are followed by 231 Rapid and Ultra-Rapid charge points, offering greater opportunities for a quick top-up at the edge of urban centres, along motorway services and in more rural locations. The average distance between rapid chargers is 3.37km but with some up to a maximum of 33.2km.

ZEV charging infrastructure is situated in both urban and rural areas across the North East; however, the majority of charge points are found in urban locations (see Figure 2). Some of this infrastructure is located at public transport interchanges and stations, enabling ZEV trips to form an integrated part of a wider sustainable journey. There are 34 charging points in total across 11 public transport stations in the North East (4 Park & Rides, 2 Bus Stations, 1 Rail station and 5 Metro stations).[9] These are aimed at encouraging use of ZEVs as part of an integrated journey using public transport which is reflected in the type of charger used in such locations.

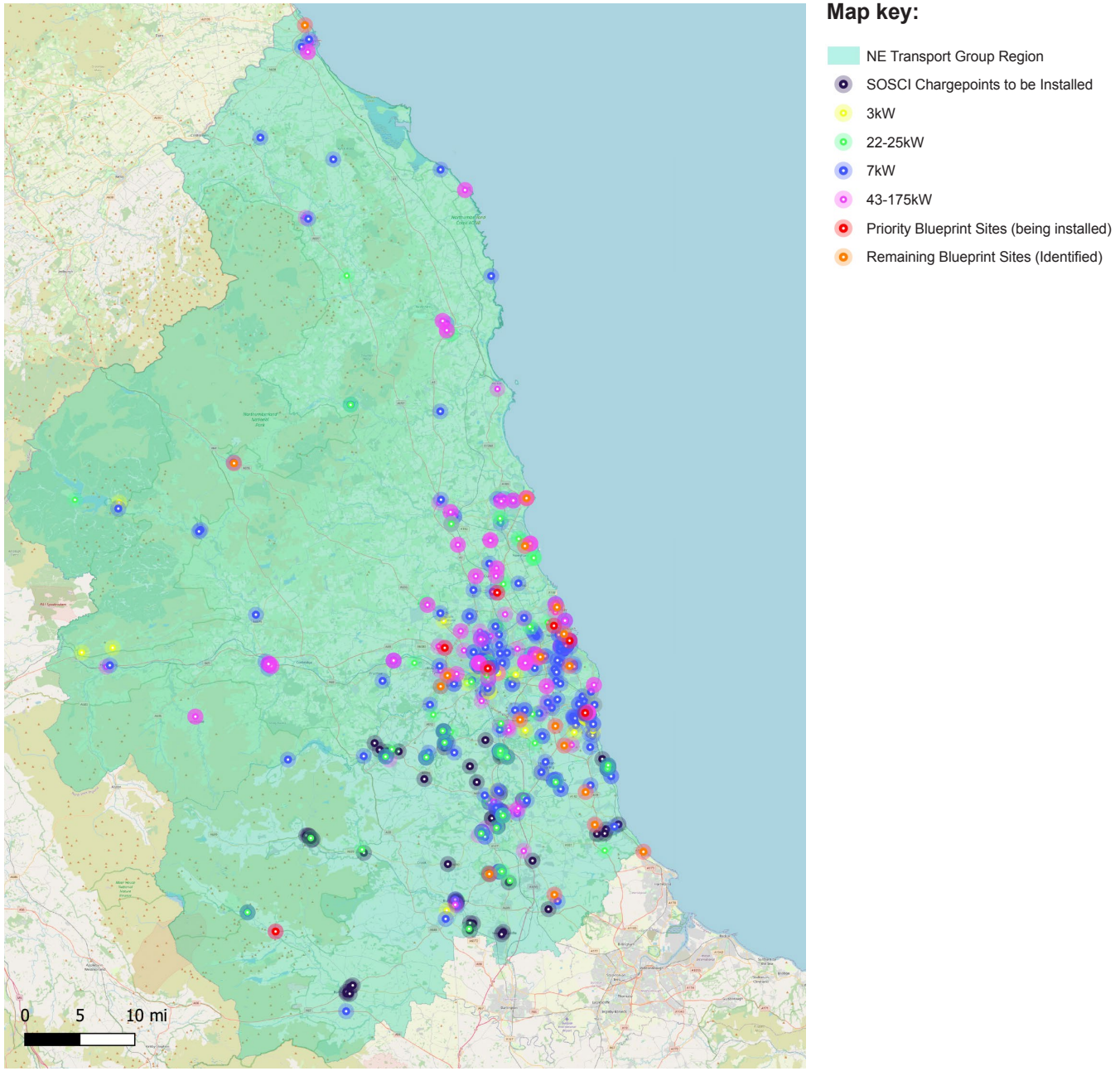


Figure 2: Existing and planned public charge point infrastructure across the region's seven local authority areas

A plan to refresh and grow an ageing network

There is a diverse range of chargers in use across the region and demand continues to grow; however, approximately 30% of the region's public network hosted by local authorities is now very old, with a significant proportion of these chargers installed as early as 2011. As a result of the end of maintenance agreements and warranty periods, and the development of technology, users across the region may discover that many of these chargers are either faulty or out of use, something reflected in public comment with 42% of those surveyed as part of the North East LEP area EV Charging Behaviour study in 2020 stating that the charge point they tried to use was sometimes not working.

To kick start the next stage in development of the public charging network and ensure that infrastructure is situated to support ZEV uptake, a study[10] was commissioned in 2020 to identify a series of new priority sites and develop a blueprint for delivering the next generation of charge points across the region over a five-year period.

Starting with a longlist of over 700 potential sites across the region, the study identified 25 new priority sites for charge points over the coming years. Funding was received from the Local Growth Fund to install infrastructure at the first seven priority sites, one in each local authority area, and this work will be completed in 2022. Subject to funding becoming available, the remaining 18 sites will be delivered in later phases, potentially providing an additional 68 charge points in total. The study will be refreshed on a regular basis to ensure that the prioritised sites continue to be the most appropriate ones for the region. This puts the North East in a strong position to proceed with pace in the provision of further charge points, since vital planning and preparation work has already been undertaken.

Charge point sites were identified based on the prioritisation criteria shown in Figure 3 and work took place with local authorities and Nexus to identify suitable sites. By taking this approach with our local authority partners and Nexus moving forward, we will be able to identify sites that fill network gaps and are also affordable to deliver. This evidence-based approach also puts our region in a strong position when applying for new funding opportunities.

Additionally, the seven local authorities, Nexus and TNE are working with the North East Procurement Organisation (NEPO) to bring forward a concession agreement to enable long-term investment in the regional electric vehicle charging infrastructure (EVCI). This investment is needed to upgrade, operate and maintain the current network and to resource its expansion in order to secure a sustainable long-term future.

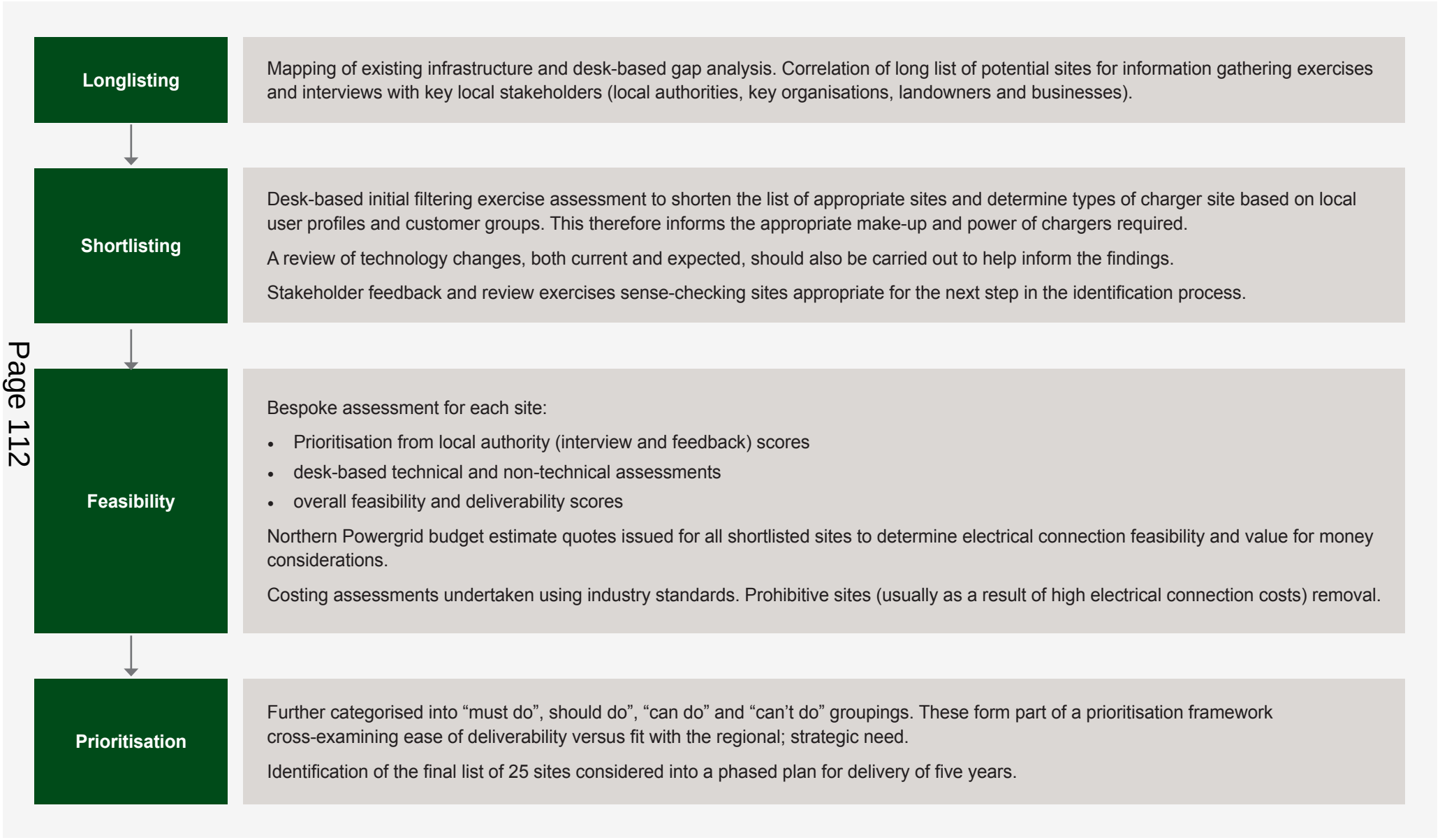


Figure 3: Overview of steps in our prioritisation criteria for identifying new charging locations

Additional projects

In addition to the ongoing investment in EV infrastructure by all local authorities, four of the region's councils (Sunderland, Northumberland, Durham, and South Tyneside) have secured additional funding from the Office of Zero Emission Vehicles (OZEV) to deliver on-street charge points in residential areas.

Durham County Council, working in partnership with Innovate UK, is delivering the Scaling On-Street Charging Infrastructure (SOSCI) project seeking to install 200 fast (22kW) charge points across the county.

Case Study:

Scaling On-Street Charge point Infrastructure (SOSCI)

The Scaling on-street charging infrastructure (SOSCI) project, managed by Cybermoor Ltd and Charge My Street, is an Innovate UK funded project with a target of installing 100 22kW fast chargers across the rural areas of County Durham over a period of 15 months.

The SOSCI project is designed to support County Durham residents who are unable or unsure of buying an electric vehicle because they do not have access to off-street parking to charge it. The project is therefore focusing on sites such as community centres which are not usually used for public parking at night, allowing residents without off-street parking to be within 5 minutes' walk of a Charge Point.

As of October 2021, SOSCI have installed 23 fast chargers in car parks and Park and Ride sites across County Durham. The list of current locations is available on the project website.

Private sector commitments

Considerable activity to progress ZEV charging capacity is being undertaken by the private sector and it is important to understand their current plans and commitments in order to avoid duplication of charge points in an area. However, the majority of such investment will take place in locations that attract significant footfall and are likely to generate the greatest revenue. This means that locations that may not meet these attributes, such as those in more rural and less heavily populated areas, are less likely to be supported by private operators in the near term, or without additional support.

Hydrogen Refuelling Infrastructure

In 2021 the government launched their Hydrogen Strategy for the UK which sets out their approach to developing a thriving low carbon hydrogen sector which can provide greener, flexible energy to the transport sector.

This aligns with the Transport Decarbonisation Plan that describes Hydrogen as being most effective in transport areas 'that batteries cannot reach', where energy density requirements or duty cycles, weight and volume restrictions and refuelling times make it the most suitable green energy source (such as for Heavy Duty vehicles).

Compared with electric vehicle charging infrastructure, the development of hydrogen refuelling infrastructure is in its much earlier stages. There are currently only 10 operational and publicly accessible hydrogen refuelling stations across the UK[11], and none between Sheffield and Aberdeen.

Our neighbouring region, Tees Valley, is currently in the planning stages of developing two refuelling stations to serve the wider region in the coming years. These stations will support the introduction and trial of hydrogen cars, delivery vans, buses, and Heavy Goods Vehicles (HGVs). Government funding has been received for a trial that will see supermarkets, emergency services and delivery companies using hydrogen-powered transport to move goods and carry out local services, helping to understand the role hydrogen can play in achieving 'net zero' targets.

The delivery of a hydrogen infrastructure network that complements the investment by local authorities and the private sector, whilst being open and accessible to all, will support the North East's momentum in the adoption of ZEVs and could provide additional options for vehicle types not suited to battery power.

Summary

The North East has a positive record in the delivery of significant electric vehicle infrastructure projects, and we are continuing to seek funding to install additional infrastructure that will support the transition to ZEVs.

People

The people and businesses of the North East are at the centre of our policy and it is important that we listen to them and understand their motivations and challenges in respect of ZEVs to inform the decisions we make.

Several studies have recently been carried out in the region, the findings of which have helped us to better understand perceptions and barriers for local businesses and residents in making the transition to these vehicles. They have also enabled us to strengthen our understanding of the behaviour of existing ZEV users. They are:

- North East LEP area EV Charging Behaviour (September 2020)
- Fleet Revolution (business-focused)
- North East Transport Plan Consultation.

This research has shown us that there are four key themes that are important to people when considering ZEVs:

- Accessibility of infrastructure
- Range anxiety
- Environmental concerns
- Cost of vehicles and charging.

Accessibility of infrastructure

Accessibility and availability of charging infrastructure is very important to our residents and concerns over access to infrastructure is a key topic raised during studies into the transition to zero emission vehicles, with many respondents telling us that more infrastructure is needed and that current chargers needed to be more reliable.

> "How are we expected to make the switch with a chronic lack of infrastructure and investment?"
>
> 87.69% agreed that more public charge points were needed in their local area.
>
> North East LEP EV Charging Behaviour Study

A significant proportion of existing and future ZEV owners in the North East will not have off street parking and will be reliant on public charging infrastructure and a third of electric vehicle drivers who took part in our EV Charging Behaviour study told us that they were completely reliant on access to public infrastructure to charge their vehicle[12].

> "Living in a terraced street with no private parking I do not see how an electric car could work."
>
> North East LEP EV Charging Behaviour Study

There appears to be agreement that the provision of public charging infrastructure in places where there is a large workforce or high footfall will be beneficial.

> Transport Plan Consultation Quote: 'Encourage charging stations at large workspaces and public buildings as this will be hugely beneficial.'

We understand that accessibility of charging infrastructure is a particular concern in rural areas and during the Transport Plan consultation we heard from some rural residents who want to drive an electric car but feel unable to do so due to the lack of charging infrastructure in their village and surrounding area.

This concern was also raised by respondents to the North East LEP EV Charging Behaviour Study who felt that charger coverage in rural Northumberland was lacking which was a particular problem for visitors[13].

> "The private sector isn't going to put them in some rural village in Northumberland so someone has to fill the gaps." North East LEP area EV Charging Behaviour study (September 2020)

Availability was also a problem with 62% of people responding to the same study saying that sometimes they found that the charge point was already occupied and 24% stating that this usually happened[14].

Businesses have also told us that lack of awareness of public charging infrastructure acts as a barrier to the incorporation of ZEVs in their fleets. 66% of businesses engaged in the Fleet Revolution programme[15] were concerned that a lack of public charging infrastructure would restrict them from incorporating ZEVs into their fleets.

Our consultation respondents also told us that if they are to switch to ZEVs then they need confidence that the charging infrastructure will be maintained and operational. Research has found that satisfaction with the current charging estate is fairly low, receiving an average rating of 3 out of 10[16].

> "The thing that is most frustrating about using an electric car is that hardly any rapid chargers in the region actually work. The network isn't reliable enough to drive somewhere without having at least enough battery left to get back home."
>
> North East LEP area EV Charging Behaviour study (September 2020)

> "Drivers cited needing more chargers, but they also felt strongly that the current estate needed better maintenance and quicker repairs, commenting that this had a detrimental effect on their satisfaction levels."
>
> North East LEP EV Charging Behaviour Study

Range anxiety

Range anxiety is frequently cited as a barrier to the use of electric vehicles with some people expressing concern that they would run out of charge during a journey and not be able to recharge their vehicle and 22% of respondents told us that they have not bought an EV due to range anxiety[17].

> "Although the journeys I personally make are short, our family car needs would not be met by an electric car."[18]

A survey carried out by Aviva found that greater accessibility of charge points could reduce range anxiety with 49% of participants stating that limited charging points are holding them back from choosing a hybrid or electric vehicle for their next motor purchase[19].

Range anxiety is also a concern amongst businesses with approximately 80% of the businesses engaged in the Fleet Revolution programme considering range anxiety to be one of the key barriers to implementing electric vehicles within their fleet. The promotion of charge facilities at Park and Ride or interchange sites could help to address this concern.

It is anticipated that, as technology develops, the distance vehicles can travel without charging will increase. This should mean there will be less need for continual growth in the number of charge points and range anxiety should diminish, however these messages will need to be clearly communicated to consumers.

Environmental concerns

The environment is a key theme when asking drivers why they are considering owning a zero-emission vehicle with 69% of them telling us that reducing their emissions was by far their highest motivation for making this decision[20]. Environmental concerns also rank highly with ZEV owners with 50% of respondents stating that this was their main reason for purchasing a ZEV with the second most popular reason associated with the cost savings[21].

Some respondents to our big transport consultation considered electric cars as having a role in reducing air pollution and climate change and some also told us that they wanted to see hydrogen infrastructure installed in the region.

> 'I am 11 years old and when I am older, I would like to see more electric cars on the road because it stops air pollution and also helps stop climate change.'
>
> The Big Transport Conversation quote, male under 13 years (2020)

> 'Need to consider hydrogen and futureproofing, not just focus on EVs.'
>
> Transport Plan Consultation Quote (2020)

Environmental concerns also rank highly amongst existing and potential public transport users with 60% of people who took part in our Big Bus Conversation stating that they would be encouraged to use the bus more, if there were more electric buses and buses with the latest low emission engines[22].

> 'Buses especially in and around the city and residential areas should have been fully electric some time ago.'
>
> Big Transport Conversation, 2020

Cost of vehicles and charging

People have told us that they expect to pay to charge a vehicle with 100% of respondents to the North East LEP's EV charging behaviour study (comprising both current and non-EV drivers) stated that it was right that some payment be introduced and 25% saying that they would much rather pay for a service that they knew was well maintained, reliable and working when they needed to use it[23].

The same study states that the cost of hiring or buying a ZEV is regularly referenced as a barrier to uptake, with 52% of those who considered buying a ZEV telling us that they hadn't done so yet due to cost.

> "The cost of having an electric vehicle that is able to make long distance journeys is far too expensive and for out of town remote travel there are too few charging points."[24]

> "Make them more affordable - cost is the only factor stopping me buying one."[25]

> "I'd be really interested in buying an electric car but the price really puts me off, closely followed by worrying about running out of charge on a long journey."[26]

Businesses have also told us that a lack of awareness of available grants and business-focused tax incentives discourages them from purchasing ZEVs. There is low awareness of financial support to assist businesses with purchasing a ZEV with 95% of businesses surveyed as part of the Fleet Revolution programme stating that they were unaware of the existing tax incentives available to businesses to purchase electric vehicles, through salary sacrifice/company car schemes.[27]

It should be noted however that, whilst ZEV adoption is on the rise, it is still a relatively new market and in the developing stages. There are many advances in manufacturing methods and battery chemistries which in turn is driving down the overall cost of such vehicles.

The Bloomberg New Energy Finance (BNEF) EV outlook, 2021, found that, in the past decade (2010-2020), the cost of Lithium-ion batteries production has fallen by 89%, with it falling 13% between 2019-2020 alone.[28]

Several car manufacturers have identified the next two to three years as the beginning of price parity between Internal Combustion Engine (ICE) vehicles and ZEVs.

Major car retailers such as Volkswagen have said ZEVs could reach price parity with standard ICE vehicles by 2025.[29]

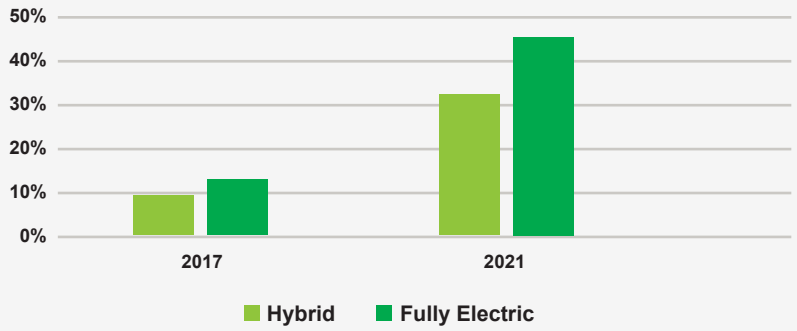
Nissan has also announced an $18 Billion EV strategy which includes a focus on achieving price parity. They aim to do this through innovations in battery technology making them more affordable.[30]

Summary

The feedback received from our residents and businesses strengthens our understanding of the concerns and barriers to ZEV uptake in the region and provides assurance that our policy will help to address these challenges. There appears to be room to increase people's awareness and knowledge of ZEVs, with 51% of respondents rating their knowledge level at 5 or under out of 10[31]. However, the number of people seriously considering making the transition to an EV is growing at a significant rate.

An Aviva survey in 2021 found a significant rise in the number of people considering a full electric or hybrid vehicle for their next purchase, as depicted in the graph below.[32]

Figure 4: Type of EV Planned for Next Purchase



However, there are still drivers who do not feel ready to make the change to ZEVs with the same survey finding 49% of drivers holding back from purchasing such a vehicle[33].

These findings show that if we are to increase use of ZEVs then a combination of behaviour change measures and additional infrastructure will be required.

Vehicles

In order to meet transport decarbonisation targets in the North East it will be important that all users are able to access public infrastructure that matches all types of ZEV in use.

To date there are still limited ZEV options available to users of larger vans, freight heavy goods and specialist vehicles although the market is making considerable progress in delivering options for all vehicle types.

As outlined below, each sector is currently at different stages in their transition to zero emission vehicles.

Private Transport

Definition: Private Transport – any vehicle where the registered keeper, responsible for registering and taxing the vehicle, is an individual.

Private plug-in vehicle ownership in the North East is rising as the graph opposite illustrates.

As of March 2021, there are approximately 4,000 plug-in - including both Battery Electric (BEV) and Plug-In Hybrid (PHEV) - cars and vans licensed to private keepers in the North East[34].

Figure 5: Breakdown of types of EV licensed in the North East in 2021

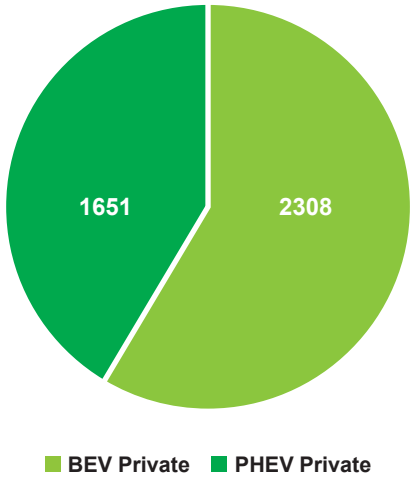
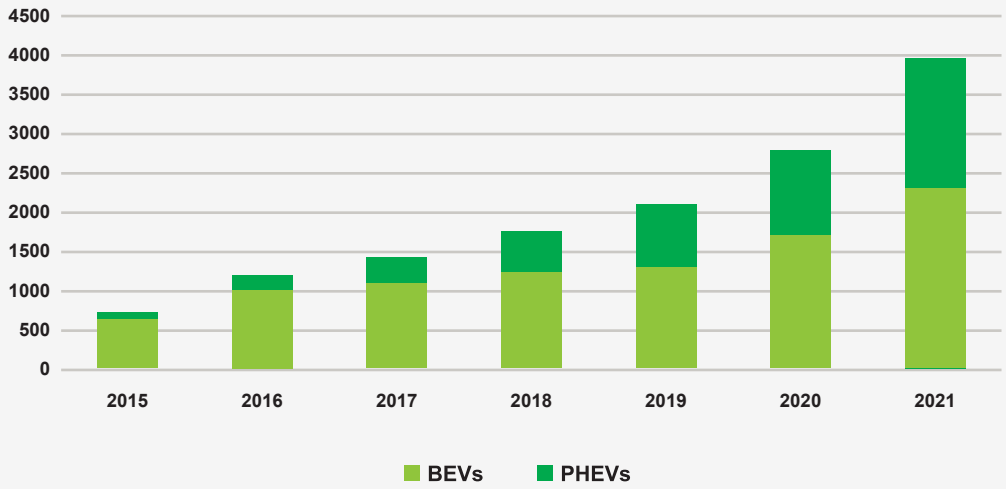


Figure 6: Increase in Private EV and PHEV Ownership in the North East



Fleets

Definition: Commercial Transport – any vehicle where the registered keeper, responsible for registering and taxing the vehicle, is a commercial organisation or company.

As of March 2021, there are approximately 1,500 plug-in cars and vans (including Battery-Electric (BEV) and Plug-In Hybrid (PHEV) licensed to company keepers in the North East, representing a 62% increase on the previous year[35].

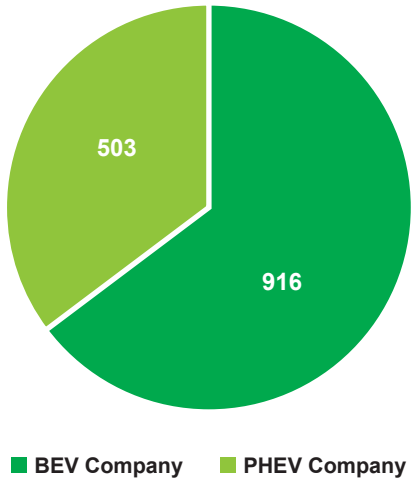


Figure 7: Number of commercial ZEVs in the North East in 2021

Taxi and Private Hire

There are currently approximately 9000 registered taxi and private hire vehicles in the North East, the majority of which are petrol and diesel. However, given the significantly reduced running costs to operate electric vehicles, increasing range capabilities, and new taxi charging infrastructure supported through the Go Ultra Low Taxi Scheme, several of the region's major taxi firms are considering phasing in electric vehicles into their fleet.

Local Authorities are currently responsible for taxi and private hire licensing. These licences set out stipulations for maximum vehicle age and the emission standards that need adhering to. At present, there is no single regional target on taxi emission standards or taxi age restrictions.

Case Study:

Phoenix Taxis

Phoenix Taxis, based in Northumberland, first introduced zero emission vehicles into their fleet in 2013. Since then, the firm have rapidly expanded their zero-emission vehicle fleet and are close to operating a fleet of 50 electric vehicles.

The firm are championing the transition to an electric fleet by purchasing the electric vehicles and leasing them to a driver, who is responsible for charging their vehicle.

The firm have further invested in four rapid charge points at their depot and a number of home charging units to allow drivers to charge their vehicles at home. Phoenix Taxis further support the local community by offering electric vehicle charging for students via strategic partnerships with Newcastle University and Northumberland College.

Buses

The regional Bus Service Improvement Plan (BSIP)[36] published in October 2021 outlined a commitment for all buses in the region to be either zero-emission or the highest emission standard for conventional buses by March 2025. In 2021, over 40% of the fleet meets the Euro 6 standard, while 38% are Euro 5 and 17% are Euro 4 or lower.

The region's three major bus operators are working towards lowering emissions from their fleets with considerable investment in new, modern low emission vehicles over the last decade.

In 2020, Go North East invested £3.7 million in new fully electric zero emission buses, which were partly funded by the Ultra-Low Emission Bus Scheme (ULEBS). Branded Voltra, the buses are powered by electricity that is sourced from zero-emission supplies such as solar, wind and hydro. They operate services 53 and 54 between Newcastle, Gateshead, Bensham and Saltwell Park. The fleet of nine vehicles are capable of an all-day service from the power of one overnight charge. Go North East has also built a new electric bus depot in Gateshead, capable of accommodating 30 electric buses.

The region is working with Go North East, Durham and Northumberland Councils to bid for funding from the Zero Emission Bus Regional Areas (ZEBRA) scheme to provide a further 73 electric buses for the region.

There is also a desire amongst operators to trial hydrogen fuelled buses, as this is an emerging technology that offers a greater mileage range than electric buses. The region will be bidding for 44 vehicles per year and the cost of supplying the hydrogen refuelling infrastructure as part of this trial. The buses procured will go towards replacing any routes which are currently euro 5 compliant or lower[37].

Shared Mobility

Definition: Shared Mobility is defined as a form of road transport that allows individuals and commercial organisations to access a personal vehicle without bearing the cost of ownership, such as car clubs.

The region has seen the introduction of several shared electric car club vehicles for both public use and as corporate pool vehicles.

New shared mobility solutions are being introduced providing users with the option of using either a bus or a car club vehicle to best suit their needs.

In more remote rural areas such as large parts of Northumberland and Durham, where walking, cycling and public transport are not always practical transport options, car clubs can provide a practical and cost-effective alternative to car ownership, especially for residents on low-incomes, reducing overall car use whilst offering access to a car for longer journeys. Provision of a ZEV further enhances the environmental advantages of such schemes.

Case Study:

Derwent Valley Car Club and Weardale Electric Vehicle Accelerator (WEVA)

The Derwent Valley Car Club, based in Blackhall Mill, is an independent community car club which provides access to three electric Nissan Leaf vehicles. Currently located in Blackhall Mill, with new locations coming to Rowlands Gill and Shotley Bridge in early 2022, the scheme has been running for over 8 years and has developed a sustainable model for rural community car clubs. The base at Blackhall Mill Community Centre hosts an electric charge point for the car and a public charge point. An array of PV (solar) panels offsets the electrical charging needed to run the vehicle.

DVCC offer a Voluntary Driver Scheme for members of the community who cannot drive to access services. They actively work to promote the take up of EV's with information sessions to communities locally and nationally, and to support the development of Community EV Car Clubs across the country including in Weardale.

Light Goods Vehicles (vans)

Currently, there are over 90,000 light goods vehicles registered in the NE region.[38]

The light vans and fleets sector is responsible for a quarter of all urban emissions. All seven local authorities in the North East have begun the transition of their own fleets to ZEVs by introducing electric vehicles.

Some of the local authorities have incorporated an electric default policy surrounding procurement within their fleets, meaning the evaluation of ZEVs must be carried out before standard fossil fuel vehicles are considered.

Experience suggests that there are lower running costs associated with electric vans. LA's procured such vehicles through the UK Government initiative at the time, the Low Carbon Vehicle Procurement Programme (LCVPP).

As part of the fleet transition, the first full-electric refuse collection vehicles are being trialled in the region.

The private sector is transitioning their fleets to electric as well. Amazon has made a pledge to become carbon neutral by 2040 and has introduced 1800 electric delivery trucks to the UK along with UPS introducing 10,000.

Royal Mail has also announced they will be trialling two different ebuggy delivery carts as well as introducing a further 3,000 electric vans.

Heavy Goods Vehicles (HGVs)

At the end of 2020, there were 386 battery electric technology licensed heavy goods vehicles (HGVs) and 45 vehicles using other types of non-fossil fuel in Great Britain. However, the industry is still dominated by diesel propulsion systems with 483,000 such vehicles in use. The nature of HGV operations means the exact number located in the North East is difficult to determine.

The use of electric vehicle solutions for heavy haulage operations is challenging as the weight of the battery packs required to power the vehicles makes it difficult to produce them on an economical basis. Although hydrogen power has been suggested as a possible solution, there are currently no known hydrogen vehicles in the North East, with a significant barrier being the lack of supporting infrastructure.

However, a number of authorities have stated their intention to trial vehicles when the technology and refuelling infrastructure meets a level of maturity that is appropriate for the region and Tees Valley have received government funding for a number of trials.

The emerging consensus is that small vehicles (cars and vans) will need to become electric, whereas larger vehicles may be either electric or hydrogen[39].

The government has announced that new, non-zero tailpipe emission HGVs over 26 tonnes will be phased out in 2040, with those under 26 tonnes to be phased out in 2035. In response, the trade body Logistics UK has called for a nationwide network of recharging and refuelling infrastructure to be put in place, if the transition is to be achieved.

The Second-Hand Market

As the EV market is still growing, so too is the second-hand availability of vehicles. The higher the adoption of EVs over the coming years, the better and more diverse the second-hand market will become.

However, there are some well established companies in the field that work to provide easy and affordable access to the second-hand EV market. EVs can be sourced to match a wide range of budgets and needs.

The demand for plug-in vehicles continued to grow to the end of June 2021, as buyers were keen to get access to the newest EV technology and latest model choice. In the same quarter, plug-in vehicles increased to 1.3% of the used car market in the UK.

However, the used plug-in vehicle market is not currently seeing the same development as the new plug-in vehicle market, with used sales of Q2 2021, comparable to the number of new plug-in vehicles bought in Q3 2015. This highlights the significant development of the second-hand plug-in vehicle market that is required to support second-hand vehicle purchases.

Summary

It is clear that the transition to zero emission vehicles will impact all vehicle types and whilst significant progress has been made in the region, the numbers of such vehicles in use are still relatively low.

Case Study:

The Orkney Second-hand EV market

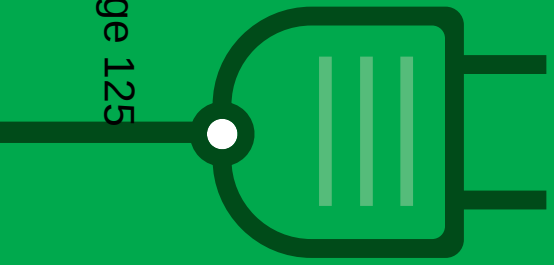
Reflex Orkney is a £28.5 million project which aims to create an integrated energy system (IES) for Orkney. The project will provide Orkney with renewable energy generation from different sources to ensure flexibility within the network.

The network will connect local electricity, heating, and transport networks. The IES will maximise the potential of Orkney's significant renewable generation capabilities by storing more electricity, ensuring higher and more affordable energy services, and decreasing the reliance on imported carbon-intensive energy from the UK mainland.

In April 2021, Reflex Orkney partnered up with Eco-cars to provide the population of Orkney with an affordable option in the transition to electric vehicles.

Eco-cars have been providing the public with second-hand electric vehicles for over 20 years. Eco-cars source second-hand EVs, for a wide range of budgets, from a variety of locations across the UK and deliver directly to the users in Orkney.

As of November 2021, Orkney residents have bought over 100 second-hand EVs. Buyers can outline their requirements, pay a deposit and Eco-cars will source and deliver a car. If the car is not what the customer had hoped for, or not as described, the deposit is refundable.



4. Future Demand

Level of Infrastructure required

To meet the UK's ambitions to be Net Zero by 2050 and to phase out the sale of new petrol or diesel vehicles by 2030, it is vital that the ZEV infrastructure in the North East continues to grow at pace and this will need to be matched by appropriate capacity in the available power supply.

According to the AA[40], lack of infrastructure is still considered as one of the most significant barriers to the uptake of ZEVs and so a delivery programme that not only meets current demand but encourages the transition is required.

This policy therefore forecasts the projected growth in private Zero Emission Vehicles[41] up to 2035 and identifies the number of public chargers required to meet future demand using recognised ratios from the International Council on Clean Transportation (ICCT).[42]

EVs – Vehicles and infrastructure

The demand for electric vehicles is predicted to accelerate rapidly to 2035 according to the government's Decarbonisation of Transport projections. An estimated 64% - 74% of cars and vans will require some form of charging infrastructure by 2035, equating to approximately 800,000 vehicles in the North East with the remaining vehicles still using petrol and diesel.

LA Area	Cars & LGVs & Motorbikes (2020) 000s	Cars & LGVs as % of UK	2025 Cars & LGVs Forecast (000s)	2030 Cars & LGVs Forecast (000s)
County Durham	282	0.78%	310	322
Northumberland	191	0.53%	210	218
Gateshead	90	0.25%	99	103
Newcastle upon Tyne	108	0.30%	119	123
North Tyneside	105	0.29%	115	120
South Tyneside	69	0.19%	75	78
Sunderland	129	0.36%	142	147
North-East total	**973**	**2.69%**	**1070**	**1110**
UK	**36160**		**39787**	**41286**

Figure 8: Projected regional breakdown of Cars and LGVs, based on the UK's reference scenario of a Balanced Net Zero Pathway

LA Area	ZEV Register Q1 2021	% of NECA Total	% of UK Total	ZEV Forecast 2025 (Current)	ZEV Forecast 2025 (Balanced Net Zero)	ZEV Forecast 2030 (Current)	ZEV Forecast 2030 (Balanced Net Zero)
County Durham	1,177	24.70%	0.29%	17,656	40,912	51,006	118,188
Northumberland	1,178	24.72%	0.29%	17,671	40,946	51,049	118,288
Gateshead	426	8.94%	0.10%	6,390	14,807	18,461	42,777
Newcastle upon Tyne	692	14.52%	0.17%	10,381	24,053	29,988	69,487
North Tyneside	460	9.65%	0.11%	6,900	15,989	19,934	46,191
South Tyneside	350	7.34%	0.09%	5,250	12,166	15,167	35,145
Sunderland	483	10.13%	0.12%	7,246	16,789	20,931	48,500
North-east total	**4,766**	**100.00%**	**1.16%**	**71,495**	**165,663**	**206,538**	**478, 576**
UK	**410,573**						

Figure 9: Projected regional breakdown of ZEVs, based on the UK's reference scenario of a Balanced Net Zero Pathway

Projecting electric vehicles in our region

Figure 10 below demonstrates the current rate of electric vehicle growth in the North East and the scale of electric vehicle uptake required if the North East is to meet a “Balanced Net Zero Pathway”, the UK Transport Decarbonisation Plan’s central scenario in achieving a net zero transport system by 2050.

The uptake of EVs is likely to fall in the green shaded area, between the current projection figures (bottom line) and the government targets (top line).

This may be higher or lower in the range depending on a number of contributing factors:

- Improved access to shared and public transport in the region reducing private car ownership overall
- The cost of electric vehicles reaching price parity with petrol or diesel alternatives
- The provision of access to public charging infrastructure.

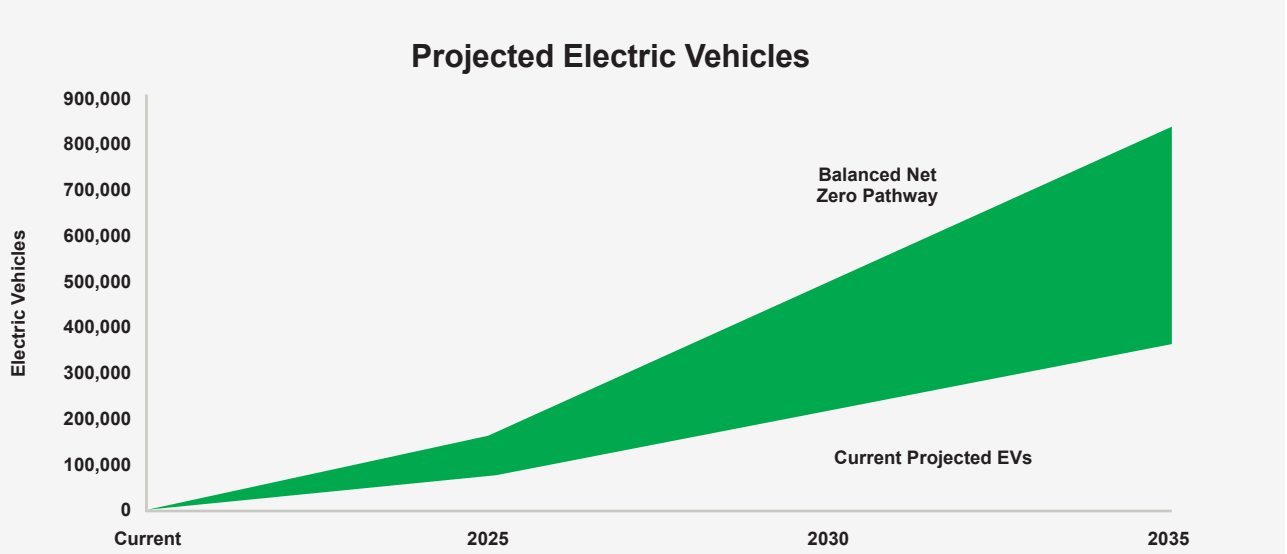


Figure 10: Projected electric vehicles in the North East. Current vehicle projections versus UK government’s Balanced Net Zero Pathway Scenario.

Projecting the public infrastructure required in our region

Compared with the projected electric vehicle growth scenarios in Figure 10, and ratios determined by the ICCT, Figure 11 shows that up to 26,000 fast (7kW – 22kW) public charge points may be required across the region by 2035. Compared with these aspirational forecasts, the region therefore currently has approximately 2% of the fast infrastructure required to support 2035 projected levels of demand

Applying the same assumptions, Figure 12 shows that up to 2,000 (50kW+) rapid public chargers may be required across the region by 2035. Compared with these forecasts, the North East therefore currently has approximately 12% of the rapid infrastructure required to support 2035 projected levels of demand.

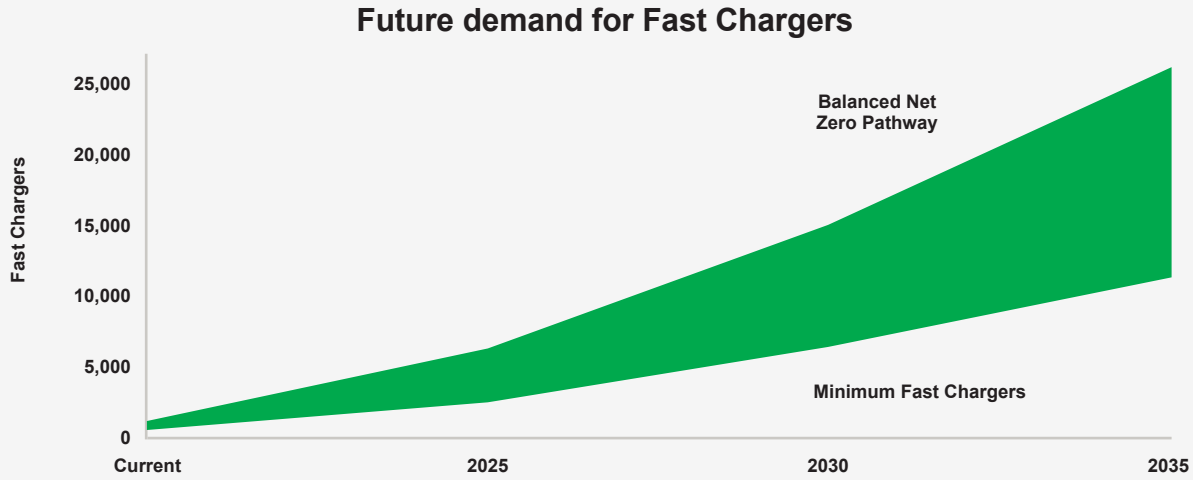


Figure 11: In some forecasted scenarios 26,000 public electric vehicle charge points may be required to meet demand from users across the region up to 2035. This is based on current vehicle projections versus UK government's Balanced Net Zero Pathway Scenario.

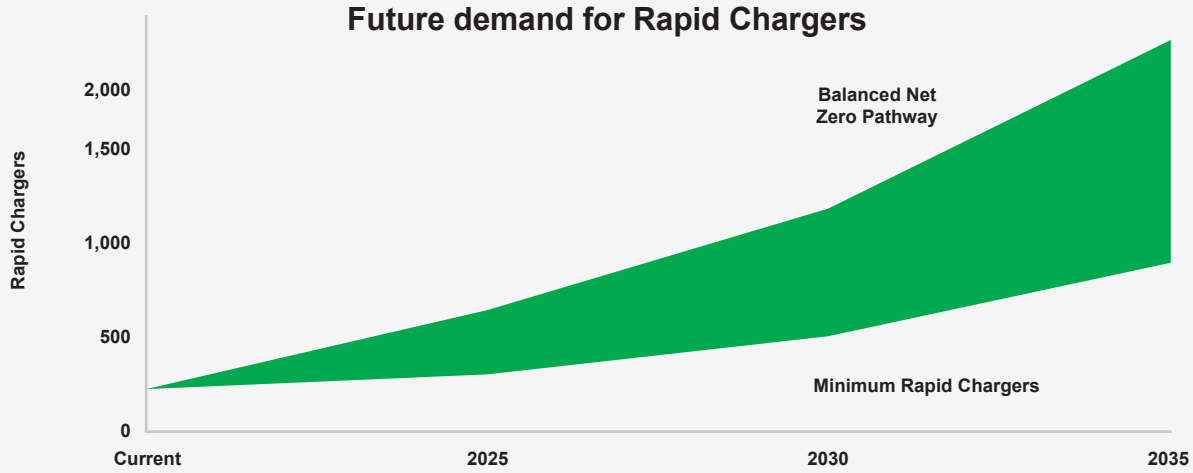


Figure 12: In some forecasted scenarios, up to 2000 rapid chargers may be required in the region. This is based on current vehicle projections versus UK government's Balanced Net Zero Pathway Scenario.

Hydrogen – Vehicles and infrastructure

A planned hydrogen plant in the Tees Valley is set to commence operations in 2027 and will provide a significant boost to the ability to deploy hydrogen vehicles in the region which is extremely limited at present.

A number of vehicle manufacturers and converters have already launched hydrogen vehicles with some local authorities in the region (Gateshead and Newcastle) investigating vehicle trials.

In addition, Newcastle University is working in partnership with Northern Gas Networks and Northern Powergrid to develop the Integrated Transport Electricity Gas Research Laboratory (InTEGReL) as a test bed for future energy solutions. The laboratory will investigate the transformative benefits of coupled gas, electricity, water and transportation systems, through the integration of renewable energy, electric vehicle charging and hydrogen powered vehicle charging.

The outcomes of research projects such as InTEGReL are therefore also likely to inform the future potential of hydrogen in the region.

Future travel scenarios

One of the challenges to achieving the decarbonisation targets across the region is the need to understand how travel patterns are likely to change depending on trends in the economy, population and society.

Transport for the North, working in partnership with Local Authorities, national delivery organisations and academic experts, have developed a set of Future Travel Scenarios for the North of England, informed by local strategies and priorities.

These Scenarios provide an understanding of what and how external factors may impact on the future of transport in the North East.

The scenarios reflect uncertainty across the following five external factors identified by the partnership:

1. Growth in the population and economy.
2. Spatial planning policy and economic distribution.
3. National policy on environment and sustainability.
4. Technological change and advancement.
5. Social and behavioural change.

This approach enables us to embed a wider range of factors into planning and analysis and to undertake more detailed assessments of what this means for our ZEV policies and targets. For example, each Future Travel Scenario will see different impacts in terms of EV uptake and use, as well as charging requirements and behaviours. Transport for the North are developing a regional Electric Vehicle Charging Infrastructure (EVCI) evidence base, which can further validate our understanding of levels of demand for future EV charging infrastructure in the North East. This will apply the different levels of likely EV uptake, and other plausible future trends in the Future Travel Scenarios, to navigate the future uncertainty of inter-dependent social, spatial and sustainability considerations impacting on car use and EV demand. This can provide a resilience and agility when forecasting the future amount, type, and location of EV charging infrastructure required to support decarbonisation and inclusivity ambitions.

The resultant four Future Travel Scenarios are summarised below:

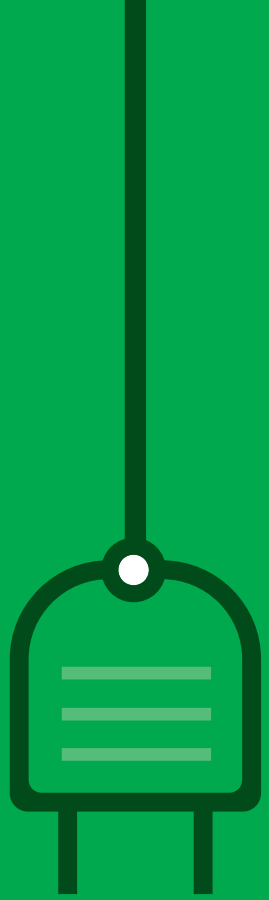
1. **Just About Managing** – Society keeps developing broadly following existing trends, a gradual shift in lifestyles and travel, public and political behaviours do not alter, leaving major developments and change to be shaped by market forces.

2. **Prioritised Places** – Society becomes focused on quality of life, place-making, and community, rather than primarily economic growth. This scenario is led by a change in priorities, with its biggest driver being the push for a fairer redistribution of economic prosperity.

3. **Digitally Distributed** – Technology solutions are used to create connections and agglomeration across towns and cities. Led by technology and some policy influence, as we fully embrace technological change, more people will work remotely and use an accessible service-based transport system with connected and autonomous shared mobility options.

4. **Urban Zero Carbon** – Society uses policy interventions to maximise energy efficient city growth and urban densification. This scenario is led by public and political attitudes to climate action and urban place-making, with the biggest drivers being strong Government policy, resulting in rapid action on zero emission transport systems and places, with integrated planning across energy, spatial and other sectors.

Depending on whatever future scenario transpires, there will be an impact on how goods and people are transported across the region. Ultimately this will affect the number of vehicles on the roads and thus the level of infrastructure required to support them. Another key factor will be the level of success in encouraging people to switch to public transport or other sustainable modes. If this does not occur, then congestion will continue to be a challenge even if more car journeys are being made using electric vehicles.



5. Setting out our ZEV Policy – Key Policy Areas

Zero Emission Vehicles have a key role to play in enabling us to achieve our objectives of:

- Carbon neutral North East
- Overcome inequality and grow our economy
- Healthier North East
- Appealing sustainable transport choices
- Safe, secure network.

Having detailed our broad approach to encouraging the use of ZEVs rather than petrol or diesel cars/vans, this section of the policy outlines a set of visionary policy statements which outline where we want to be by 2035, showing how we will address the four key themes raised by members of the public and businesses when considering ZEVs:

- Accessibility of infrastructure
- Range anxiety
- Environmental concerns
- Cost of vehicles and charging.

Infrastructure

As the research outlined in chapter 3 has shown, people have concerns over the accessibility of ZEV charging infrastructure and to encourage and accelerate the transition away from petrol and diesel vehicles to zero emission vehicles it is vital that we work to overcome these challenges and improve the accessibility and availability of infrastructure.

Chapter 4 (Future Demand) estimates that, to meet the projected demand for the region, as many as 28,000 public electric vehicle charge points may be required up to 2035 and these must be installed in locations which best support the uptake of zero emission vehicles.

Identifying the levels of public charging infrastructure required

We will monitor forecast growth in ZEV uptake and identify the levels of infrastructure required and the most appropriate locations for it, in order to support this growth.

We will ensure that charge points are planned and placed in locations which enables everyone in the North East to access them, including those who live in remote rural areas, those who do not have off street parking, areas where there is high demand for car clubs and taxis, and residents of deprived urban areas where car ownership is low, and costs may prevent homeowners installing a home charging facility.

Detailed interventions and targets will be set out in our upcoming Roads, Infrastructure and ZEV Strategy due to be published in 2022/23.

This approach may therefore mean that sites are prioritised according to social need rather than commercial viability. We will adopt a similar stance for other alternative fuels when they come to the market.

Usage will be monitored at regular intervals by Transport North East and relevant local authorities to enable us to identify areas where charge points are underutilised and areas

where demand creates a need to install further infrastructure. This will enable us to take the necessary strategic action to ensure the network continues to meet the needs of all users.

We have identified forecasts for the number of charge points in the region to reflect and also to encourage rising ZEV uptake. These figures are informed by guidance from the International Council on Clean Transportation (ICCT) who produced a working paper in 2020 that aimed to quantify the EV charging infrastructure gap, specifically in the United Kingdom. The report indicated the following ratios of chargers to vehicles.

It should be noted that, as the average range of electric vehicles increases over the coming years (decreasing range anxiety), together with charging speed improvements and higher utilisation of chargers, the ratios for calculating required infrastructure identified by the ICCT decrease.

The maximum distances identified are high-level estimates on the level of infrastructure that may be required in the future, based on the current average distance and maximum distance between chargers in the North East region.

These distances will be challenging to achieve across the whole region, with remote rural sparsely populated locations such as Northumberland and Durham presenting particular issues. These estimates have been established to support the region in achieving widespread uptake of ZEVs.

Region and LA	2025	2030
Fast Charge points to ULEVs	1:12	1:16
Rapid Charge points to BEVs	1:167	1:300

Ensuring the transport network is integrated

Whilst we recognise that it will not always be possible for people to make their entire journey by public transport, walking or cycling, we want to encourage car users to travel sustainably for at least part of their trip where possible. To achieve this, we will need to ensure that, where feasible, ZEV infrastructure is available at transport interchanges, park and ride car parks, railway stations and bus and Metro stations. The provision of ZEV infrastructure in these locations will enable ZEV use to be better integrated with other forms of transport so that people can travel by car/van for part of their journey and then continue by public transport.

Case Study:

Multi Modal Hub, Dundee

Queen Street Multi Modal Hub in Broughty Ferry, Dundee brings together a selection of ZEV technologies in one place, providing users with a range of sustainable options:

- A charging hub comprising 6 rapid chargers and 4 fast chargers
- Charge point with advertising or information screen
- A solar array, delivering local power generation.
- A shared electric bike docking station, with easy access to a cycle path to city centre
- A shared electric car club vehicle
- It is next to Broughty Ferry train station with direct trains to Dundee City Centre
- It is on main bus routes to Dundee City Centre running hybrid buses.
- Parking for users to allow switch from personal vehicles.

Funded through the UK government's Go Ultra Low Cities Scheme and Go Ultra Low Taxi Scheme, the hub cost £850,000 to design, build and install the infrastructure.

By delivering a number of sustainable transport options and ZEVs in a single location it is hoped to provide people with the confidence to make the right choice at affordable prices. The hub has also been 'future proofed' meaning that the city can quickly deploy more charging infrastructure when and if additional demand requires.

Between July 2020-July 2021, the hub experienced 11,000 charging sessions, the equivalent to approximately 30 charging sessions per day, placing the hub amongst one of the UK's most popular EV charging locations.

It is also estimated that over 65% of usage at the Queen Street hub is from commercial organisations. Taxi companies in particular report that this infrastructure was crucial to their willingness to switch to electric vehicles.

Infrastructure policy statements

As described earlier in the document (pg. 40), the number of required chargers have been derived using recognised ratios from the International Council on Clean Transportation (ICCT). These ratios have been determined based on projected growth of electric vehicles, and factor in developments and an increase in vehicle battery sizes, therefore reducing the overall need for a charger. These forecasts represent the scale of infrastructure needed to support a growing uptake of electric vehicles. They are purposely set to be ambitious and are based on recognised ratios that have considered the extent of public charging infrastructure to meet the needs of the ZEVs on our roads in the future. However, these ambitions will have to be closely reviewed and assessed on a regular basis to fit with the changing technology landscape.

In some scenarios up to 28,000 charge points may be required by 2035 to meet demand from users.

- We will prioritise the remaining 18 priority sites from our regional enabling study and continue to seek existing and new funding opportunities to take these forward.
- We will prioritise the deployment of charging in remote and rural areas to tackle challenges with social isolation, and transport poverty.
- We will prioritise the remaining priority sites from our regional enabling study (Enabling Electric Vehicle Charging in North East England 2021 to 2025) and continue to seek funding opportunities to take these and future sites forward.
- We will refresh our regional enabling study on an annual basis ensuring that the priority sites continue to be the most appropriate locations.
- We will seek opportunities to work with the private sector, with the aim of coordinating the installation of ZEV infrastructure in the region, ensuring that future demand is able to be met.
- We will take a flexible approach to filling the infrastructure gaps and monitor the deployment of public charge points across the region, reporting on progress.
- We will seek to enter into a strategic partnership with Northern Powergrid to make sure that the power network can support the installation of new EV charging infrastructure, both in terms of substation capacity and overall demand on the network.
- We will work with partners to review and coordinate the deployment of charging in remote rural areas and areas of high social deprivation to ensure challenges with social isolation and transport poverty are tackled equitably.
- We will work with partners where possible on charging specifications to ensure minimum requirements and robust maintenance agreements are standard across the region, ensuring a more consistent and positive user experience.
- We will ensure that the government's accessibility standards are implemented regionally in future procurement exercises and infrastructure projects.

- We will continue to grow partnerships across the region, working with key regional site owners to understand new opportunities for public infrastructure.
- We will continue to take advantage of our region's expertise and explore opportunities to test bed innovative clean energy solutions.
- We will continue to seek and apply for funding to install and maintain ZEV chargers across the region, especially in commercially-unviable locations, for use by the public and the taxi and private hire industry.
- We will work closely with the R&D sector to exploit hydrogen technology for vehicle propulsion and to deploy at scale if required, particularly as a means of decarbonising Heavy Goods Vehicle fleets.

Case Study:

Milton Keynes Electric Vehicle Experience Centre

Opened in 2017, the Milton Keynes EV Experience Centre is the UK's first brand neutral centre for electric and plug-in vehicles. Not only does the centre sell cars, but they offer experiences and free advice to visitors looking to switch and needing help to choose the right car for them. The three main aims of the experience centre are:

- **Education** – offer expert knowledge and end-to-end advice; from questions about cost to technical information on batteries and charging.
- **Experience** – to give visitors a real experience of the vehicles by offering short-term and long-term test drives.
- **Efficiency** – to guide visitors with easy to understand information.

So far, over 100,000 visitors have taken advantage of the centre to find out more about electric cars.

People

Provision of accessible and reliable charging infrastructure needs to be supported by appropriate information for drivers, to encourage behavioural change and reassure people who may have doubts about making the transition.

Increasing knowledge of ZEVs

It is important that the lifetime cost and environmental benefits of using ZEVs are clearly and consistently delivered across the region to address the user concerns set out in chapter 3, providing people with practical information about where they can find charge points, how to use a charger, and how long each type of charger takes to charge a vehicle. The aim is that everyone who uses, or is planning to buy, a ZEV should be confident that it meets their needs and that the necessary charging infrastructure is available, in the right places, at the right times.

User Engagement

To ensure that the needs of the end user are placed at the heart of the future transition to ZEVs, we need to continue to undertake engagement activities across the region and to understand the key strategic sites for installation of infrastructure.

Creating a User-focused Network

Chargers across the region are hosted by a range of different suppliers, offering different mechanisms for payment, and operating with different standards and contractual agreements. This variable level of provision is reflected in the North East LEP area EV charging behaviour study, which produced an average satisfaction score of 3 out of 10 for the existing public charging network[44].

If a critical mass of users are to make the switch to ZEVs, it is important that we work together with our local authorities and other partners to offer a consistent, fair and positive charging experience. Developing an agreed approach and set of minimum standards for the charge points, together with a requirement for public infrastructure tariffs to be within the market rate, will provide users with a greater level of confidence in the network which they are using.

We will procure a supplier to manage any charge points that we own and they will be required to meet a set of minimum standards, ensuring that customers receive a consistent and positive experience.

People policy statements

- We will embrace current work being undertaken on accessible and inclusivity standards for infrastructure and support our partners to ensure people with mobility/ accessibility impairments are able to access and use charging infrastructure.
- We will engage with the people who live, work and visit the North East to understand their current and future infrastructure requirements to enable their transition to ZEVs.
- We will continue to make use of the Go Ultra Low North East brand, as a way to market and promote activities to support the uptake of electric vehicles.
- We will continue to seek funding to install charge points for shared car club projects, particularly in rural areas and areas of high social deprivation, to help tackle challenges with social isolation and transport poverty.
- We will support a region-wide discussion on the approach to setting tariffs in order to deliver the best possible customer experience.
- We will procure a supplier to manage any charge points that are within our ownership and they will be required to meet a set of minimum standards including maintenance and quality.

Vehicles

An increase in the number of zero emission vehicles licenced in the North East is the key aim of this policy and will help us to achieve our Transport Plan objectives. However, the increase in ZEV uptake must be directed at journeys that cannot be made by walking, cycling and public transport.

Monitoring Uptake

We will monitor the uptake of ZEVs in the region, in order to understand whether the installation of charging infrastructure and behaviour change campaigns set out in this policy are having an impact on the migration to ZEVs.

However, due to the pace of technological developments and the range of possible future travel scenarios, as defined by TfN, we anticipate that there will be changes to our projected charging infrastructure requirements. Potential improvements to battery life, charging speeds and the rate of uptake of ZEVs would alter the number of charge points needed at each milestone outlined in our policy.

Therefore, we will monitor developments in ZEV technology and uptake on a regular basis and review the impacted change on projections. In turn we will review and update our policy statements as appropriate to ensure they remain current and align with the latest forecasts.

North East as a leader in ZEV infrastructure

As outlined in chapter 2, the North East has an established reputation as a UK and European leader for zero emission vehicles and associated infrastructure. We want to continue to build on the North East's record as a leader in this sector and seek opportunities to strengthen our knowledge and share our expertise to generate a shift to ZEVs.

Monitoring development of other clean fuel alternatives

We need to continue to explore new technologies to decarbonise transport and benefit the environment and not focus solely on electricity. Therefore, whilst battery electric vehicles and hydrogen are emerging as the key technologies in the decarbonisation of transport, other zero emission fuel alternative vehicles may be developed in the coming years, so we must be well-positioned to support any emerging breakthroughs.

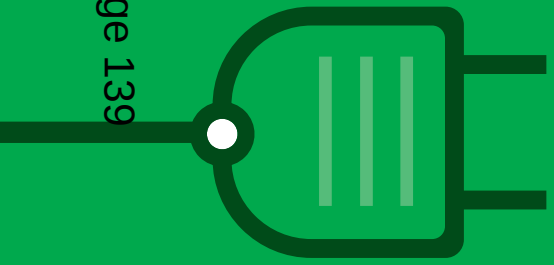
Vehicle policy statements

- We will monitor the uptake in zero emission vehicles across the region and report on progress against projected growth.
- We must strengthen use of cleaner, greener cars and vans.
- We will continue to seek funding opportunities to deliver zero emission buses.

Summary

Our visionary policy statements show where we want ZEV public infrastructure in the North East to be by 2035.

The table in Appendix 1 shows the relationship between our policy statements, research themes and our Transport Plan objectives.



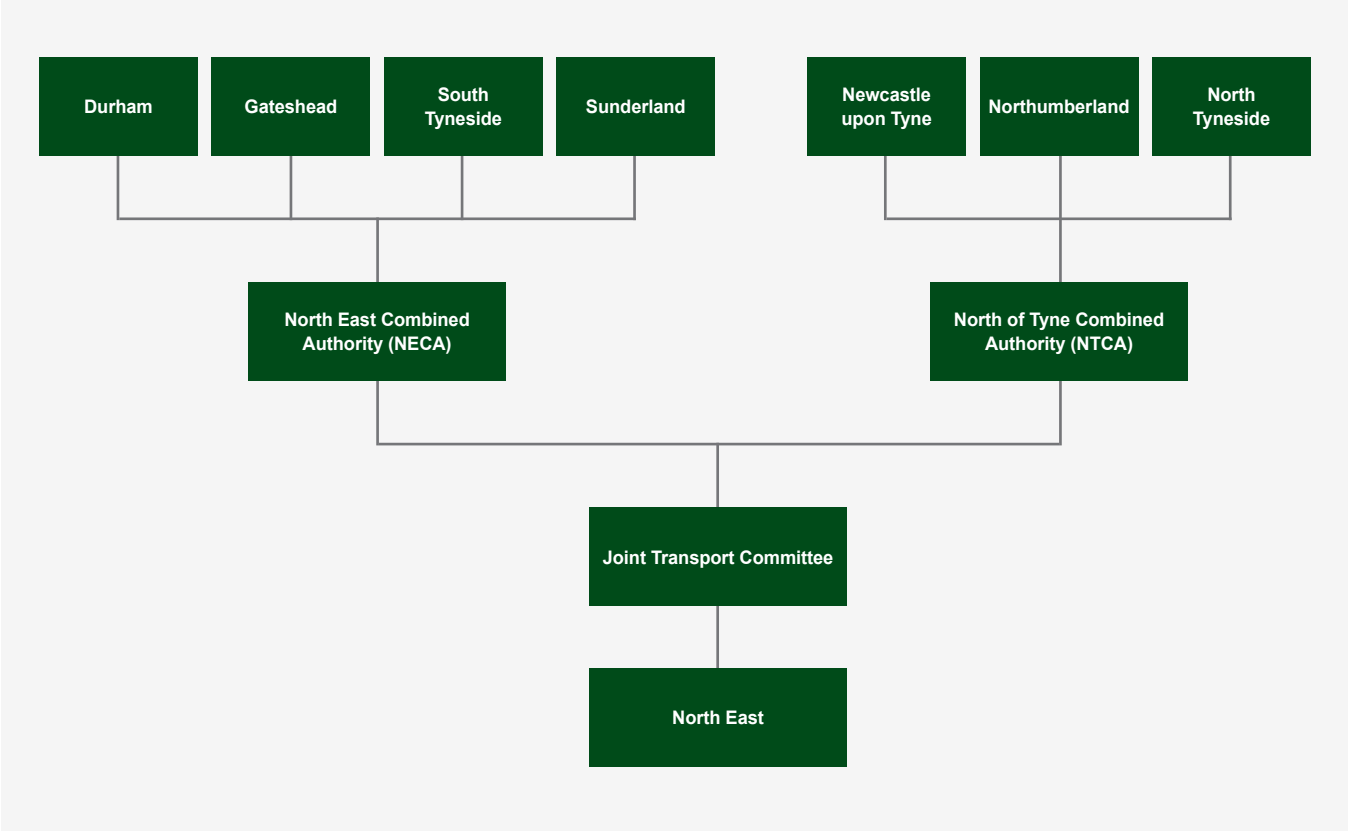
6. Delivering the North East Zero Emission Vehicle Policy

Our Zero Emission Vehicle Policy will deliver environmental and economic benefits to the North East, by:

- seeking to expand the region's Electric Vehicle charging network, ensuring it is accessible to all users and meets the needs of the whole region
- providing information and reassurance to address concerns that deter people from switching to ZEVs
- investigating all future ZEV technologies
- providing strategic guidance to enable an increased uptake of all ZEVs
- helping to make the case to government for additional funding in ZEV infrastructure.

Our policy statements set out how we will achieve these goals and the successful projects detailed earlier in this policy demonstrate our track record of effective partnership working with local authorities, energy supply providers and charge point providers. Strong partnerships will be fundamental as we implement our policy statements, helping to deliver the Transport Plan vision and objectives and tackling the climate emergencies declared across the region.

The figure below provides an understanding of how the partner organisations come together to deliver a regional approach to transport.



The policy will be reviewed annually in quarter four of each financial year.

Including ZEVs in all policy areas

If we are to meet the public infrastructure forecasts identified within this policy and the exacting decarbonisation targets set by the UK government, we must also include ZEVs and the enabling infrastructure in a range of policy areas where appropriate.

These key policy areas include:

- **Planning** – Following public consultation, the government announced in November 2021 that all new buildings in England will be required to install electric vehicle charge points from 2022.

  The draft "Technical Guidance for Building Regulations Requirements for EV Charging" stipulates that, for buildings other than dwellings with 11 or more parking spaces, 1 space in every 11 should have active charging infrastructure. In respect of new build residential properties, charging infrastructure must be part of the development.

  The new regulations are expected to result in the installation of 145,000 extra charge points across England.

- **Energy** – The switch to ZEVs offers the North East significant economic, social and environmental opportunities through the delivery of clean, secure and accessible energy. This can include onsite solar generation and storage at charge points or the wider integration with large scale green energy production. By using locally produced renewable energy to power future battery electric and hydrogen vehicles, we can bring added value to both transport and energy projects, reflecting the policy statement that "we will continue to take advantage of our region's expertise and explore opportunities to test bed innovative clean energy solutions."

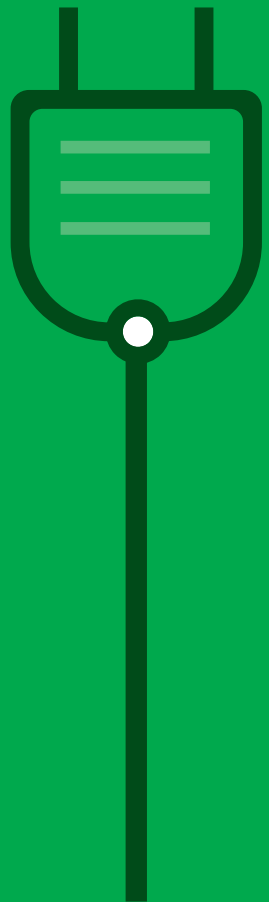
- **Fleets** – Commercial vehicles account for approximately 13% of cars and light good vehicles on the roads in Great Britain. It is important to understand that these fleets do not recognise local or regional boundaries and that infrastructure projects should service both urban and rural communities. By co-ordinating a regional approach to infrastructure provision, as set out in chapter 5, we will ensure that fleets have access to a comprehensive and well-planned network that makes the best use of funding available.

- **Procurement** – To enable the uptake of ZEVs required to meet the regions' decarbonisation targets, it is important that the infrastructure is of a consistently high standard and that as far as possible the user has a seamless experience across different charge points. This will be achieved by working collaboratively with our local authorities, to co-ordinate where possible the specification of future charge points with the user experience in mind.

Several of our local authorities, Nexus and TNE are working with the North East Procurement Organisation (NEPO) to bring forward a concession agreement to enable long-term investment in the regional electric vehicle charging infrastructure (EVCI). This investment is needed to upgrade, operate and maintain the current public authority owned network and to resource its expansion in order to secure a sustainable long-term future which aligns to our future commitments. This concession agreement can also be drawn upon by other public sector bodies.

This platform for delivery will ensure that through a clear arrangement with a concession operator, the network will be of a good standard with opportunities for operator led investment. This will be topped up by public sector grants when they become available to plug the gaps in the network when they may not be commercially viable.

By working in partnership with NEPO and local authorities, TNE will provide a key facilitation and coordination role to ensure that the network continues to meet future demand and that regional standards are incorporated.



7. Next Steps (5 Year Focus)

Blueprint to deliver infrastructure

In 2020, Transport North East commissioned a blueprint to deliver EV infrastructure. The study identified a substantial list of priority sites that can be taken forward as demand requires and funding opportunities arise. Delivery of these sites for ZEV charging will form a key step in ensuring the network in the region meets the future needs of those that live work and visit the region. Where funding allows, the study will be refreshed on an annual basis to ensure that the sites identified continue to be the most appropriate.

We will seek available funding opportunities and will then work with partners to deliver the key sites and expand the network to ensure that both urban and rural communities are covered. This work will complement the wider infrastructure projects being delivered by local authorities and agencies such as National Highways in delivering a network in the North East that supports the next stage of transition to electric vehicles.

The identification of regional funding opportunities and possible trials of alternative fuelled vehicles will also be a key focus, to maintain momentum and create a critical mass of projects that will deliver significant regional benefits.

Roads, Infrastructure and ZEV Strategy

The forthcoming Roads, Infrastructure and ZEV Strategy set to be launched in 2022/23 will support the ZEV Policy by setting out in more detail how sustainable, low carbon travel will be supported around and through the region, including rural areas, making alternative fuels a realistic and attractive option.

The Strategy will include a full methodology that indicates the amount of charging infrastructure the region may need to support demand.

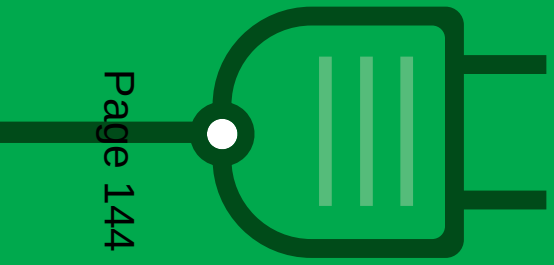
The Strategy will include plans that place ZEVs at the heart of future roads and infrastructure projects by identifying key projects and programmes required to deliver our vision and objectives.

Making the most of our region as a leading innovation cluster

As the market for ZEVs is still in its early stages there is significant scope for innovation and development which require proactive cities and regions to test and gather key data and learnings to share.

Our region has a wide range of innovation assets including universities, catapults and national centres of excellence, covering digital, energy, and advanced manufacturing.

These regional assets ensure that we are in the best possible position to test and monitor a wide range of ZEV related projects, which can then be utilised to assist in future roll out and decision making in the region and across the country as a whole.



8. Conclusion

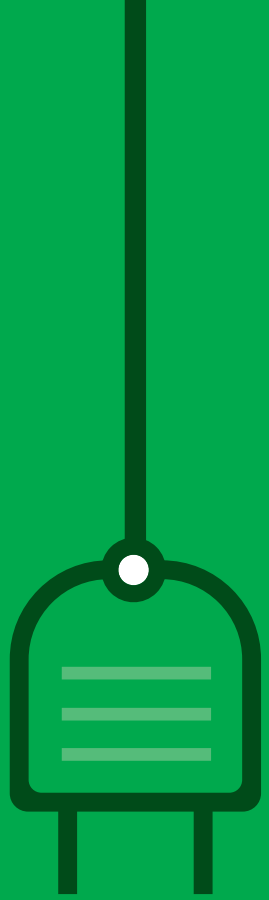
In this policy, we have benchmarked the region's current position in terms of ZEV take-up, outlined the growth that will be required to meet our decarbonisation targets and listed a set of clear policy statements that set out how we aim to deliver that growth.

As the base for Europe's most successful EV (the Nissan Leaf) and the continent's first giga battery manufacturing facility, we have a track record of achievement, buttressed by our successful Go Ultra Low programme and the recent rollout of new electric buses.

We are a global centre in the clean energy agenda and by meeting public demand for a comprehensive and accessible charging network, we can take the next step forward, helping people to make the right travel choice and realising the objectives of the North East Transport Plan.

We do not want to replace trips that are currently being made using sustainable forms of transport and want to encourage drivers to switch to public transport as much as possible; however, many journeys will continue to be made by car and our aim is to encourage existing petrol and diesel car/van users in the transition to ZEVs.

The timescales are demanding but our authorities and businesses have already shown through the GULNE project and other initiatives that they can rise to the challenge and, with 30 million petrol and diesel cars in the UK, a successful transition not only means cleaner air and a better environment but also offers massive business opportunities for our automotive sector. Zero emissions need not mean zero ambitions, instead they can help deliver the green recovery we all wish to see.



Appendix 1 – how our policy statements, research themes and Transport Plan objectives link together

Policy Statement	Feedback it addresses	Objectives it will achieve
Infrastructure		
• We will prioritise the remaining priority sites from our regional enabling study (Enabling Electric Vehicle Charging in North East England 2021 to 2025) and continue to seek existing and new funding opportunities to take these forwards.	• Accessibility of infrastructure • Range anxiety	• Carbon neutral North East • Safe, secure network
We will refresh our regional enabling study on an annual basis ensuring that the priority sites continue to be the most appropriate locations.	• Accessibility of infrastructure • Range anxiety	• Carbon neutral North East • Safe, secure network
• We will seek opportunities to work with the private sector, with the aim of coordinating the installation of ZEV infrastructure in the region, ensuring that future demand is able to be met.	• Accessibility of infrastructure • Range anxiety	• Carbon neutral North East • Appealing sustainable transport choices
• We will take a flexible approach to filling the infrastructure gaps and monitor the deployment of public charge points across the region, reporting on progress.	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Safe, secure network
• We will seek to enter into a strategic partnership with Northern Powergrid to make sure that the power network can support the installation of new EV charging infrastructure, both in terms of substation capacity and overall demand on the network.	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Safe, secure network
• We will work with partners to review and coordinate the deployment of charging in remote rural areas and areas of high social deprivation to ensure challenges with social isolation and transport poverty are tackled equitably.	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices

Policy Statement	Feedback it addresses	Objectives it will achieve
Infrastructure continued		
• We will work with partners where possible on charging specifications to ensure minimum requirements and robust maintenance agreements are standard across the region, ensuring a more consistent and positive user experience.	• Accessibility of infrastructure • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices • Safe, secure network
• We will ensure that the government's accessibility standards are implemented regionally in future procurement exercises and infrastructure projects.	• Accessibility of infrastructure • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices • Safe, secure network
We will continue to grow partnerships across the region, working with key regional site owners and local authorities to understand new opportunities for public infrastructure.	• Accessibility of infrastructure • Range Anxiety • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices • Safe, secure Network
• We will continue to take advantage of our region's expertise and explore opportunities to test bed innovative clean energy solutions	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices • Safe, secure network
• We will continue to seek and apply for funding to install and maintain ZEV chargers across the region, especially in commercially-unviable locations, for use by the public and the taxi and private hire industry.	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Appealing sustainable transport choices
• We will work closely with the R&D sector to exploit hydrogen technology for vehicle propulsion and to deploy at scale if required, particularly as a means of decarbonising Heavy Goods Vehicle fleets.	• Accessibility of infrastructure • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Overcome inequality and grow our economy • Healthier North East • Safe, secure network

Policy Statement	Feedback it addresses	Objectives it will achieve
People		
• We will embrace current work being undertaken on accessible and inclusivity standards for infrastructure and support our partners to ensure people with mobility/accessibility impairments are able to access and use charging infrastructure.	• Accessibility of infrastructure • Range anxiety	• Carbon neutral North East • Overcome inequality and grow our economy • Healthier North East • Appealing sustainable transport choices
We will engage with the people who live, work and visit the North East to understand their current and future infrastructure requirements to enable their transition to ZEVs.	• Accessibility of infrastructure • Range anxiety	• Carbon neutral North East • Safe, secure network
• We will continue to make use of the Go Ultra Low North East brand, as a way to market and promote activities to support the uptake of electric vehicles.	• Accessibility of infrastructure • Range anxiety • Environmental concerns	• Carbon neutral North East • Appealing sustainable transport choices • Healthier North East
• We will continue to seek funding to install charge points for shared car club projects, particularly in rural areas and areas of high social deprivation, to help tackle challenges with social isolation and transport poverty.	• Accessibility of infrastructure • Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Overcome inequality and grow our economy • Healthier North East • Appealing sustainable transport choices • Safe, secure network
• We will support a region-wide discussion on the approach to setting tariffs to deliver the best possible customer experience.	• Cost of vehicles and charging	• Overcome inequality and grow our economy • Appealing sustainable transport choices.
• We will procure a supplier to manage any charge points that are within our ownership and they will be required to meet a set of minimum standards including maintenance and quality.	• Accessibility of infrastructure • Cost of vehicles and charging	• Overcome equality and grow our economy • Appealing sustainable transport choices

Policy Statement	Feedback it addresses	Objectives it will achieve
Vehicles		
• We will monitor the uptake in zero emission vehicles across the region and report on progress against projected growth.	• Environmental concerns	• Carbon neutral North East • Overcome inequality and grow our economy • Healthier North East • Appealing sustainable transport choices
• We must strengthen use of cleaner, greener cars and vans.	• Environmental concerns	• Carbon neutral North East • Healthier North East • Appealing sustainable transport choices
We will continue to seek funding opportunities to deliver zero emission buses.	• Range anxiety • Environmental concerns • Cost of vehicles and charging	• Carbon neutral North East • Healthier North East • Appealing sustainable transport choices

1. BEIS (2019) 2019 UK Greenhouse Gas Emissions, Final Figures
2. Source: North East Transport Plan
3. BEIS (2019) 2019 UK Greenhouse Gas Emissions, Final Figures
4. Transport-related Social Exclusion, November 2021
5. Source: North East Transport Plan
6. Source: Ibid. Figure represents the proportion of North East residents who didn't own a car/van in 2002/3. Based on Table NTS9902 for the National Travel survey
7. OFGEM. 2021. One in four consumers plan to buy an electric car in next five years according to Ofgem research. [online]. Available from: https://www.ofgem.gov.uk/publications/one-four-consumers-plan-buy-electric-car-next-five-years-according-ofgem-research (accessed 5 November 2021)
8. Survey carried out by Censuswide Research on behalf of Aviva between 10 – 15 February 2021.
9. "Enabling Electric Vehicle Charging in North East England 2021 to 2025" – Urban Foresight for TNE, 2020
10. Enabling Electric Vehicle Charging in North East England 2021 to 2025, Urban Foresight for Transport North East, 2020
11. Zap-Map (2021) Zap-Map Live
12. North East LEP area EV Charging Behaviour (September 2020)
13. North East LEP area EV Charging Behaviour (September 2020)
14. North East LEP area EV Charging Behaviour (September 2020)
15. Fleet Revolution was a business-focused programme delivered as part of the regional Go Ultra Low project
16. North East LEP area EV Charging Behaviour (September 2020)
17. North East LEP area EV Charging Behaviour (September 2020)
18. North East LEP area EV Charging Behaviour (September 2020)
19. Survey carried out by Censuswide Research on behalf of Aviva between 10 – 15 February 2021.
20. North East LEP area EV Charging Behaviour (September 2020)
21. North East LEP area EV Charging Behaviour (September 2020)
22. North East Big Bus Conversation (2021)
23. North East LEP area EV Charging Behaviour (September 2020)
24. Ibid
25. Ibid
26. Ibid
27. Fleet Revolution was a business-focused programme delivered as part of the regional Go Ultra Low project
28. CNBC online news source: https://cbnc.com/volkswagen-foresees-ev-price-parity-with-ice-by-2025-50-ev-sales-by-2030/
29. Source: Bloomberg - https://www.bloomberg.com/news/articles/2021-11-29/nissan-unveils-18-billion-long-term-electric-vehicle-strategy
30. Source: Ibid
31. Source: North East LEP area EV Charging Behaviour (September 2020)
32. Ibid
33. Ibid
34. Note: Vehicles are allocated to a local authority according to the postcode of the registered keeper. This is the keeper's address for privately owned vehicles or the company's registered address for company owned vehicles. The address does not necessarily reflect where the vehicle is located. This is especially true for large fleets kept by companies involved with vehicle management, leasing or rentals. Significant changes in the number of vehicles from year to year can often occur when these companies change their registered address.

35. Note: Vehicles are allocated to a local authority according to the postcode of the registered keeper. This is the keeper's address for privately owned vehicles or the company's registered address for company owned vehicles. The address does not necessarily reflect where the vehicle is located. This is especially true for large fleets kept by companies involved with vehicle management, leasing or rentals. Significant changes in the number of vehicles from year to year can often occur when these companies change their registered address.

36. Transport North East (2021) Region sets out £804m ambitious bus plan

Source: 2021 Transport North East Bus Service Improvement Plan [online]. Available from: https://www.transportnortheast.gov.uk/enhancedpartnership/

38. GOV. 2021. Statistical data set. [online]. Available from: https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01 [accessed December 13 2021]

39. Local Government Association (2021) Scoping the role of local authorities in the provision of electric vehicle charging infrastructure

40. https://www.smmt.co.uk/2021/08/used-car-sales-q2-2021/

41. The AA (2020) Almost half of drivers thinking of buying an Electric Vehicle

42. Vehicle numbers include Battery Electric Vehicles (BEV) and Plug in Hybrid Electric Vehicles (PHEV) as both will require charged, with the requirement for new vehicles sales to be completely zero emission by 2035.

43. ICCT (2020) Quantifying the electric vehicle charging infrastructure gap in the United Kingdom

44. North East LEP area EV Charging Behaviour (September 2020).

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