



North East Joint Transport Committee

Tuesday, 15th September, 2020 at 2.00 pm

Meeting to be held in a Meeting to be held virtually via Microsoft Teams

AGENDA

	Page No
1. Apologies for Absence	
2. Declaration of Interests	
<p>Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.</p>	
3. Minutes of the last meeting held on 14 July 2020	5 - 10
4. Transport North East - Regional Transport Update	11 - 18
5. Emergency Active Travel Fund - Tranche 2 Bid	19 - 22
6. Discharge of Transport Functions by Durham County Council	23 - 32
7. Membership of Joint Transport Audit Committee	33 - 36
8. Northumberland Line Operating Model	37 - 46
9. Exclusion of the Press and Public	

The North East Joint Transport Committee may wish to exclude the press and public from the meeting during consideration of items 11 and 12 on the grounds indicated:

Items 11 and 12: By virtue of paragraphs 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

- | | | |
|-----|---|----------------|
| 10. | Minutes of the confidential meeting held on 14 July 2020 | 47 - 48 |
| 11. | Financial Framework for the delivery of the Tyne Pass Free-Flow Scheme at the Tyne Tunnels | 49 - 74 |

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NORTH EAST JOINT TRANSPORT COMMITTEE

DRAFT MINUTES FOR APPROVAL

DATE: 14 July 2020

Meeting held: Virtually using Microsoft Teams and streamed live on YouTube

Present:

Councillor: M Gannon (Chair)

Councillors: P Jackson, C Johnson, C Marshall, G Miller, M Walsh and Mayor J Driscoll

In attendance:

Councillor J McCarty

Statutory Officers: J Hewitt (S73 Officer)
T Hughes (Managing Director, Transport North East) and
G Morton (Deputy Monitoring Officer)

Officers: G Armstrong, R Broadbent, A Harhoff, R Forsyth-Ward,
G Grant, M Jackson, G Mansbridge, P Meikle, P Melia, R
O'Farrell, S Ramsey, E Reynard and J Sparkes.

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor I Malcolm and Mayor N Redfearn.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING HELD ON 9 JUNE 2020

The minutes of the previous meeting were agreed as a correct record.

4. CAPITAL PROGRAMME 2019/20 OUTTURN AND 2020/21 UPDATE

The Committee received a report which provided information on the outturn position in relation to the 2019/20 Transport Capital Budget and an update on the forecast of outturn for the 2020/21 budget as at the period ending 31 May 2020.

Total capital expenditure during 2019/20 on Transport schemes was £74.236m against the revised programme budget of £87.394m. Outturn spending was around 85% of the revised outturn budget with underspend/slippage totalling £13.158m.

The Transport capital programme includes 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.

Expenditure on the Transforming Cities Fund Tranche 1 schemes was £6.129m against a revised budget of £9.012m. Underspend identified on one scheme in the programme was reallocated to schemes which will now be completed during 2020/21. Additional slippage occurred due to the Covid-19 pandemic delaying some capital works which were due to be carried out in March 2020. These will now take place during 2020/21.

The Joint Transport Committee approved the Nexus Capital Programme in 2019/20 in January 2019 which totalled £65.673m including the Metro Asset Renewal Programme, Metro Fleet replacement and other non-Metro schemes. The capital outturn expenditure for 2019/20 was just under £54m against a revised budget of £63.6m with the items of slippage being £5.268m due to delays in letting the contracts with Stadler for the new fleet and underspends on the Nexus Learning Centre and contingency budgets.

Total capital expenditure on Transport schemes of £110.150m is forecast for 2020/21 against the revised budget of £106.331m. The revised programme takes account of adjustments for slippage in 2019/20 and new grant allocations made since the budget was agreed in January 2020. The revised capital programme is £24.765m higher than the original programme. Expenditure to the end of May 2020 totalled £18.821m.

In March 2020, the Joint Transport Committee was notified of the successful award of Transforming Cities Fund Tranche 2 funding of £198.483m, made up of £94.686m for the Metro Flow project to be delivered by Nexus, and £103.797m as a devolved programme. Approximately £20.103m of expenditure is currently forecast for 2020/21 pending a detailed review of likely construction dates for each project, taking into account slippage as a result of Covid-19.

RESOLVED: The North East Joint Transport Committee noted the report and agreed the revised capital programme for 2020/21, which has been adjusted to reflect slippage from 2019/20 and additional grant funding received since the original programme was approved in January 2020.

5. REVENUE BUDGET 2019/20 OUTTURN AND 2020/21 UPDATE

The Committee received a report which provided information on the outturn position in relation to the 2019/20 Transport Revenue Budget and the forecast of outturn for the 2020/21 budget as at 31 May 2020.

The report covers all areas of the revenue budget including the transport levies and grants to Durham, Northumberland and Nexus and the Tyne Tunnels revenue account.

There were underspends against the transport grant for Durham and Northumberland as a result of lower than forecast expenditure on concessionary fares reimbursement. Nexus' expected deficit has improved by £0.417m against the 2019/20 budgeted deficit of £0.700m. Reserves have decreased from £37.997m to £37.547m in year.

The Covid-19 pandemic has had a significant and continuing impact on transport activity, with decreases in income on Metro and the Tyne Tunnels. Payments continue to be made by Nexus, Durham County Council and Northumberland County Council to bus operators in relation to concessionary travel schemes and tendered bus services, in line with the request from Government.

Grant funding has been secured from the Department for Transport to support Metro and secured bus services until 4 August 2020. Discussions are ongoing with the Department of Transport to try and secure an extension to this funding.

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

6. MOVING BUS PARTNERSHIP FORWARD IN NORTH EAST ENGLAND

The Committee received a report which outlined the next steps to develop a partnership with local bus operators. Since lockdown, local bus services have received significant financial support through emergency grant funding from national Government, and continuation of local payments for concessionary travel and secured services at budgeted levels despite the major reduction in ridership and some services not being provided.

The Joint Transport Committee has previously expressed a wish to engage with local bus operators with a view to developing future models of bus service funding and provision. The Committee has also previously stated that it, along with its constituent authorities, will continue to lobby Government for financial support for the bus sector for as long as Covid-19 continues to have a negative impact.

In order to achieve better transparency in relation to the future provision of emergency funding being provided locally to bus operators, it is proposed that a set of conditions could be applied by the region, developed jointly with other Combined Authorities in the UK through the Urban Transport Group. These are set out in Appendix A of the report.

In order to facilitate direct engagement with local bus operators, it is proposed that an engagement forum be created. The Forum would provide a direct link to NEBus, the local grouping of bus operators. Terms of reference will be developed for the Forum, in conjunction with NEBus for members to review at the earliest opportunity. However an initial meeting will be set up between JTC Members and the bus operators before the end of July. The JTC may wish to consider establishing a sub-group or working group to continue engagement on a regular basis.

Cllr Jackson commented that the pandemic had made everyone recognise the importance of local bus services and highlighted the funding provided by local authorities across the region which was ensuring that bus services continue. He felt that this was a good time to take stock and develop closer partnership working with the bus operators. He believed that everyone needed to work together to ensure a positive outcome.

Cllr Gannon echoed Cllr Jackson's comments and paid tribute to the critical role the bus operator employees have played throughout the pandemic.

RESOLVED: The North East Joint Transport Committee:

- (i) Noted the proposed application of conditions to local emergency bus payments;
- (ii) Agreed to the proposed creation of an engagement forum between elected members and local bus operators; and
- (iii) Noted discussions with Government in relation to the future reform of funding models for bus services.

7. RAIL UPDATE

The Committee received a report summarising the current rail work programme covering services to, from and within the North East region. Since lockdown, there have been several timetable changes to rail services, but services are now being increased to a near normal levels.

The report also noted the JTC's response which was submitted to the National Infrastructure Commission's Rail Needs Assessment call for evidence to feed into the Government's forthcoming Integrated Rail Plan. The region's response highlighted that vital investment is required to the East Coast Mainline between York and Newcastle to improve reliability and resilience in the short term, and to ensure that the North East can fully benefit from the introduction of high-speed rail in the medium to long term. The economic benefits of HS2 and Northern Powerhouse Rail can be significantly improved if these services run onto Scotland via the East Coast Mainline. The Integrated Rail Plan could also encompass the prospect of a locally devolved Metro and local rail network in the North East which will maximise the benefits of enhanced regional connectivity.

Following the submission, Cllr Gannon and Mayor Driscoll had a very positive meeting with Sir John Armitt, Chair of the National Infrastructure Commission. A key piece of evidence discussed at the meeting was the National Rail study into

the future of the East Coast Mainline from south of York to Newcastle. Any further developments regarding this will be presented to the Committee in due course.

Transport for the North is progressing work on the development of the case for Northern Powerhouse Rail. Capacity analysis work is looking at the potential for using various north – south lines (ECML, Durham Coast and Leamside) to accommodate an uplift in passenger services, from 6 trains per hour to 9, north of Northallerton, whilst retaining rail freight capacity. The work has confirmed that there is insufficient capacity to increase train frequencies without significant intervention on one or more of these corridors.

Locally, Northumberland County Council is leading on the development of the scheme to re-open the Northumberland Line. DfT has accepted the outline business case and the scheme has been allocated development and delivery funding from the Rail Network Enhancement Pipeline, subject to the final business case submission in early 2021. Confirmation is also awaited from the Treasury of a further £5m Government contribution towards the design phase of the scheme. The Committee was also advised that Horden Station re-opened on 29 June 2020 after many years of hard work and investment by Durham County Council.

The Committee was advised that works on Newcastle Central Station received listed building consent on 19 June which enabled further progress on the project. It is hoped that works will begin in October 2020 to create a new public concourse and two new public entrances and exits.

Progress is being made on the redevelopment of the concourse at Sunderland Station. Sunderland City Council is commissioning a consultancy study to advise on the best site for a railway station to serve Washington on a re-opened Leamside Line. South Tyneside Council continues to work with its consultants on the Boldon and Tile Shed Level Crossing Scheme.

Cllr Marshall commented that it was vital to keep up the pressure for investment into infrastructure on the East Coast Main Line. There are compatibility issues on the line which will require resources from the Government to ensure it is HS2 ready.

Cllr Jackson supported Cllr Marshall's comments. He believed that the report showed how all of the regional rail projects can be viewed as one package and support bringing jobs to the region. The Government need to take this issue seriously and investment in the East Coast Main Line is good opportunity to drive forward the regional economy. He added that the other projects outlined in the report will make a huge difference to the region. Cllr Jackson also said that he was very proud that the Northumberland Line scheme is ready to get up and running and hoped that more progress could be made in the next few months.

Cllr Gannon added that the success of the Northumberland Line project showed that the many representations to Government and others had been very

persuasive and had resulted in the proposals being welcomed. He agreed that the project would help to kick start the economy and bring growth to the region.

RESOLVED: The North East Joint Transport Committee noted the report and supported the ongoing work to secure the funding to both develop and deliver vital rail schemes for the North East.

8. REGIONAL TRANSPORT UPDATE

The Committee received a report which outlined progress on various regional transport issues.

The region has been successful in its bid to tranche one of the Government's Emergency Active Travel fund to support and grow cycling and walking during and after the Covid-19 pandemic. Funding of £2.262m has been awarded and all schemes must be delivered within eight weeks. Work is now ongoing to develop a bid for funding from tranche two of the Fund which will focus on schemes to create a safe environment for walking and cycling.

The Committee was advised that schemes developed within the North East Transport Plan must be positioned to assist with economic recovery and that a rapid blueprint is being produced. Timescales within the Plan have also been shortened.

The Committee was also informed that the timescales for the Go Ultra Low NE programme have now been extended to January 2021.

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

9. EXCLUSION OF THE PRESS AND PUBLIC

The North East Joint Transport Committee agreed to exclude the press and public during consideration of item 10 by virtue of paragraphs 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

The live stream of the meeting on YouTube was suspended after this resolution was agreed.

10. MINUTES OF THE CONFIDENTIAL MEETING HELD ON 9 JUNE 2020

The minutes of the confidential meeting held on 9 June 2020 were agreed as a correct record.

North East Joint Transport Committee

Date: 15th September 2020

Subject: Transport North East, Regional Transport Update

Report of: Managing Director, Transport North East

Executive Summary

The region has received £2.262m through tranche 1 of the government's Emergency Active Travel Fund (EATF) to support and grow cycling and walking during and after the Covid-19 pandemic.

An ambitious £15.678m regional bid was made for tranche 2 of the EATF on 7th August to deliver a programme of 11 schemes to further increase opportunities for cycling and walking. A decision on the bid is expected in September.

The region's bus operators are steadily restoring services to pre-Covid 19 levels and bus patronage has started increasing but is still considerably below pre-Covid-19 levels. Government emergency funding to support bus services during the Covid-19 pandemic has been extended on a rolling basis.

The Tyne and Wear Metro has received an extra £8.5m from the Government to keep the trains running during the Covid-19 pandemic for a 12-week period up until the end of October.

This year presents a major challenge to make sure that the right level of provision is made to support schools and colleges reopening from the start of September. The North East has been allocated £1.5m by the Department for Education to assist with the procurement of additional school buses to support schools restart activity during the first half term. We have also been allocated £300k by the Department for Transport (DfT) to help our authorities produce Travel Demand Management Plans to influence travel behaviours of all transport users, addressing gaps in capacity due to social distancing and related Covid-19 measures for the new academic year.

The National Infrastructure Commission (NIC) Interim Report on the Rail Needs of the North and Midlands published in July confirmed that improvements to existing lines (e.g. the East Coast Main Line) are being assessed and are within the scope of the review. A final report will be published in November following further regional roundtables.

The Go Ultra Low North East Programme has been extended to January 2021 so that the remaining installation of EV rapid hubs paused by the furlough of staff can be completed.

The region has been awarded £100,000 to undertake an EV infrastructure Enabling Study which will set out the EV infrastructure the region needs over the next five years to support the increase in EVs on our roads.

Recommendations

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

1. Background Information

1.1 Emergency Active Travel Fund

The region has been successful in securing £2.262m, 100% of our indicative allocation, from tranche 1 of the Emergency Active Travel Fund. The funding is being used to deliver a series of temporary projects that build on the dramatic uplift in walking and cycling experienced in our region during this Covid-19 pandemic.

On 7 August JTC submitted a regional bid requesting £15.678m from tranche 2 of the Emergency Active Travel Fund. Details of the bid are provided under a separate agenda item for this meeting.

1.2 Bus Services

The region's bus operators are steadily restoring their services to pre-Covid levels and the recent relaxation of social distancing guidelines on bus services to 1+ metres means that more passengers can be carried on each bus. In response, bus patronage in the region is increasing to around 50% of pre-pandemic levels and it will be some considerable time (if ever) before there is any prospect of a return to pre-Covid passenger numbers, meaning there will continue to be a shortfall in bus operators' income.

On an operational level, it is understood that most passengers are respecting the face covering requirement while travelling by bus.

On 7th August, the DfT announced a further tranche of Covid-19 Bus Service Support Grant (CBSSG) funding to commercial bus operators.

As discussed in previous reports the government has also requested that Local Transport Authorities maintain their concessionary travel payments to bus operators at budgeted levels. Nexus, Durham and Northumberland County Councils continue to comply with this request, subject to specific conditions relating to continuity of service provision and transparency of financial information and decision-making.

To ensure that future bus services work for everyone the government is planning to publish a National Bus Strategy to set out how it plans to support the sector going forward.

1.3 Tyne and Wear Metro

It was announced early in August that the Tyne and Wear Metro has been given a further £8.5m from the Government to keep the trains running during the Covid-19 pandemic. This is the third round of support provided by the Government and is for a 12 week period up to the end of October. The Tyne and Wear Metro has now received £24.7m of funding support from the Government since May. Nexus has advised that, while people are going back to using public transport, it still faces a weekly deficit of around £500,000.

Metro patronage is improving. In May 2020, monthly patronage was 8% of the typical level. By July this had improved to 33% and early results for August show patronage running at around 45% of pre-pandemic levels. Based on passenger observations by Nexus on the Metro on 6th August face covering use was 88%.

Nexus remains in dialogue with the government about longer term funding for the services it delivers and DfT has confirmed that money for the Metro and other light rail networks will be reviewed at the end of October. Nexus has and will continue to advise the DfT of the need for a long-term government led funding solution as it is very unlikely that passenger numbers on the Metro will return to pre-Covid levels anytime soon.

1.4 Home-to-school Transport

The start of the new academic year in September presents significant additional challenges for the region's transport network. Government has set out very challenging expectations of how Local Authorities should ensure travel arrangements are in place to support a smooth return to school and college while minimising disruption to other transport users. Continuing social distancing requirements mean that:

1. public transport capacity will be greatly reduced, so it is unlikely that all pupils and students who previously used it to travel to school and college will be able to do so; and
2. additional capacity will also be required on transport provided for pupils entitled to free school transport.

The North East was allocated £1.5m by the Department for Education to assist with the procurement of additional school buses to support the reopening of all schools and Further Education colleges from the first week in September. Additional funding of £300k was provided by the DfT to assist with Travel Demand Management for school travel.

1.5 National Infrastructure Commission (NIC) Rail Needs Assessment

In July the NIC published an interim report into the Rail Needs of the North and Midlands, which examines their proposed approach and methodology in more detail in order to assist the government in creating an 'Integrated Rail Plan'. The interim report confirmed that improvements to existing lines (e.g. the East Coast Main Line) are being assessed and are within scope of the review.

It is understood that the NIC will now hold a further series of regional roundtables to discuss their approach and how they are developing options in more detail. The final report will be published in November and the recommendations will be presented to the UK Government.

1.6 Local Rail services

As members will be aware the timetable for rail services was dramatically cut back to provide for only essential workers during the height of the Covid 19 pandemic. As lockdown restrictions have eased the timetable has been gradually increasing. The latest increases are coming into effect over the first few weeks of September. For our region, there are no planned increases in the TPE services (remaining on average 1 tph to Leeds, Manchester and Liverpool) and some limited uplift in Northern services to bring service levels almost back to pre Covid levels, details in appendix 1

1.7 Transport for the North (TfN) Economic Recovery Plan

TfN prepared an Economic Recovery Plan (ERP) demonstrating how investments across the North will provide an immediate economic boost and lay the foundations for the long-term advancement of a sustainable economy. The region submitted 31 projects for inclusion in this plan, encompassing public transport, rail, highways, ticketing and strategic maintenance schemes.

The vast majority of projects were included in the ERP which was submitted to the Secretary of State in August, supplemented by evidence. The intention is that this work will influence the Government's Autumn Budget and Spending Review.

1.8 Transport for the North – Northern Powerhouse Rail

TfN is reaching a critical stage of the Northern Powerhouse Rail project as the team prepares to agree the preferred network at the November TfN Board to then submit its business case to the government in March 2021.

There are two aspects to the work which are of particular importance to the North East:

- The preferred network which will be decided through a 'sifting' process that is about to begin, that will take forward three or four options for the business case. The Leeds-Newcastle section of NPR is, of course, primarily the East Coast Mainline and it is essential to us that at least one of the options involves the full re-opening of the Leamside Line. TfN are aware of our view.
- Phasing which is the order in which the scheme will be delivered and built. The North East have always maintained that work on upgrading the East Coast Mainline should come first because not only is it an enabler for HS2 and other services as well as NPR, but it is also a relatively easy scheme by comparison with the more intrusive and costly sections of new build line elsewhere.

1.9 Go Ultra Low North East Programme, Electric Vehicle (EV) Infrastructure Enabling Study, and Taxi and Private Hire Electric Vehicle Chargers

The Go Ultra Low North East programme has been extended until January 2021 by the Ministry of Housing, Communities and Local Government. This extension is primarily so that the remaining EV rapid hubs can be installed as this had to be paused due to the furlough of staff as a result of the Covid-19 lockdown.

Through the North East LEP's Local Growth Fund, the region has been awarded £100,000 to undertake an EV Infrastructure Enabling Study which will set out the electric vehicle infrastructure the region needs in the next five year to meet the increase in EVs on our roads. On completion of this enabling study, a budget of £500,000 is expected to be made available to install EV infrastructure at the most strategic sites.

Progress is being made on the installation of the 10 rapid chargers for the taxi and private hire market with commissioning due to complete by the end of September. Attention is now switching to engagement with the taxi trade to encourage the uptake of EV's through a series of online webinars, trials and workshops across a 2-year period.

2. Proposals

2.1 This report is for information. Members are asked to note the contents of the report.

3. Reasons for the Proposals

3.1 This report is for information purposes.

4. Alternative Options Available

4.1 Not applicable to this report.

5. Next Steps and Timetable for Implementation

5.1 A Regional Transport update will be taken to the next JTC meeting.

6. Potential Impact on Objectives

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

7. Financial and Other Resources Implications

7.1 None.

8. Legal Implications

8.1 Scheme promoters are required to follow the grant funding conditions for the Emergency Active Travel Fund otherwise funding may be subject to clawback.

9. Key Risks

9.1 The risk of work streams not progressing in a timely manner may impact upon the region's ability to achieve its aspirations for improving transport.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 Many of the transport programmes outlined in this report have been the subject of consultation at a regional level.

13. Other Impact of the Proposals

13.1 No specific impacts.

14. Appendices

14.1 None.

15. Background Papers

15.1 Not applicable.

16. Contact Officers

16.1 Simon Jobe, Specialist Transport Planner, Transport North East Strategy Unit
simon.job@northeastca.gov.uk

Tobyn Hughes, Managing Director, Transport North East
Tobyn.hughes@nexus.org.uk

17. Sign off

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

18. Glossary

18.1 All acronyms or technical terms used are explained in the body of the report.

Appendix 1 Northern Timetable changes

Monday to Saturday

Route	18th May Frequency	Uplift on 6th July	Uplift September 2020
North East Region			
Newcastle - Morpeth - Chathill	Hourly train service in peak with two hourly service off peak	No change	Carlisle/Hexham – Morpeth/Chathill remains hourly in peak, in off peak the Newcastle – Morpeth section to go 2 hourly
Newcastle - Hartlepool - Middlesbrough	Hourly	No change	Hourly Service
Bishop - Darlington - Middlesbrough - Saltburn	0600-2100 Reduced service at hourly interval	No change	Hourly service all day Bishop Auckland - Saltburn, with some peak services Saltburn - Darlington
Carlisle - Hexham - Newcastle	Amended service – hourly	Hourly	Hourly Newcastle - Carlisle, with second train per hour reinstated in majority of hours. Minor retimings where possible for Autumn mitigation.
Hexham - Newcastle	Not provided	Introduction of peak services	Resumption of hourly service all day
Chester-Le-Street and Durham	Not provided	Resumption of AM peak service via the ECML to Newcastle	4 trains per day

Sunday

Route	Uplift on 6th July	September 2020
North East Region		
Newcastle - Morpeth – Chathill	No service	Two hourly service
Newcastle - Hartlepool – Middlesbrough	Two hourly	Hourly Service
Bishop - Darlington - Middlesbrough – Saltburn	Two hourly	Hourly Service
Carlisle - Hexham – Newcastle	Two hourly	Hourly Service
Metro Centre – Newcastle	No service	Hourly Service

North East Joint Transport Committee

Date: 15 September 2020

Subject: Boosting Cycling and Walking in the North East

Report of: Transport Strategy Director, Transport North East

Executive Summary

The Department for Transport (DfT) has announced a £250 million emergency active travel fund which is to be used to provide measures to create a safer environment for walking and cycling in England. The funding is being issued in two Tranches.

The JTC was successful in receiving £2.2m from Tranche 1 of the fund which has enabled 'pop up' cycling and walking schemes to be delivered quickly. DfT have asked for an update on the delivery of schemes by 11 September.

On 7 August the JTC submitted a bid to Tranche 2 of the fund requesting £15.7m. The funding will be used to deliver an ambitious programme of schemes which reallocate road space to walking and cycling.

Recommendations

The North East Joint Transport Committee is recommended to;

- Note that a bid for funding from the Emergency Active Travel Fund Tranche 2 was submitted to the DfT on 7th August.

1. Background Information

1.1 There has been a recent increase in the uptake of cycling and walking during the pandemic period and there is a growing need to enable people to maintain social distancing whilst walking and cycling. Increased cycling and walking in the North East supports our emerging Transport Plan's vision of 'Moving to a green, healthy, dynamic and thriving North East,' and provides us with the opportunity to:

- avoid overcrowding our public transport network at a time when social distancing needs to be maintained;
- create a safer environment for walking and cycling; and
- encourage walking and cycling as parts of the economy begin to open up.

2 Emergency Active Travel Funding

2.1 On 9 May 2020 the Department for Transport announced a £250 million emergency active travel fund which is to be used to provide pop-up measures to create a safer environment for walking and cycling in England. This is part of the £5 billion in

funding announced for cycling and buses in February.

2.2 The funding is being released in two phases, Tranche 1 and Tranche 2, and in the North East's case the funding is to be issued to the Joint Transport Committee.

2.3 The JTC's Tranche 1 submission was successful and the region received £2.2m to enable a number of 'pop up' cycling and walking schemes to be delivered across the region.

3 Tranche 2 Submission

3.1 The JTC were invited to bid for funding from Tranche 2. The key objective for the fund is the reallocation of road space focused on strategic travel corridors that will attract significant number of new cycling and walking journeys.

3.2 Our ambitious programme comprises eleven schemes that will provide new and improved facilities for cycling and walking in key transport corridors and city centres across the North East. Our proposal will deliver schemes in all seven local highway authority areas, if funded in full. As per the DfT's guidance, five of the schemes are explained in detail in the submission.

3.3 Our proposals all involve the reallocation of road space to cyclists and pedestrians with the aim of improving safety, making cycling and walking more attractive.

3.4 Our proposals focus on key travel corridors, ensuring that cycling and walking can play a greater role in commuting, education and leisure travel, delivering environmental and health benefits to our region and potentially freeing up capacity on our public transport network, helping to avoid overcrowding.

3.5 All schemes put forward for consideration have undergone a three-stage sifting and prioritisation process. This has ensured that the schemes that had the best fit with the Government's objectives for the Fund have been included in our bid.

4. Proposed Approach

4.1 In order to obtain funding for Tranche 2 the JTC was required to complete a proforma, providing details of what the funding will be spent on, including a summary of five schemes, and submit it to the DfT by Friday 7th August. The completed proforma, which requests £15,678,840 from the Fund, has been submitted.

4.2 As per the Department for Transport's guidance, value for money assessments are being carried out for all schemes using the Active Mode Appraisal Tool (AMAT). The assessments will be provided to the Department no later than the deadline of Friday 11 September.

4.3 Once the AMAT work is complete a final sift will be undertaken to ensure that all schemes in the programme offer good value for money.

5. Proposals

5.1 It is proposed that members note the contents of the report and that a bid for funding from Emergency Active Travel Fund Tranche 2 has been submitted to the Department for Transport.

6. Reasons for the Proposals

6.1 Our Tranche 2 proposals involve the reallocation of road space from general traffic to walking and cycling. This will improve safety for pedestrians and cyclists

and enable social distancing to be maintained.

7. Alternative Options Available

7.1 Option 1 – The North East Joint Transport Committee may accept the proposal set out in paragraph 5.1 above.

7.2 Option 2 – The North East Joint Transport Committee may not accept the proposal set out in paragraph 5.1 above.

7.3 Option 1 is the recommended option.

8. Next Steps and Timetable for Implementation

8.1 The value for money assessments will be sent to the Department by the 11th September.

9. Potential Impact on Objectives

9.1 The application to the Emergency Active Travel Fund supports our emerging Transport Plan's vision of 'Moving to a green, healthy, dynamic and thriving North East.'

10. Financial and Other Resources Implications

10.1 If the submission is successful the JTC will receive up to £15.68m to reallocate road space creating a safer environment for walking and cycling.

11. Legal Implications

11.1 Officers will ensure that the required safety assessments are carried out. There could be legal implications if safety measures are found to be unsatisfactory.

12. Key Risks

12.1 If the submission is unsuccessful the region will not receive funding to introduce measures to reallocate road space to walking and cycling, improving safety.

13. Equality and Diversity

13.1 The proposal will have a positive impact on equality and diversity by improving accessibility of cycle lanes and footpaths.

14. Crime and Disorder

14.1 There are no implications on crime and disorder.

15. Consultation/Engagement

15.1 LA7 Heads of Transport and Transport Strategy Board have been consulted on the proposals in this paper.

16. Other Impact of the Proposals

16.1 No specific impacts

17. Appendices

17.1 None

18. Background Papers

18.1 None

19. Contact Officers

19.1 Rachelle Forsyth-Ward, Strategic Transport Advisor, rachelle.forsyth-ward@northeastca.gov.uk

Mike Scott, TCF Programme Lead, mike.scott@northeastca.gov.uk

20. Sign off

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

21. Glossary

All terms are defined within the report.

North East Joint Transport Committee

Date: 15 September 2020

Subject: Discharge of Transport Functions by Durham County Council

Report of: Portfolio Responsibility for Transport for Durham County Council

Executive Summary

The purpose of this report is to advise the Committee of how Durham County Council has discharged the transport functions delegated to it by NECA for the 2019/20 year.

Recommendations

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

1. Background Information

- 1.1 When NECA approved its constitution in April 2014, it delegated to Durham County Council transport functions contained in Parts 4 and 5 of the Transport Act 1985 and Part 2 of the Transport Act 2000. These primarily relate to securing socially necessary bus services, concessionary travel, and ticketing on local passenger transport services. Durham's Cabinet approved the delegation of these functions at its meeting of 16 April 2014 to the Corporate Director of Regeneration and Local Services in consultation with the Cabinet Portfolio Holder, Economic Regeneration.
- 1.2 Attached at Appendix A is an account of the discharge of transport functions for 2019 agreed by the Corporate Director for Regeneration, Economy & Growth and Transport Portfolio Holder, Economic Regeneration. Appendix A has been reported for information to the County Council's Cabinet meeting on 8 July 2020.

2. Proposals

- 2.1 Members are requested to note the report.

3. Reasons for the Proposals

- 3.1 The NECA operating agreement requires that the relevant Portfolio holder provides reports when required to the North East Joint Transport Committee advising on how the delegated functions have been exercised.

4. Next Steps and Timetable for Implementation

- 4.1 These are identified as far as practicable in Appendix A.

5. Potential Impact on Objectives

- 5.1 The report describes how Durham County Council is discharging transport functions delegated by NECA.

6. Financial and Other Resources Implications

- 6.1 The transport functions will be funded by the levy issued by NECA to Durham County Council.

7. Legal Implications

- 7.1 This report is submitted in accordance with obligations contained in the Deed of Operation entered into by the constituent authorities on formation of the Combined Authority.

8. Key Risks

- 8.1 None specific in this report.

9. Equality and Diversity

9.1 None specific in this report.

10. Crime and Disorder

10.1 None specific in this report.

11. Consultation/Engagement

11.1 None specific in this report.

12. Appendices

12.1 Appendix A – North East Combined Authority (NECA) – Durham County Council
Transport Activity Report 2019/20

13. Background Papers

13.1 The North East Combined Authority Constitution
The North East Combined Authority Deed of Operation dated 29 April 2014
The North East Combined Authority Deed of Cooperation dated 4 July 2018

14. Contact Officers

14.1 Andy Leadbeater, Integrated Passenger Transport Manager, Durham County
Council, andrew.leadbeater@durham.gov.uk, Tel: 03000 268512

15. Sign off

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

North East Combined Authority (NECA) Durham County Council Transport Activity Report 2019/20

Introduction

1. The County Council operates an 'Integrated Passenger Transport Group' (IPTG) in line with Government's best practice guidance. The IPTG delivers public transport, home to school transport, Special Education Needs (SEN) transport and adult social care transport. It also has close links with health, clinical commissioning groups and the North East Ambulance Service.
2. Integrating transport in this way is especially important in more rural areas, enabling the authority to create packages of work across sectors to maximise the use of vehicles and staff, ensure full use is made of existing local bus services for education and social work purposes and deliver consistency of standards across different modes. The opportunities to integrate commissioning and delivery of local authority transport with non-emergency healthcare transport have also helped to deliver a simpler and more understandable service for the user.
3. The Council also values the benefits of the harmonisation of policy and delivery across the economic development, planning, housing and transport functions. This approach ensures that we can maximise transport's contribution to economic growth in the County.

Bus Service Network

Current State of Commercial and Subsidised Networks

4. The diverse geography of County Durham, including its many rural destinations, creates complex travel demands highlighting the importance of transport across our rural County. The local bus network plays a key role in our ambitions for County Durham and our wider plan for both transport and the economy.
5. A comprehensive network of bus services operates across almost all the county, although frequencies and coverage are reduced during later evenings and on Sundays, reflecting lower demands for travel. The majority of the bus network in County Durham has been essentially stable since October 2012 in terms of level of service and the service routes, although there have been periodic adjustments to details of timings reflecting better data now available from new tracking systems and an increasing impact of congestion on timetables.
6. Services operating without subsidy from DCC ("commercial services") provide a high proportion of the network in most of County Durham. Most of the main towns of County Durham have at least two operators providing locally significant services without subsidy. Go North East (53%) and Arriva (42%) provide the majority of the services across the county. Three other firms also run locally significant bus services without subsidy.
7. Total bus boardings have reduced slightly from a total of 23.34m in 2018/19 to approximately 22.85m in 2019/20, a decrease of about 2.0%. This includes some allowance for the impact of the coronavirus pandemic and reverses the increase recorded in the previous year.

8. There has been only limited further investment by operators in new and cascaded buses in the period. So far as Go North East is concerned this reflects the delivery delays caused by the collapse of the bus manufacturer Wright's; a large number of new buses for services in north-west Durham had been due in autumn 2019 but are now expected in Spring 2020.

Secured Service Retendering Activity

9. The council's general practice is that contracts for bus services are arranged on 4-year cycles, holding a right to extend to 5 years. Almost all of the Council's contracts expired in October 2017 (having started in 2012 or 2013) and were replaced by new contracts on largely unchanged specifications running to 2021. This has meant that 2019 has seen little change in bus contracts.

Concessionary Fares

10. Reimbursement payments under Durham's concessionary fare scheme for older and disabled people form the major element of the County Council's spending on public transport. Largely fixed price arrangements have been negotiated with the two major operators, with "cap and collar" provisions to handle deviations from expected volumes. Total concessionary boardings in 2019/20 are set to fall slightly compared with the previous year. It is anticipated a further slight fall in concessionary travel will continue in 2020/21, reflecting the final stage of the transition in the qualifying age.
11. A scheme to provide local concessionary bus travel for women born before 6 November 1954, who have not yet reached qualifying age for the English national scheme, was introduced in March 2020.

North East Smart Ticketing Initiative (NESTI)

12. Durham has continued to actively participate in the NESTI initiative. The Pop PAYG card was successfully rolled out on Durham Park and Ride in summer 2016. It is now the method of payment used by most regular users on Park and Ride. However, Pop PAYG has not achieved material levels of use across the wider bus network. The availability of contactless payment on all Arriva and Go North East services provides an alternative method of cash-less payment which is easier for many people.

Multi-Operator Ticketing Scheme

13. The Council is continuing to work with bus operators in County Durham to implement a scheme of multi-operator bus fares reflecting the bus market of County Durham. While the work has not progressed as fast as hoped, we continue to work with operators and anticipate the scheme will be introduced early in 2020.

Transport Focus Bus Passenger Satisfaction Survey

14. DCC are working with Transport Focus, Arriva and Go North East to support the annual survey work carried out by Transport Focus, measuring passengers' satisfaction with their bus journeys. Previous years have shown generally high levels of satisfaction but with passengers' concerns regarding punctuality becoming a feature. This trend was seen in many areas in previous years' survey results. The 2019 results are shown in the table below.

2019 survey results - 2018 results in ()			
Category	Arriva	Go North East	Overall (including other operators)
Overall Satisfaction	88% (86%)	94% (93%)	92% (91%)
Value for money	66% (66%)	66% (69%)	67% (70%)
Punctuality	65% (67%)	81% (79%)	76% (77%)
Journey time	84% (88%)	91% (88%)	88% (89%)

Park and Ride

15. The Durham Park and Ride has continued to perform very satisfactorily. The introduction of a Sunday service is currently under consideration.

Community Transport (CT)

16. The CT sector in County Durham predominantly concentrates on group hire, although Weardale Community Transport again operated its summer-only Sunday bus service in the dale in 2019. The Council's programme of offering capital grants from Local Transport Plan funding to assist Community Transport continues.

17. We are also continuing our use of Rural Sustainable Community Transport funding to support the CT sector to develop its capacity, with a particular focus on the recruitment of volunteers.

18. The evolving national guidance on the eligibility of organisations for operation under community minibus permits and community bus service permits has caused understandable concern to the sector. The further guidance due following a Judicial Review is expected soon. However, the expected limitations on operation of contracts will have very little impact in County Durham as our school and public transport contracts have always required full Public Service or Taxi Operator licences. There remains a risk that the organisations that primarily exist in order to provide community transport may find it harder to qualify for the current exemptions from normal licence requirements.

Home to School/Social Care Transport

19. Home to school and social care transport forms the major part of Durham's operations, with a total spend of approximately £15 million pa and over 1100 contracts in operation. This includes school transport buses that are paid for by parents and or schools, supplementing the statutory free travel provided by the Council. In the 2019/20 school year, about 6,500 pupils receive free travel to school from Durham County Council, with a further 3,100 pupils travelling under the non-statutory concessionary schemes.

20. Our general practice is that contracts for Home to School Contract Hire services are awarded for a 4-year period, with the Council holding a right to extend to 5 years. Tendering is carried out over a rolling programme, with new contracts starting in September each year. Contract prices have shown a material increase in both the taxi /minibus and school bus sectors, with the latter significantly affected by application of the Public Service Vehicle Accessibility Regulations to this sector on buses where there is a charge for travel (which previously had been considered to be exempt in most circumstances).

Travel Response Centre

21. Durham operate a Travel Response Centre (TRC) for the booking of non-emergency patient transport to health appointments as well as the council's Link2 demand responsive transport service and Access Bus. The TRC handles over 65,000 calls on an annual basis. Referrals from social workers and other care staff for client travel to day care are also processed.
22. The Health Booking Service is delivered on behalf of the NHS Clinical Commissioning Groups in Durham. Following an eligibility assessment, patients are booked on to North East Ambulance Patient Transport Services. Patients and visitors who are ineligible for NHS patient transport are advised of alternative services providing access to hospitals or how to make their journey by public transport.

Public Transport Information

23. Durham County Council has continued to process, validate and submit public transport data for the national and regional data sets on behalf of Tyne and Wear, Northumberland, Durham and the Tees Valley local authorities. This data is required for national and regional journey planning, NextBus, electronic displays at bus stops as well as being used by third party applications.
24. The Council act as the regional contact for National data issues and represent the region at national working groups and meetings. This includes taking an active role in working groups for the DfT Open Data Initiative that will make changes to the way that bus operators provide information about their registered services and make it easier for bus passengers to plan their journeys through access to routes and timetables data, fares and tickets data and real time information.
25. The new regulations require bus operators to publish route, fares and vehicle location data to a central web service called the Bus Open Data Digital Service (BODDS) from January 2021 with requirements being phased in until 2023.
26. The Council provides a comprehensive range of passenger information on local bus services operating within the County. This includes maintaining printed timetable displays at over 2,800 bus stops, providing 130 electronic information displays at bus stations and on-street stops, printed county public transport maps, printed timetable leaflets and a web based interactive bus map. The interactive bus map shows bus routes and individual timetables for all registered services in downloadable format.

Real Time Passenger Information

27. Durham County Council also provides the data management role for the North East Real Time Passenger Information (RTPI) project in partnership with Nexus, Northumberland County Council and the Tees Valley Combined Authority. This involves processing, validating and submitting public transport data to the regional data broker.

DfT Access Fund 2017-2020

28. Durham were part of the successful Living Streets bid to the Department for Transport Access Fund. This project, entitled 'Walk To', was awarded £7.5m for the period 2017-2020 and is being delivered by Living Streets in partnership with 10 local authorities. The project supports economic, health and environmental development in

targeted areas through active travel to schools and workplaces. This externally funded project has continued the Council's successful work with Living Streets since 2012.

29. In February 2020, the DfT announced to extend the Access Fund grant to the 'Walk To' project. A total of £2.5 million has been allocated to continue the existing project for 2020/21.

Wheels to Work County Durham

30. The successful County Durham Wheels to Work (W2W) scheme has continued to develop and has now expanded to cover the whole of the County. This scheme, established in 2016, provides people who are experiencing difficulties in accessing employment or training with the loan of a scooter until a longer-term transport solution can be found. The scheme is managed by Wheels to Work County Durham Charitable Incorporated Organisation (CIO).
31. To date, the scheme has helped 168 people access work or training using a fleet of 50 scooters available for hire. The scheme is currently funded by Durham County Council from the Poverty Action Steering Group, Area Action Partnerships and the Local Transport Plan. External grant funding has also been successfully secured. Additional funding opportunities will continue to be explored.

New Horden Rail Station

32. In July 2017, Durham County Council was awarded £4.4 million in funding from the Department for Transport New Stations Fund as contribution towards a new rail station at Horden. The remainder of the scheme's £10.55 million cost is being provided by Durham County Council and the North East LEP.
33. In January 2019 the rail station received planning approval. Construction of the station started in December 2019 and, subject to Office of Rail and Road sign-off on 26th June, the station will open on June 29th.
34. The scheme sees the creation of two 100 metre platforms connected by an accessible footbridge, shelters, seating, lighting, help points, CCTV, a car park and bus stops. A new access road, footpath and cycleway has also been created and a local bus service is to be diverted to serve the station.

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North East Joint Transport Committee

Date: 15 September 2020

Subject: Change to Membership of JTC Audit Committee

Report of: Monitoring Officer

Executive Summary

This report seeks approval of the Joint Transport Committee to a change in membership of the Joint Transport Committee Audit Committee.

Recommendations

It is recommended that the Joint Transport Committee approves the report.

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 Order, the Joint Transport Committee must appoint members to the Joint Transport Committee Audit Committee.

2. Proposal

- 2.1 Sunderland City Council have advised that it wishes to change one of its representatives on the Joint Transport Committee Audit Committee. It is proposed that Councillor John Kelly is appointed as the substitute representative on the Committee, replacing Councillor Michael Mordey.

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 available.

5. Next Steps and Timetable for Implementation

- 5.1 The updated committee structure will be published on the Joint Transport Committee page of the NECA website, and all stakeholders informed, as soon as practicably possible.

6. Potential Impact on Objectives

- 6.1 The appointments will enable the Joint Transport Committee and its committees and subcommittee to properly discharge its functions, thereby assisting in the delivery on its objectives.

7. Financial and Other Resources Implications

- 7.1 The provision of the support arrangements for the Joint Transport Committee is contained within the existing financial resources available. Any allowances paid to Members from the constituent local authorities in attending a

committee will be a matter for each of the constituent local authorities and their respective remuneration panels.

8. Legal Implications

- 8.1 The Joint Transport Committee is required to make arrangements to enable relevant decision-making responsibilities, overview and scrutiny arrangements, audit arrangements and associated functions to be fulfilled. These responsibilities arise under the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the Openness of Local Government Body Regulations 2014, as well as the provisions for the Order creating NECA and the recent 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 specific risk management implications arising from this report.

10. Equality and Diversity

- 10.1 There are no specific 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: Updated committee membership for 2020/21.

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

14. Contact Officers

14.1 Mike Barker
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

North East Joint Transport Committee

Date: 15 September 2020

Subject: Northumberland Line Operating Model

Report of: Tobyn Hughes, Managing Director, Transport North East

Executive Summary

The Northumberland Line project is intended to achieve the reintroduction of passenger rail services between Ashington and Newcastle. The scheme has made significant progress over the past 2 years and is now looking to secure a funding commitment from the Department for Transport (DfT) in Autumn 2020 based on an accelerated Business Case process.

Two preferred options have been identified for the operation of passenger services. In both options ownership and ultimate revenue risk would sit with central government but with some local control of specification and outputs via a North East based rail body.

The aspiration for the Northumberland Line project is to allow for through ticketing to and from the Metro (and local bus services, where possible) plus a preference to retain fully inter-available ticketing on the heavy rail network. This enables seamless journey ticketing opportunities from a passenger perspective.

Fare levels on the Northumberland Line should also be set in alignment with the Nexus zonal fare structure if at all possible, in order to drive demand and thus achieve the maximum possible economic benefit from the scheme.

Recommendations

The North East Joint Transport Committee is recommended to:

- a) Note the progress made by Northumberland County Council in developing the business case for the Northumberland Line, including:
 - I. The emerging governance arrangements for provision and oversight of the new service;
 - II. The potential for further rail devolution from central government to the North East to specify and manage the operations of the Northumberland Line passenger services;
 - III. The continuing discussions with the Department for Transport and other key stakeholders to refine the operating model options with a view to reaching a final decision on the preferred operating model by the end of October 2020; and

- IV. The potential for integration of the Northumberland Line passenger services into the Tyne and Wear Metro fares and ticketing regime, whilst also maintaining through fares to the rest of the UK heavy rail network.

- b) Agree the statement of the Joint Transport Committee's support for the scheme set out in paragraph 2.2.

1. Background Information

1.1 Northumberland Line Operation

The Northumberland Line project is intended to achieve the reintroduction of passenger rail services between Ashington and Newcastle. The overall purpose of the project is to stimulate economic regeneration in the areas surrounding the Northumberland Line by providing a reliable, rapid public transport connection from the larger towns along the old Blyth and Tyne railway route into Newcastle Central. The top level working objectives are:

- Public transport journey time from Ashington to Newcastle of less than, or as close as practicable to, 30 minutes;
- Existing freight paths to remain unaffected but with improvements in terms of efficiencies and journey time;
- Six new stations at Ashington, Bedlington Station, Blyth Bebside, Newsham, Seaton Delaval and Northumberland Park;
- Half hourly passenger service all day;
- Safeguarding for future expansion of the route and services.

1.2 The scheme has made significant progress over the past 2 years and is now looking to secure a funding commitment from the Department for Transport (DfT) in Autumn 2020 based on an accelerated Business Case process. This may not be for the full capital sum for the project but will be sufficient to commit to completing design, early enabling works and accelerated procurement.

1.3 An Anticipated Final Cost (AFC) of £162 million was reported in the Outline Business Case in December 2019 although this design and cost is under review as part of the current stage of the project - the Rail Network Enhancements Pipeline (RNEP) Design Stage.

1.3 DfT has confirmed that the project should assume a single-phase delivery approach to enable two trains per hour to serve all six stations from the outset.

1.4 It has also been requested that any government decision in the Autumn would include confirmation of a preferred approach to procuring a service operator, since this drives a number of programme critical activities, through to and including mobilisation for operation.

1.5 Northumberland County Council is the overall Client for the project. As the project continues to develop it is critical that the Council obtains the explicit support of the North East Joint Transport Committee, to ensure the project drives forward the key economic and social value outcomes it can deliver for the wider region, and doesn't become 'just a construction project'.

1.6 The Outline Business Case (January 2020) presented two options for the proposed operation of the line, 'Franchise' vs 'Concession', with no preference stated at the time. However, the external environment is now very different as the uncertainty created by the coronavirus pandemic means that the operation is less attractive to the market on a concession basis. In addition, the Northumberland

Line is small in scale with no track record of demand and revenue generation.

1.7 Following discussions with Nexus, and in light of the current climate for rail travel, the project team's assessment is that the ongoing financial risks associated with the operation of passenger services are best managed by the DfT, who should take on this role. Accordingly the two preferred options now presented are:

1. Add to the services of an existing national rail operator; or
2. Create a new stand-alone operator specifically for the Northumberland Line.

1.8 In both operational options ownership and ultimate financial responsibility (known as "revenue risk") would sit with the DfT (i.e. central government) but with some local control of specification and outputs via a North East based rail body.

1.9 At the creation of the DfT/Rail North Partnership¹ in 2014, the North East region (made up of the original North East Combined Authority² and the Tees Valley Combined Authority) secured the right to exercise local oversight of the rail services delivered by the Northern and Trans Pennine Express (TPE) Franchises³.

This oversight is achieved through a grouping called the North East Rail Management Unit (NERMU) whose secretariat lies with Nexus. As things stand NERMU provides a light-touch oversight role providing challenge to rail operators and seeking local betterment whilst briefing elected members representing the region at TfN.

The TfN constitution allows for the Combined Authorities in the North East to seek further delegated powers from the Secretary of State which could include matters such as greater input into franchise specification, and local fares setting.

Thus a mechanism exists to develop a locally-specified service on the Northumberland Line, but embedded within an existing rail operation controlled by the DfT/TfN partnership. This would require formal powers to be granted to the Combined Authorities in the North East by the Secretary of State in response to a request from the Joint Transport Committee.

As well as securing locally-specified services on the Northumberland Line, this could also be an important first step along the route to further devolution of local rail services in the North East.

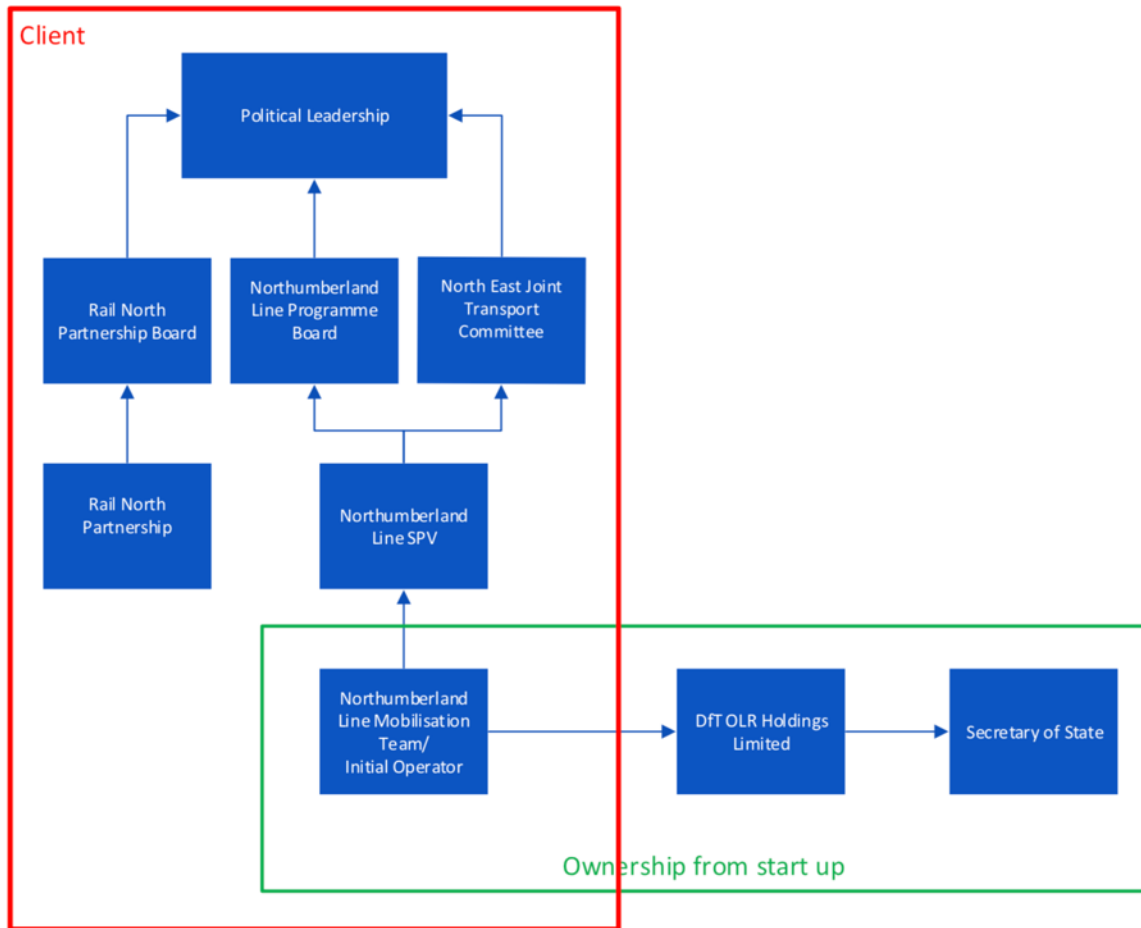
1.10 A potential governance flow chart is included below.

¹ Rail North's functions have since been absorbed by Transport for the North (TfN) through its Rail North Committee, and so the partnership is now referred to as "the DfT/TfN Partnership"

² The North East region is now covered by both the North of Tyne Combined Authority and the North East Combined Authority, both of whom exercise their transport functions jointly through the North East Joint Transport Committee.

³ In January 2020 the Northern Rail franchise came to an end and was replaced by Northern Trains Limited, a subsidiary of government-owned DfT OLR Holdings Limited. Furthermore, due to the effects of Coronavirus on the rail sector the TPE franchise (along with all other rail franchise agreements in the UK) has been temporarily suspended and replaced by a "Emergency Measures Agreement".

Northumberland Line Client/Ownership Structure - Mobilisation Phase



1.11 Table 1 below presents an overview of each of the remaining operating options.

Table 1 - Overview of Northumberland Line Operating Model Options

Option	Advantages	Disadvantages
Add to the services of an existing national rail operator	<p>Existing management structure with relevant experience.</p> <p>May be perceived as lower risk service mobilisation as operating and station licences already held.</p> <p>Lower management overhead costs.</p>	<p>Less opportunity to review (and implement) more flexible working practices</p> <p>Being absorbed in large operations may reduce responsiveness.</p> <p>Lower level of management control/oversight.</p> <p>Economic/Social Value benefits may be more difficult to achieve.</p>

		May be fewer new jobs created in South East Northumberland.
Create a new stand-alone operator specifically for the Northumberland Line	<p>Ability to introduce more flexible working practices as a new start-up operation.</p> <p>Smaller operations are more likely to build cohesive company culture.</p> <p>More likely to work with local agencies to deliver key economic and social value objectives.</p>	<p>More activity required in order to mobilise a new operating company</p> <p>Higher level of management overheads.</p> <p>A new entity may have less local operational experience.</p>

- 1.12 Analysis demonstrates that the service makes a positive contribution to the UK's economy at the national level after year 1 for both options.
- 1.13 Work is ongoing to validate the assumptions underpinning the costs and revenues with the relevant parties in advance of an updated Business Case due to be submitted to DfT on 2nd October 2020.
- 1.14 There will be a need for ongoing subsidy to be paid by the government to support the provision of rail services, for both the existing national rail operator or Stand-Alone Train Operating Company option. The subsidy should be funded by DfT out of, and recognising, the positive contribution the new service is forecast to make at the national level.
- 1.15 As outlined in sections 1.7 and 1.8 above it is proposed that DfT takes financial risk for the service operation, making it the Operator of Last Resort. The Operator of Last Resort is responsible for ensuring that rail services are provided, if a Train Operating Company is unable to do so. DfT exercises this role through OLR Holdings Limited, the government-owned current operating company that steps in when private sector rail operating contracts fail.
- 1.16 **Fares, Ticketing and Revenue**
- The aspiration for the Northumberland Line project is for through ticketing to and from the Metro (and local bus services, where possible) plus a preference to retain fully inter-available ticketing on the heavy rail network. This enables seamless journey ticketing opportunities from a passenger perspective.
- 1.17 In the Outline Business Case (OBC) the Concession fares assumption drives higher demand and therefore higher economic benefit through lower fares and through ticketing to and from the Metro. The OBC assumed 'Franchise' fares would be higher (higher yield/lower demand) and Concession fares would be lower (lower yield/higher demand). However, since the OBC, and in light of the current status of the rail franchises, in practice they could be identical in either option if that is what is specified.
- 1.18 Ordinarily the party setting the fares would take the revenue risk. However, as previously stated, the risk is high with a new operation and more uncertain post

coronavirus. Hence, it is proposed that DfT should 'own' this risk, but that the client responsible for specifying services should be North-East based.

1.19 Based on the above, the project team has concluded that fare levels on the Northumberland Line should be set in alignment with the Nexus zonal fare structure levels because this will drive higher demand and greater economic benefits, and the ticketing system should enable full integration with Metro and also through ticketing to the rest of the UK heavy rail network beyond Newcastle.

1.20 As described in 1.8, Northumberland County Council's proposal in the business case is that DfT will take the revenue risk for the Northumberland Line in full. However, for the cases where a passenger makes a through journey connecting between the Northumberland Line and Metro, a mechanism will need to be established to share ticket revenues between the Northumberland Line operator and Nexus (for Metro).

2. Proposals

2.1 The North East Joint Transport Committee is recommended to:

- a) Note the progress made by Northumberland County Council in developing the business case for the Northumberland Line, including:
 - I. The emerging governance arrangements for provision and oversight of the new service;
 - II. The potential for further rail devolution from central government to the North East to specify and manage the operations of the Northumberland Line passenger services;
 - III. The continuing discussions with the Department for Transport and other key stakeholders to refine the operating model options with a view to reaching a final decision on the preferred operating model by the end of October 2020; and
 - IV. The potential for integration of the Northumberland Line passenger services with the Tyne and Wear Metro fares and ticketing regime, whilst also maintaining through fares to the rest of the UK heavy rail network.

- b) Agree the statement of the Joint Transport Committee's support for the scheme set out in paragraph 2.2 below.

2.2 *'As set out in the Metro and Local Rail Strategy (2016)⁴, restoring passenger train services to the Northumberland Line is an agreed priority for the North East Joint Transport Committee because of its potential to regenerate the area it serves by connecting people to a wide range of jobs, services and training. This Committee welcomes the positive progress made by Northumberland County Council in developing the scheme and notes that successful delivery of this project can act as the stimulus for further rail devolution from central government to the North East to specify and manage the operations of the region's rail network.'*

3. Reasons for the Proposals

⁴ This was approved by the original North East Combined Authority in 2016

3.1 The purpose of the report is to enable Northumberland County Council to submit its updated business case to the Department for Transport in October 2020 with the confidence that it has the full support of the North East Joint Transport Committee.

4. Alternative Options Available

4.1 Option 1 – The North East Joint Transport Committee may accept the recommendations set out in paragraph 2.

Option 2 – The North East Joint Transport Committee may not accept the recommendations set out in paragraph 2 above. However, to do so would be contrary to the agreed policy priority of the restoration of the Northumberland Line, as identified in the Metro and Local Rail Strategy adopted by NECA in 2016.

Option 1 is therefore the recommended option.

5. Next Steps and Timetable for Implementation

5.1 Following approval of the preferred option, further discussion will be held with the Department for Transport in advance of an anticipated announcement in Autumn 2020.

6. Potential Impact on Objectives

6.1 Development of a high-quality sustainable transport network that provides excellent connectivity around the region will assist in meeting the objectives of the North of Tyne Combined Authority and North East Combined Authority, and their constituent members as set out in Section 7.4 of the Metro and Local Rail Strategy, 2016.

7. Financial and Other Resources Implications

7.1 There is currently no call on funding from JTC. Any current Nexus involvement in Northumberland Line is supported by contributions from Northumberland County Council.

7.2 The financial implications arising from the construction project are solely a matter for Northumberland County Council, the Department for Transport and Network Rail.

7.3 There may be financial implications arising from the local management proposals, and from fare integration with Metro. Although these will be considered separately when more detail is available, any additional costs will need to be covered by Northumberland County Council and/or the DfT.

8. Legal Implications

8.1 There are no legal implications arising from the recommendations in this report. Any implications arising from the detailed recommendations in future reports relating to the Northumberland Line (e.g. local management proposals and fare

integration with Metro) will be clearly set out for the Committee.

9. Key Risks

9.1 In terms of the proposed operating model, the following risks have been identified:

- Delay in making decision risks procurement of long lead items such as rolling stock and acquisition of access rights for the new service.
- Train Operators do not give adequate support to delivering the regeneration objectives of the project.
- Decision is delayed by lack of progress on the Williams Rail Review.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 Consultation and engagement will continue over the next 3-4 months as the various proposals above reach a conclusion.

13. Other Impact of the Proposals

13.1 No specific impacts.

14. Appendices

14.1 Not applicable.

15. Background Papers

15.1 Not applicable.

16. Contact Officers

16.1 Stuart McNaughton, Strategic Transport Manager, Northumberland County Council, stuart.mcnaughton@northumberland.gov.uk, 07827 873139

17. Sign off

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

(Example: Monitoring Officer ✓)

18. Glossary

DfT	Department for Transport
DOHL	DfT Operator of Last Resort Holdings Limited
NERMU	North East Rail Management Unit
OBC	Outline Business Case
TfN	Transport for the North
TOC	Train Operating Company
SPV	Special Purpose Vehicle

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