

North East Joint Transport Committee

Tuesday, 18th June, 2019 at 2.00 pm

Meeting to be held in the Reception Room, South Shields Town Hall

AGENDA

	Page No
1. Appointment of Chair and Vice Chair for the Municipal Year 2019/20	
2. Apologies for Absence	
3. Declarations of Interest	
<p>Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.</p>	
4. Minutes of the previous meeting held on 19 March 2019	5 - 10
5. Appointments to Tyne and Wear Sub Committee; JTC Overview and Scrutiny Committee and JTC Audit Committee, including the Appointment of Chairs and Vice Chairs for the Municipal Year 2019/20	11 - 20
6. Programme of Committee Meetings for the 2019/20 Municipal Year	21 - 26
7. Regional Transport Update	27 - 56
8. Capital Programme Outturn	57 - 68
9. Revenue Budget 2018/19 Outturn	69 - 80
10. Nexus Fleet Replacement Programme	81 - 84
11. Transforming Cities Fund - Tranche 2 Bid	85 - 106

12. **Discharge of Transport Functions by Durham County Council** **107 - 114**

13. **Date and Time of Next Meeting**

Tuesday 16 July 2019 at 2pm, Gateshead Civic Centre.

Contact Officer: Emma Reynard Tel: 0191 433 2280 E-mail: emmareynard@gateshead.gov.uk

To All Members



North East Joint Transport Committee

DRAFT MINUTES TO BE APPROVED

19 March 2019

Meeting held Committee Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

Present:

Councillor: M Gannon (Chair)

Councillors: N Forbes, C Marshall, G Miller, C Johnson, W Daley and M Walsh

32 APOLOGIES FOR ABSENCE

Apologies were received from Mayor Redfern, Councillor Jackson and Helen Golightly.

33 DECLARATIONS OF INTEREST

None.

34 MINUTES OF THE PREVIOUS MEETING HELD ON 22 JANUARY 2019

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

35 REGIONAL TRANSPORT UPDATE

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

The report updated the Joint Transport Committee (JTC) on recent developments in transport affecting the LA7 area and included information regarding the adoption of the Strategic Transport Plan and Investment Programme for the North by Transport for the North (TfN); and, the re-launch of the Strategic Economic Plan and developments in the rail industry

RESOLVED – That the Joint Transport Committee noted the contents of the report.

36 **TRANSFORMING CITIES FUND UPDATE**

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

The report updated the Committee on progress made to draw down central Government funding for sustainable and public transport measures from the Department for Transport's (DfT) Transforming Cities Fund. It also provided an update on the submitted Tranche 1 bid for capital schemes that could start during the remainder of 2018/19, and the Tranche 2 and Future Mobility Zone bids that would be submitted later this year for schemes that start between 2019/20 and 2022/23.

Members were verbally informed, that since the publication of the report, the region had secured £10 million from Tranche 1 of the Transforming Cities Fund which would be used to deliver a total of the five packages outlined; this region had also secured more Tranche 1 funding than any other region and the attention of the Regional Transport Team would now turn to preparations for tranche 2 and sift schemes that had been put forward by local authorities.

As additional information, the Chief Finance Officer advised that the DfT had asked for confirmation on how the £10 million would be deployed in more detail. A paper would be produced setting that out which would allow the grant to be issued before the end of the financial year. The £10 million would also be included in the capital programme for the next two years.

RESOLVED – That the Joint Transport Committee agreed to:

- a) note the progress made on preparing a Tranche 2 bid, and the verbal update provided on the funding decision for the Tranche 1 bid; and
- b) endorse the methodology for sifting and prioritising potential transport schemes that could form part of the North East's TCF Tranche 2 programme, as set out in Appendix 1.

37 **LIGHT RAIL (AND OTHER RAPID TRANSIT SOLUTIONS) - RESPONSE TO DEPARTMENT FOR TRANSPORT CALL FOR EVIDENCE**

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

The report described the purpose and content of the Call for Evidence and summarised the proposed Joint Transport Committee response to the questions asked. The Joint Transport Committee was asked to agree the content of the draft response and the submission of it to the DfT.

RESOLVED – That the Joint Transport Committee agreed the contents of the draft response as appended to the report and the submission of it to the DfT.

38 TAXI OLEV GRANT AND GUL UPDATE

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

The report updated the Joint Transport Committee on the Go Ultra Low (GUL) Programme which the North East was currently delivering, plus the welcome announcement that the region had been successful in securing £500k of grant funding from the Office for Low Emission Vehicles (OLEV) to install electric vehicle charging infrastructure specifically for the taxi trade.

The GUL project, jointly funded through OLEV and European Regional Development Funding (ERDF), was progressing well. The construction of one of the UK's first Electric Vehicle (EV) 'filling stations', funded through the GUL project, was due to complete in March. In addition, EV rapid hubs would be delivered in strategic locations around the region and were due to be installed spring 2019.

RESOLVED – That the Joint Transport Committee noted the contents of this report.

39 CAPITAL PROGRAMME MONITORING REPORT

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

The report provided the Joint Transport Committee with an update on the 2018/19 Transport Capital Programme. The latest approved programme for the year was £65.033m, with expenditure to the year end forecast to be £61.879m due to slippage on some Local Growth Fund transport schemes, rephasing of works included in the Metro Asset Renewal Plan, and some slippage on the Tyne Pedestrian and Cycle Tunnels refurbishment.

The Chief Finance Officer added that, with the successful announcement regarding the Transforming Cities bid, there would be some additional expenditure in the current year.

RESOLVED – That the Joint Transport Committee noted the contents of the report.

40 REVENUE BUDGET MONITORING REPORT

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

The report provided the Joint Transport Committee with an update on the 2018/19 revenue budget, at the end of the third quarter.

As the transport levies and revenue grants were fixed for the year there was minimal change in the Committee's revenue budget itself. Net expenditure reported against the levy funded budget was forecast to break even, following the redirection of a projected underspend to help fund the costs of the Transforming Cities bid.

Explanations for significant variances were set out in the report. These surpluses against the revenue grant funding from NECA would be retained by the respective delivery body at the year end and would be taken into account in funding decisions for future years.

RESOLVED – That the Joint Transport Committee noted the position at the end of the third quarter and the forecast outturn for the 2018/19 financial year.

41 **EAST COAST MAIN LINE UPDATE**

Submitted: report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

The East Coast Main Line (ECML) was the transport artery connecting the North East to other Northern Powerhouse cities, Scotland, London, the Midlands and beyond. In 2033 it would become the link to HS2 and Northern Powerhouse Rail, yet in its current condition it lacked the resilience, capacity and line speeds necessary to meet existing requirements let alone those of the future.

Preparation needed to commence now to deliver the future services described in this report as a consequence of the lead times involved in major rail infrastructure projects. All the region's stakeholders needed to be active and vocal in making the case to government for a plan for major investment in the line as a matter of urgency, and should speak as one united voice to deliver a clear message.

The report set out what was being done to promote investment and the opportunities to do more in terms of recent developments and next steps for each activity that formed part of the campaign.

Councillors Johnson, Gannon, Forbes and Daley stressed the necessity for vital substantial investment in the rail infrastructure in the north east region.

RESOLVED – That the Joint Transport Committee noted the progress made and commented on the present and future activities described in this report.

42 **AIR QUALITY UPDATE**

Submitted: Report of the Managing Director, Transport North East (previously submitted and copy attached to the official minutes).

The purpose of this report was to update the Joint Transport Committee on the latest position with respect to air quality. The government plan devolved delivery of improvements to local authorities and two detailed packages which identified measures to deliver improvements were currently out to consultation until 29 May 2019.

RESOLVED – That the Joint Transport Committee noted the contents of the report, detailing the latest position in respect of air quality and the legal direction that three of the constituent local authorities were subject to.

43 **FUNDING FORMULA CONSULTATION RESPONSE**

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

The report informed the Joint Transport Committee of the response to the Ministry of Housing, Communities and Local Government (MHCLG) consultation on the review of local authorities' relative needs and resources. This was a significant issue for this area as there was a huge gap between grant funding and expenditure for concessionary travel. Formulating a response was delegated to the Chair in consultation with the Chief Finance Officer and Managing Director, North East Transport.

The outcome of the response was awaited, and further reports would be brought to the Joint Transport Committee and the Tyne and Wear Sub Committee during the course of the year.

RESOLVED – That the North East Joint Transport Committee noted the report and the response to the consultation.

44 **APPOINTMENT OF THE INDEPENDENT CHAIR AND VICE CHAIR FOR THE JOINT TRANSPORT COMMITTEE, OVERVIEW AND SCRUTINY COMMITTEE**

Report of the Monitoring Officer (previously circulated and copy attached to the official minutes).

The report sought agreement to the appointment of the Independent Chair and Vice Chair for the Joint Transport Committee, Overview and Scrutiny Committee for the Municipal Year 2018/19.

The report also asked members to delegate the approval of appointments to the Chair and Vice Chair of the Joint Transport Audit Committee to the Chair of the Joint Transport Committee, acting on the recommendation of the recruitment panel, following the completion of the current recruitment process, due to the amount of time until the next scheduled meeting.

RESOLVED – That the Joint Transport Committee:

- i. Appointed:
 - a. David Taylor-Gooby to be the Independent Chair of the Joint Transport Committee, Overview and Scrutiny Committee with immediate effect.
 - b. Andrew Clark to be the Independent Vice Chair of the Joint Transport Committee, Overview and Scrutiny Committee with immediate effect.
- ii. Delegated the approval of appointments to the Chair and Vice Chair of the Joint Transport Committee Audit Committee to the Chair of the Joint Transport Committee on the recommendation of the appointment panel.

45 **DATE AND TIME OF NEXT MEETING**

2:00pm on 18 June 2019 at Town Hall, Westoe Road, South Shields, NE33 2RL

North East Joint Transport Committee

Date: 18 June 2019

Subject: Appointments to Tyne and Wear Sub Committee; JTC Overview and Scrutiny Committee and JTC Audit Committee, including the Appointment of Chairs and Vice Chairs for the Municipal Year 2019/20

Report of: Deputy Monitoring Officer

Executive Summary

This report seeks appointments to the North East Joint Transport Committee's Tyne and Wear Sub Committee, Overview and Scrutiny Committee and Audit Committee. The report also seeks the appointment of Chairs and Vice Chairs for the Tyne and Wear Sub Committee, and to confirm the appointment of Chairs and Vice Chairs for the Overview and Scrutiny Committee and Audit Committee for the Municipal Year 2019/20.

Recommendations

It is recommended that the Joint Transport Committee:

- i. Appoint committee members for the municipal year 2019/20, as set out in Appendix A.
- ii. Appoint the Chair and Vice Chair(s) of the Tyne and Wear Sub Committee for the municipal year 2019/20.

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 Overview and Scrutiny Committee and the Audit Committee. Both combined authorities have also agreed to establish the Tyne and Wear Sub Committee with such functions delegated to it as set out in the Joint Transport Committee's Standing Orders.
- 1.3 The proposed appointments to these committees and subcommittee are set out in Appendix A.

2. Proposal

Joint Transport Committees - Municipal Year 2019/20

- 2.1 Listed below are the committees noted above for the municipal year 2019/20:
 - JTC's Tyne and Wear Sub Committee: focuses on the Tyne and Wear area;
 - JTC's Audit Committee: this Committee is a key component of the corporate governance arrangements and is an important source of assurance about the Joint Transport Committees arrangements for managing risk, maintaining an effective control environment; and reporting on financial and other performance;
 - JTC's Overview and Scrutiny Committee: providing effective scrutiny arrangements, ensuring accountability and transparency of decision making for the Joint Transport Committee
- 2.2 Relevant terms of reference of the above committees are set out in the Joint Transport Committee's standing orders.
- 2.3 The nominations for the membership of the committees outlined in this report for the municipal year 2019/20, including substitute members where appropriate, are set out as Appendix A.

Chairs and Vice-Chairs of Committees

2.4 Members are asked to confirm the appointment of Chairs and Vice Chairs of the JTC Audit Committee, and the JTC Overview and Scrutiny Committee for the municipal year 2019/20.

2.5 The JTC is also invited to appoint the Chair and Vice Chair of the JTC, Tyne and Wear Sub Committee.

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 The proposals are set out in the recommendations of this report. The alternative would be that alternative members are nominated.

5. Next Steps and Timetable for Implementation

5.1 The committee structure will be published on NECA's website, the Joint Transport Committee page 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.

7.2 Independent Members fees will continue to be paid in line with current arrangements and will be reviewed.

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: Confirmed Committees and Membership 2019/20.

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 Nicola Robason, Deputy Monitoring Officer
E-mail: nicola.robason@southtyneside.gov.uk Tel: 0191 424 7186

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

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Joint Transport Committee, Overview and Scrutiny Committee

Membership: 14 (8 Members from North East Combined Authority and 6 Members from the North of Tyne Combined Authority)

Authority:	Political Affiliation / Member	Political Affiliation / Substitute Member
Appointments from the North East Combined Authority:		
Durham	Councillor Rob Crute (Labour)	Councillor Malcolm Clarke (Labour)
	Councillor Alison Batey (Labour)	Councillor Richard Manchester (Labour)
Gateshead	Councillor John Eagle (Labour)	Councillor Neil Weatherley (Labour)
	Councillor Ian Patterson (Lib Dem)	Councillor Christopher Ord (Lib Dem)
South Tyneside	Councillor Adam Ellison (Labour)	Councillor Jim Foreman (Labour)
	Councillor John McCabe (Labour)	Councillor Alan Smith (Labour)
Sunderland	Councillor John Kelly (Labour)	Councillor Paula Hunt (Labour)
	Councillor Paul Stewart (Labour)	Councillor Doris McKnight (Labour)
Appointments from the North of Tyne Combined Authority:		
Newcastle	Councillor Oskar Avery (Labour)	Councillor Stephen Fairlie (Labour)
	Councillor Greg Stone (Lib Dem)	Councillor Matt Folker (Lib Dem)
North Tyneside	Councillor Ray Glindon (Labour)	Councillor Sandra Graham (Labour)
	Councillor Sarah Day (Labour)	Councillor Willie Samuel (Labour)
Northumberland	Councillor Glen Sanderson (Conservative)	Councillor Gordon Castle (Conservative)
	Councillor Rupert Gibson (Conservative)	Councillor Ken Stow (Conservative)

Joint Transport Committee, Audit Committee

Membership: 7 (4 Members from North East Combined Authority and 3 Members from the North of Tyne Combined Authority)

Authority:	Political Affiliation / Member	Political Affiliation / Substitute Member
Appointments from the North East Combined Authority:		
Durham	Councillor Eddie Bell (Labour)	Councillor Bill Kellett (Labour)
Gateshead	Councillor Marilyn Charlton (Labour)	Councillor Dot Burnett (Labour)
South Tyneside	Councillor Edward Malcolm (Labour)	Councillor Jane Carter (Labour)
Sunderland	Councillor Paul Stewart (Labour)	Councillor Michael Mordey (Labour)
Appointments from the North of Tyne Combined Authority:		
Newcastle	Councillor Greg Stone (Lib Dem)	Councillor Matt Folker (Lib Dem)
North Tyneside	Councillor Anthony McMullen (Labour)	Councillor Naomi Craven (Labour)
Northumberland	Councillor Mark Swinburn (Conservative)	Councillor Jeff Watson (Conservative)

Joint Transport Committee, Tyne and Wear Sub-Committee

Membership: 5 (1 Member from each Tyne and Wear constituent local authority from the North East Combined Authority area and North of Tyne Combined Authority area).

Authority	Member	Substitute Member
Appointments from the North East Combined Authority:		
Gateshead	Councillor John McElroy	Councillor Malcolm Brain
South Tyneside	Councillor Gladys Hobson	Councillor Mark Walsh
Sunderland	Councillor Amy Wilson	Councillor Debra Waller
Appointments from the North of Tyne Combined Authority:		
Newcastle	Councillor J McCarty	Councillor A Ainsley
North Tyneside	Councillor C Johnson	Councillor B Pickard

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North East Joint Transport Committee

Date: 18 June 2019

Subject: Programme of Committee Meetings, Municipal Year 2019/209

Report of: Deputy Monitoring Officer

Executive Summary

The purpose of this report is to invite Members to agree a programme of committee meetings for the Municipal Year 2019/20.

The programme of meetings is intended to assist the Joint Transport Committee (JTC) in discharging its functions effectively. The programme has been developed in consultation with the constituent combined authorities.

Recommendations

It is recommended that the Joint Transport Committee agrees the proposed programme of committee meetings, as set out in Appendix A.

North East Joint Transport Committee

1. Background Information

- 1.1 The Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 (the Order) requires NECA and NTCA to appoint a Joint Transport Committee in accordance with Schedule 2 to exercise functions specified by the Order.
- 1.2 To support an effective discharge of those functions, the Joint Transport Committee is invited to approve a programme of committee meetings, as set out in Appendix A.
- 1.3 The proposed programme of committee meetings was developed in consultation with the constituent combined authorities and is based around key areas of work, effective reporting structure, efficiency and requirements of internal and external audit.

2. Proposals

- 2.1 The Joint Transport Committee and its committees are advised to meet according to the programme of meetings set out in Appendix A.

3. Reasons for the Proposals

- 3.1 The Joint Transport Committee is required to have an effective committee structure. The proposals would help the Joint Transport Committee to discharge its functions effectively.

4. Alternative Options Available

- 4.1 Whilst the programme of committee meetings was developed to ensure efficiency and effectiveness and no alternative options are proposed at this stage, a level of flexibility is required to enable the committees to add, rearrange or cancel meetings in accordance with the demands of the organisation.

5. Next Steps and Timetable for Implementation

- 5.1 If agreed, the programme of meetings will be published and shared with key stakeholders.

North East Joint Transport Committee

6. Potential Impact on Objectives

- 6.1 As part of decision-making processes, the Joint Transport Committee is required to have an effective committee structure. Having a programme of meetings will assist in the delivery of objectives.

7. Financial and Other Resources Implications

- 7.1 The proposed programme of meetings was designed to minimise costs whilst supporting effective governance.

8. Legal Implications

- 8.1 There are no specific legal implications arising from this report.

9. Key Risks

- 9.1 The proposed programme of meetings is aimed at assisting the Joint Transport Committee with the operation of an effective governance structure. A published programme of meetings supports the effective planning of business and decision making and supports openness and transparency.

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.
- 11.2 The proposals were designed in consultation with the constituent combined authorities.

12. Appendices

- 12.1 Appendix A: Programme of Committee Meetings, Municipal Year 2019/20

13. Background Papers

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

North East Joint Transport Committee

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 Nicola Robason, Deputy Monitoring Officer
E-mail: nicola.robason@southtyneside.gov.uk Tel: 0191 424 7186

15. Sign off

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

16. Glossary

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

16.2 NECA – North East Combined Authority

Joint Transport Committee
Draft Programme of Committee Meetings
Municipal Year 2019/20

Committee	Date / Time	June 2019	July 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
Joint Transport Committee	3 rd Tue 2pm	18	16	17		19		21		17			16 or 23
Joint Transport Tyne and Wear Sub-Committee	1 st or 3 rd Thurs 2pm		4	19		21		16			2		
Audit Committee	2 nd Thurs 10am		11	12			12				9		
Overview and Scrutiny Committee	3 rd Thurs 2pm		18	19			19			19			

Venues: Meetings will rotate across various venues of the constituent authorities. Information on the venue will be published five clear days before the date of the committee meeting.

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North East Joint Transport Committee

Date: 18 June 2019

Subject: Regional Transport Update

Report of: Managing Director, Transport North East

Executive Summary

The purpose of this report is to update the Joint Transport Committee (JTC) on recent developments in transport affecting the LA7 area.

The Go Ultra Low (GUL) North East programme (a £3 million programme of works funded through the Office for Low Emission Vehicles and the European Regional Development Fund) continues to progress well. The new Electric Vehicle (EV) filling station in Sunderland was opened last month, with a formal opening planned for 6 June.

The region continues to offer evidence to the Williams Rail review and press for greater devolution of rail powers. It also continues to engage actively in proposals to improve rail links through the HS2 rail link and Northern Powerhouse Rail.

Work on Transforming Cities Fund (TCF) Tranche 2 is progressing well with a draft of the Strategic Outline Business Case (SOBC) due to be submitted 20 June. The application to the Future Mobility Zone Fund was submitted on 24 May.

Work is continuing on the North East Transport Plan, covering both the North of Tyne and North East Combined Authority areas. The Regional Transport Team has been updating the data that will inform the Plan's objectives and aspirations.

Metro patronage has been increasing in recent months and is well above target.

A campaign strategy is being formulated to highlight the current problems with the East Coast Main Line, and to promote the need to invest in the line in the region.

The Local Growth Fund transport programme is progressing well.

Recommendations

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

1. **Background Information**

1.1 Transport for the North

The development of Transport for the North's (TfN) work involves considerable input from the North East. The Regional Transport Team (RTT) and Nexus are continuing to liaise with TfN in supporting the evidence base for their Strategic Transport Plan (STP).

TfN are working with partners on a set of major road improvement schemes that will form a Regional Evidence Base to be submitted to the DfT in July. 4 schemes from this region are presently being considered by TfN for possible delivery:

- Tyne Bridge and Central Motorway structural enhancement
- Durham City Northern Relief Road
- Blyth Relief Road
- Sunderland Strategic Transport Corridor phase 4

A final decision on the shortlisted schemes in the north will be made by TfN in July.

1.2 Transforming Cities Fund / Future Mobility Zone Fund

The TCF has been split into two tranches. For Tranche 2, It is anticipated that a medium cost bid of the order of £360 million could be submitted for the JTC area.

RTT staff working on Tranche 2 are progressing well with a draft of the Strategic Outline Business Case (SOBC), engaging with the LA7 and Nexus in setting out the broad objectives and plans for funding. The draft SOBC will be submitted 20 June 2019. An update paper is provided elsewhere on the agenda.

An application for Future Mobility Zone funding was submitted on 24 May 2019.

1.3 Northern Powerhouse Rail

Transport for the North submitted its SOBC for Northern Powerhouse Rail (NPR) to the Secretary of State for Transport, who gave a positive reply. The full letter is attached to the report for information. Further work is now underway to refine the SOBC to meet the SoS requirements, this is expected to take between 12 and 18 months.

1.4 Network Rail re-organisation

As previously reported, Network Rail are reorganising its routes and region structure. The 5 regions and 13 routes will come into operation later this year.

Rob McIntosh has been appointed Managing Director for the Eastern region, covering 4 routes; the East Coast Mainline, the North East, the East Midlands and Anglia. The regional changes take effect from 24 June. The North East now falls under two specific routes: An East Coast Route, and a North East Route, covering local rail services. It is anticipated that the new routes will be operational by November 2019.

1.5 Electric Vehicle Infrastructure

The electric vehicle filling station in Sunderland, became operational in April and has been positively received. The official opening of the station is scheduled for 6 June 2019 and the Secretary of State for Business, Energy and Industrial Strategy, Greg Clark MP, has been invited to attend.

The 11 EV charging hubs, which are also funded through the Go Ultra Low North East programme, are due to be delivered through the summer and autumn 2019 and will be installed at strategic locations around the region.

Much of the regions existing EV infrastructure continues to perform poorly, primarily due to the age of the chargers. The RTT is working in partnership with several of the local authorities to develop tender documentation to procure an operator to upgrade and operate the network.

1.6 Strategic Road Network

In March, Cllr Martin Gannon wrote to the Secretary of State for Transport to confirm priorities that we wish to see included in the next Road Investment Strategy (RIS2). We received a response from the Transport Secretary on 3 April, stating that the DfT will announce RIS2 investments by the end of 2019. A copy of the letter is attached for further information.

1.7 Williams Rail Review

The North East, through JTC, has submitted two responses to calls for evidence by the Review team so far. It has worked with TfN on an outline proposition for further devolution submitted to the Review on 31 May. The proposition is to be further developed over the summer to be able to respond to the expected consultation on the outcomes of the rail review expected to be sometime in the autumn. A joint commission with Tees Valley Combined Authority has explored options for devolution in the wider North East rail geography which will inform input into the TfN proposition. It is encouraging that the submission to the Williams Review from the Rail Delivery Group (the train operating companies association) aligns with the North East's response with regards to devolution.

1.8 East Coast Main Line

The RTT continues to play a prominent role in the East Coast Mainline Authorities (ECMA) Consortium. ECMA has commissioned research, to be published later this year, on the benefits of investment in the ECML. The consultants working on the research will also produce an addendum specifically on the benefits to the North East of investment in the ECML which we can then use to further our region's case.

Working initially with the NE Chamber of Commerce and the NELEP, a campaign strategy is being formulated to highlight the current problems with the ECML. A leaflet has been distributed to leaders to outline our key asks and reasoning. The leaflet is attached for further information.

1.9 North East Transport Plan

Work is continuing on the North East Transport Plan, covering both the North of Tyne Combined Authority and North East Combined Authority areas.

McDonough Marketing Communication was commissioned to undertake some research to help shape the direction of the Plan. They did so by carrying out a series of facilitated discussions, both individually and collectively, with the Leaders / Elected Mayor from all seven local authorities. The RTT is currently updating the data and gathering evidence that will inform the Plan's objectives and aspirations.

1.10 Funding Bids

The RTT has an on-going role in the co-ordination of joint funding bids or initiatives. The region has been successful in receiving £10m, the full amount requested, from Tranche 1 of the Transforming Cities Fund (TCF). Delivery of Tranche 1 schemes is underway.

The next TCF funding opportunity is Tranche 2 where the funding available is much larger. More detail on TCF is provided in the separate report on this agenda.

1.11 Tyne and Wear Metro

Metro patronage has been robust in recent months. Over the eight weeks to 31 March, patronage totalled 5.664m, 5.7% higher than the target of 5.359m and 1.7% better than the 5.568m last year.

However, there have been some recent challenges. The Tyne and Wear Metro has recently suffered from poor performance mainly due to significant overhead line infrastructure faults. Services were suspended or severely disrupted for long spells due to complex repair work needing to be undertaken.

Nexus has recently announced plans to increase the number of Customer Service staff on stations and trains around the system to record levels in the coming months in order to clampdown on antisocial behaviour and fare evasion. Last year, the Nexus Rail teams collectively achieved over 365 RIDDOR accident-free days.

1.12 Local Bus Services

The RTT received a letter from Nusrat Ghani MP, Parliamentary Under Secretary of State at the Department for Transport, reminding local authorities of the new powers in the Bus Services Act 2017. A copy of the letter is attached for further information.

On 22 May, the House of Commons Transport Select Committee published their recommendations to the Government to consider, following their inquiry on bus services in England outside London. In October 2018, the RTT submitted written evidence to the inquiry representing the views of the region from a strategic transport perspective. A copy of the written evidence and the report is attached.

1.13 Local Growth Fund Transport Programme

Delivery of the Local Growth Fund (LGF) transport programme is progressing well with the majority of schemes complete or approaching completion.

The railway elements of Horden Railway Station are expected to start construction in July with the station due to open spring 2020 and work on South Shields Transport Interchange is progressing well with the station is scheduled to open summer 2019. Work on South Shields Metro Training and Maintenance Skills Centre is progressing however, completion has slipped to March 2020. The scheme originally proposed for Northern Access Corridor has been revised and Newcastle City Council is working with the North East Local Enterprise Partnership and RTT to take forward the revised scheme.

2. Proposals

- 2.1 This report is for information purposes only. Therefore, Members are asked to note the contents of the report.

3. Reasons for the Proposals

3.1 This report is for information purposes only.

4. Alternative Options Available

4.1 Not applicable to this report.

5. Next Steps and Timetable for Implementation

5.1 Development of the Transport Plan continues, with the aim to consult on a draft plan later in 2019.

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 regions opportunities and potential

7. Financial and Other Resources Implications

7.1 The report includes information on funding and financial opportunities. There are no specific financial implications arising from this report.

7.2 There are no Human Resource or ICT implications.

8. Legal Implications

8.1 There are no specific legal implications arising from this report.

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 either a regional or national level.

13. Other Impact of the Proposals

13.1 No specific impacts.

14. Appendices

14.1 Appendix 1 – Letter from the Secretary of State for Transport to TfN chief executive, Barry White, regarding SOBC for NPR.

Appendix 2 – Letter from the Secretary of State for Transport to Cllr Martin Gannon regarding Road Investment Strategy (RIS2)

Appendix 3 – North East ECML investment leaflet

Appendix 4 – Letter from Nusrat Ghani MP, Parliamentary Under Secretary of State at the Department for Transport, reminding local authorities of the new powers in the Bus Services Act 2017.

Appendix 5 – Written evidence submitted by the North East Combined Authority in October 2018 to the House of Commons Transport Committee inquiry into Bus services in England outside London.

Appendix 6 – House of Commons Transport Committee inquiry into Bus services in England outside London – Report Summary
<https://publications.parliament.uk/pa/cm201719/cmselect/cmtrans/1425/142503.htm>

15. Background Papers

15.1 Not applicable.

16. Contact Officers

16.1 Tobyn Hughes, Managing Director, Transport North East.
tobyn.hughes@nexus.org.uk Tel: 0191 203 3246

Harry Nicol, Senior Specialist Transport Planner, North East Regional Transport Team.
harry.nicol@northeastca.gov.uk Tel: 0191 277 8920

John Bourn, Senior Specialist Transport Planner, North East Regional Transport Team.
john.bourn@northeastca.gov.uk Tel: 0191 277 8972

17. Sign off

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

18. Glossary

DfT – Department for Transport, which plans and invests in transport infrastructure

ECMA – East Coast Main Line Authorities Consortium – a group of Authorities along the East Coast Main Line (ECML) that campaigns for investment in it

ECML – East Coast Main Line – the railway line from London King’s Cross to Scotland (and branches) via the North East

LA7 – refers to the area covered by North East and North of Tyne Combined Authorities

NELEP – refers to the North East Local Enterprise Partnership, responsible for overseeing the SEP

NPR – refers to Northern Powerhouse Rail, a project that seeks funding to deliver a new rail line connecting major urban centres in the North

RDG – refers to the Rail Delivery Group, the British rail industry membership body that brings together passenger and freight rail companies, Network Rail and High Speed 2.

RIDDOR – refers to The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), place a legal duty on employers, self-employed people and people in control of premises to report to the Health & Safety Executive: work related deaths; major injuries or over-three-day injuries; work related diseases; and dangerous occurrences (near miss accidents).

STP – refers to the Strategic Transport Plan that is currently under development by Transport for the North

SOBC – refers to a Strategic Outline Business Case, which provides necessary information that explains the case for investment in something

TfN – refers to the sub national transport body, Transport for the North

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Department
for Transport

Barry White
Chief Executive Officer
Transport for the North
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M1 3BN

From the Secretary of State
The Rt. Hon. Chris Grayling

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Tel: 0300 330 3000
E-Mail: chris.grayling@dft.gov.uk

Web site: www.gov.uk/dft

10 April 2019

Dear Barry,

Thank you for your letter of 22 February 2019, providing me with your strategic advice, pursuant to regulation 5(b) of the Sub-National Body (Transport for the North) Regulations 2018 on Northern Powerhouse Rail.

This is an exciting time for transport in the North, with new trains being rolled out and the planned investment in the Transpennine Route Upgrade. The Government's £13bn transport investment in the North is not limited to the railways - major road schemes are also being delivered, such as the A1(M) Leeming to Barton, completing the continuous motorway link to the North East and the A19/A1058 Coast Road underpass, which opened to traffic on 1 April.

The Strategic Outline Business Case is an ambitious document and represents a significant milestone in achieving our joint vision of a Northern Powerhouse Rail network. I congratulate you in securing unanimous agreement by members of Transport for the North's Board.

This exemplifies the excellent and collaborative work between Transport for the North and the Department for Transport on NPR. It is a much needed first step in making the case for a truly integrated rail transport system to unlock the North's economic potential.

I am content this initial Strategic Outline Business Case provides an acceptable evidence base to proceed with the next stage of development of Northern Powerhouse Rail, subject to further assurance by the Treasury and the Infrastructure and Projects Authority ahead of consideration of future funding in the Spending Review. I look forward to receiving a revised Strategic Outline Business Case, with a single preferred network and phasing profile, in 2020.

I make this endorsement contingent on your team working with my officials to develop:


- a clear timetable over the next 12-18 months for decision making on prioritisation and phasing;
- analysis of what could be delivered for a range of different funding scenarios,
- a clear process for how cost estimates and scope will be challenged in Sequence 4;
- benchmarking from Network Rail comparing their cost estimates against outturn on recent projects in the UK and internationally;
- a clear view on the longer-term interaction between NPR and TRU to ensure that the full benefits of both are delivered, whilst ensuring value for money;
- advice on all options available to support the future growth of Bradford; and
- an assessment of supply chain capability to guide future prioritisation and sequencing alongside funding.

This work needs to be taken forward as a priority to inform the Government's intended response to the National Infrastructure Commission's inaugural National Infrastructure Assessment in a National Infrastructure Strategy alongside the Spending Review.

I have noted your request to consider increasing the role of Transport for the North in the design and implementation of HS2 Phase 2b, TransPennine Route Upgrade and the Network Rail renewals programme for the North.

I would like to come back to this at the end of the year, in the light of the recommendations of the Williams review on rail and devolution, and the Spending Review outcome. In the meantime, I am content for your team to engage with officials to flesh out the different options on a without-prejudice basis.

As the Chancellor set out in his Spring Statement, the Government remains committed to developing Northern Powerhouse Rail and looks forward to considering this Strategic Outline Business Case and the results of the further work I have outlined above.



Rt Hon Chris Grayling MP



Department
for Transport

Councillor Martin Gannon
Leader of Gateshead Council and Chair
Of the North East Joint Transport Committee

cllr.mgannon@gatehead.gov.uk

From the Secretary of State
The Rt. Hon. Chris Grayling

Great Minster House
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Web site: www.gov.uk/dft

Our Ref: MC/252836

3 April 2019

Thank you for your letter of 21 March 2019, about the current Road Investment Strategy (RIS1) and the preparations we are making for the next one (RIS2).

Firstly, I would like to thank you for your comments and support for the improvements included in RIS1 which is part of a wider £15 billion investment in our strategic roads taking place across the country. I am pleased to hear that these are already having a positive impact on the North East.

I can assure you that we remain committed to delivery of the schemes in RIS1, including those you mention on the A1 and A19 and others in the North of England, as set out in the 2018/19 Update of Highways England's Delivery Plan at <https://www.gov.uk/government/publications/highways-england-delivery-plan-update-2018-to-2019>.

Thank you also for your views and comments about potential future priority schemes in the North East and the possibility of further Strategic Studies. As you will be aware, the RIS process is a long-term one which is why the Chancellor announced a further £25.3 billion for the strategic road network for the period 2020 to 2025 in the November 2018 Budget. We are currently considering the wealth of evidence gathered over the last two years, including Transport for the North's priorities, as we determine the investments that will be included in RIS2. We will be announcing these by the end of 2019.

Rt Hon Chris Grayling MP

SECRETARY OF STATE FOR TRANSPORT

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The East Coast Main Line:

Vital to our region,
in urgent need of
investment



The East Coast Main Line:

Vital to our region, in urgent need of investment

- The East Coast Main Line is a critical piece of our transport infrastructure. It is a vital artery linking North East England with not only London but all the core cities of the North, midlands and Scotland.
- Once the country's flagship railway route the ECML can no longer cope with the demands upon it – instead of being an asset it is now holding our region back.
- The route carries 15 million passengers from the region each year with many more passing through – and this number is expected to grow over the next decade.
- Punctuality has been steadily declining for the past five years, with hold-ups caused by other trains the biggest single cause of delay.



Between Northallerton, Newcastle and Berwick the line consists of only two tracks – one in each direction already at full capacity. This means long-distance high-speed services which might otherwise reach speeds of 125mph must compete for space with slower freight and local rail services.

A dozen slow-moving freight trains every day pass down the route forcing passenger trains into closely-bunched groups behind - a process known as 'flighting'.

This fragile infrastructure sees trains frequently held-up or cancelled while limited platform space at stations provides a further constraint.

Demand for long-distance services - including HS2 trains – is predicted to increase dramatically in the coming decades. If the North East is not well-connected to the UK rail network its economy will be held back.

The North East LEP, Chamber of Commerce, businesses and Local Authorities all see rail as a key enabler to realise their strategic economic plans.

We therefore believe the Government must invest significantly in the ECML in the North East in order to support our region's ambitions for economic growth.



What needs to be done?

The North East needs additional tracks between Northallerton and Newcastle to:

- 1** Build capacity to accommodate the extra and faster trains envisaged by Transport for the North (TfN) through Northern Powerhouse Rail (NPR)
- 2** Be “HS2 ready” by 2033 so that HS2 services can run along the ECML as reliably and at the same speeds as they will do on the dedicated HS2 network.
- 3** Be ready in the longer term to develop High Speed line from North East England towards Edinburgh.
- 4** Cope with growth in demand which is happening now - even without these major infrastructure projects

TfN’s Northern Powerhouse Rail and the HS2b programme have begun early development work on what is required. We want the Government to commit to provide funding for these schemes to enable Network Rail to develop detailed options to make the ECML between York and Newcastle ‘HS2-ready’ by 2033, and to allocate major infrastructure enhancement funding for the period 2024-2033 to carry out the works.

For further information please contact [**community.relations@nexus.org.uk**](mailto:community.relations@nexus.org.uk)



#LoveYourBus Day

Buses are England's most used form of public transport, accounting for more than 60% of all public transport trips. For millions of people, the bus is a fundamental part of each and every day. Buses help commuters get to work, students to school and shoppers to the high street, and help people, wherever they are, to enjoy a wide range of services and leisure opportunities.

However, the picture of bus usage across the country is currently mixed. While bus patronage has increased in some areas, others have seen a decline in passenger numbers. But the benefits of a reliable and innovative bus service are clear: less congestion, greater productivity and communities that are connected rather than apart. But we need more people to benefit from them.

The Bus Services Act 2017 presented local authorities with new powers to bring about change, and unlock the potential for the bus industry to achieve more for passengers than it does today. In addition to franchising, the Act provides a toolkit of powers that enable local authorities and their bus operators to work together to determine and deliver a shared vision for bus services in their area through partnership working. There are a suite of powers to deliver the following partnership outcomes that benefits passengers, many of which are only otherwise possible using franchising. The partnership can:

Set out the detailed actions to be taken by the authority — these can be bus priority measures or other initiatives that make buses more attractive, such as better parking enforcement.

Set out the quality standards that bus operators in the partnership area would need to meet, in return for these actions. These can include:

Vehicle standards – for example, introducing greener vehicles to improve air quality.

Information and marketing – so that all operators provide a consistent standard of information provision, such as on fares, timetabling or real-time service information, whether provided using printed material, on the web or via app. This requirement can also go further and specify requirements such as logos and decals to be used on buses, tickets and information portals.

Ticketing and payment methods – the scheme can also specify the range of tickets that each operator must provide, establish a multi-operator ticket and set its price. Options for paying fares can also be specified, such as acceptance of contactless ticketing or other types of electronic payment such as smartcards.

The scheme can specify requirements that apply to particular bus routes – such as limiting the frequency of individual buses in congested areas, requiring even gaps between buses or specifying the timings at particular stops – e.g. to link with rail services.

Powers in legislation do not help anyone unless they are put into practice. We are already working with authorities that are considering or actively negotiating new partnership arrangements with their local bus operators and I would urge every local authority to consider how bus services can help achieve their economic, environmental and social objectives and whether the powers in the Act can help to do this.

To help you, we have published a series of guidance documents that can aid local authorities in understanding the powers in the Act. The introductory guidance – The Bus Services Act 2017 New Powers and Opportunities sets out the difference between the partnership options as well as providing an overview of the franchising powers. It can be found here:

<https://www.gov.uk/government/publications/bus-services-act-2017-new-powers-and-opportunities>

Detailed guidance on the partnership regimes can be found here:

<https://www.gov.uk/government/publications/bus-services-act-2017-advanced-quality-partnership-creation>

<https://www.gov.uk/government/publications/bus-services-act-2017-enhanced-partnership-creation>

Guidance on the franchising powers can be found here:

<https://www.gov.uk/government/publications/bus-services-act-2017-bus-franchising-creation>

Alternatively, you can contact Steve Blackmore in the Buses and Taxis Division here if you would like to discuss how the Act can help you deliver better bus services in your area. His contact details are: steve.blackmore@dft.gov.uk Tel: 07826918935.

I would be grateful if you could pass this on to the Leader of your Council.



NUSRAT GHANI
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Background to the NECA and this response

This response represents the views of the seven local authorities across the North East from a strategic transport perspective. The authorities comprise County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland, who since 2014 have constituted the North East Combined Authority (NECA). There is a proposal currently being discussed which would see the formation of a separate North of Tyne Combined Authority consisting of Newcastle, North Tyneside and Northumberland. A single Transport Joint Committee would oversee strategic transport matters for both NECA and North of Tyne.

The response also represents the views of Nexus. Nexus is the Tyne and Wear Passenger Transport Executive and provides, plans and promotes public transport in Tyne and Wear. Transport operations are administered in Northumberland and County Durham by the respective local authorities and these comments have been developed with them.

Comments have recently been issued on the consultation for aspects of the Bus Services Act 2017.

General Comments

The North East is home to two million people and the economy generates over £37bn per year. NECA and the North East LEP have ambitious growth plans to deliver 100,000 new jobs to the economy by 2024, increase the number of better or skilled roles to 70% and focus on six key areas of activity from innovation, skills to transport and connectivity. Underpinning the success of the region's Strategic Economic Plan and the achievement of the objectives of the Northern Powerhouse Independent Economic Review (NPIER) is a high-quality integrated and sustainable transport network. This ensures journeys can be made quickly and easily within the North East and to the wider north, rest of the country and beyond.

A high-quality bus network that enables local and regional services is a key part of this network.

The North East's bus network faces a number of challenges alongside many opportunities. Issues such as network reductions, road congestion, changes in employment, retail and leisure trends, rising fares and competition from new and existing modes are threats which need to be recognised and addressed. Equally, further customer service improvements, better travel information that makes use of the latest technological developments, effective land-use planning and supportive local authority policies are opportunities for buses to strengthen their position in delivering sustainable transport across the North East area.

Buses are key to helping the region to achieve its economic, social and environmental goals by providing affordable, sustainable access to jobs, education, training, healthcare, retail centres and leisure opportunities.

- They support our economy and connect our communities to employment.
- The network connects people to vital public services including education, training and health.
- Networks help to create a more equal society.
- Buses help to reduce traffic congestion, with clean bus technologies also contributing towards improving air quality.
- In rural areas, buses help to maintain links between local service centres and remote communities that would otherwise be left isolated.

The region's bus network faces a number of specific and structural challenges which must be addressed. Declining patronage is a challenge. In Tyne and Wear, patronage has declined by 12% between 2009/10 and 2016/17, with the number of trips per head of population declining by 14.7% over the same period¹. Northumberland and Durham have seen similar declines of 23.6% and 19% respectively. Some of these challenges discussed in this response are within the control of local authorities and bus operators. However, some of the biggest influencers of patronage, such as lifestyle and demographic changes, cannot be controlled and transport planners and bus operators must look to adapt to the changing ways that people live their lives.

The North East's varied geography is reflected in the diverse nature of its bus services with a mix of large and small operators, secured and commercial services.

The following is a summary of the bus network in the North East,

- Buses travel around 68 million vehicle miles in service.
- 145 million bus passenger journeys were made in the North East in 2016/17 (split 22 million within County Durham, 8.6 million in Northumberland and 114.3 million in Tyne and Wear).
- Around 650 different registered bus services operate in the region. Of these, around 88% of service mileage is operated on a commercial basis with the remaining 12% subsidised by the county councils or Nexus.
- The secured bus network comprises 5.3 million bus miles per annum in Tyne and Wear (approximately 10% of overall mileage), 1.3 million bus miles per annum in Northumberland (17% of overall mileage) and 2.1 million bus miles per annum in Durham (15% of overall mileage). Across the North East these

¹ December 2016.

16 Gov.uk, Bus Statistics, <https://www.gov.uk/government/statistics/annual-bus-statistics-year-ending-march-2017>

services accommodate approximately 11 million passenger journeys, 6.5% of all passenger journeys.

- Travel under the English National Concessionary Travel Scheme (ENCTS) for older and disabled people accounted for 50 million journeys in the North East in 2016/17, around one third of total bus trips.
- Within the North East buses are the mode of transport used for around 10% of commuter trips – this compares with 3% by Metro, 1% by train, and 67% by car as a driver or passenger with the remainder walk, cycle, work from home taxi or motorcycle.

There is great potential to build on the opportunities provided by the bus network in the North East as well as addressing some of the key challenges, we therefore welcome the opportunity to respond to this call for evidence.

Response to the Inquiry

1) *The effectiveness and ambition of the Department for Transport's policies on buses;*

With the buses being a vital part of the transport network, support must continue to be delivered through national policy and guidance.

Declining use is often, as the terms of reference note, due to the attractiveness and the affordability of the network versus other modes of transport including the car. The figures of commuting choice as an example show the scale of the challenge, 67% of commuting trips in the region are by car with 10% by bus.

Some of the biggest influences on patronage, such as choice and demographic changes cannot be directly attributed to policy making. Policy decisions can however influence use of the network by making it a more attractive and joined up network. The Bus Services Act 2017 is a step change to achieving this including provisions for partnerships and franchising, open data and accessible information. To some extent it is too early to monitor the Act's success, but it gives more options to transport bodies regarding the network.

Between 2012 and 2015 (predating this act) Nexus sought to introduce a Quality Contracts Scheme (QCS) in Tyne and Wear. Even those who opposed the scheme recognised that Nexus' plans would bring considerable economic benefits to Tyne and Wear residents measured in hundreds of millions of pounds over a ten-year period. Those benefits would arise through improved and integrated bus services, through cheaper integrated fares, through better customer care standards and through a bus service more tailored to the needs of our communities. Nexus was unable to proceed with this plan due to the decision of the QCS Board, who may not have appreciated the purpose of our scheme and the risk management mechanisms.

This analysis of risks in the bus industry has since been proved by experience. In the last 3 years we have seen the commercial bus network decline through the thinning out of frequencies, the shortening of routes and the full withdrawal of some services. This has precipitated further decline in bus passenger numbers across Tyne and Wear, at a rate foreseen by Nexus during its QCS work. It should be noted that during this time Nexus has, through prudent financial management, been able to maintain frontline secured bus services. In Tyne and Wear it is only commercial bus services that are in decline but secured services are at risk due to further pressure on budgets.

We remain of the view that a franchised bus system in Tyne and Wear has the potential to reverse this cycle of bus patronage decline, deliver a stable bus network that people can rely on for the long term and include buses in a fully integrated suite of public transport services, standards and ticketing products that can meet the needs of many more people in our cities, towns and villages. We support the views expressed by the Urban Transport Group and others that the time has come to remove legislative barriers to authorities like ours so that we can consider the case for bus franchising once more

Declining patronage is caused in part by the competitiveness of other modes, notably the car. Any network reductions promoted through cost cutting measures, cause more people to turn away from the bus, creating a cycle of decline.

Where more support through policy is needed, it is to ensure a joined up national strategy for the transport network in the UK. There is an opportunity through the advent of the Industrial Strategy and development of Future Mobility Strategy to achieve this. This should cover the role of buses in this future mobility context and how they can be promoted as a viable sustainable transport option.

The impact of new demand-based modes of travel on the traditional bus network must be assessed and understood. Those who rely most upon the bus network the most, include those eligible for support with travel (concessionary arrangements) should not be adversely affected by any future arrangements.

Campaign for Better Transport², has written extensively in this area. Where there are challenges to access both in physical ability and income challenges these need to be addressed.

Sustaining the delivery of a small number of secured services can become difficult with budgetary pressures and does need to be addressed. Access through secured services can help create a more equal society, the most vulnerable in society often rely most on bus services, which can offer a way out of social isolation. Research on

² Campaign for Better Transport, Transport and Poverty,
<https://bettertransport.org.uk/sites/default/files/research-files/Transport-and-poverty-recommendations.pdf>

Merseyside showed that 70% of bus passengers come from households with incomes below £20,000 per year, and 84% from households with no access to a private car.³ Authorities in the North East recognise the importance of secured bus services. As local authority budget pressures continue, the stability of the secured service network is at risk, with challenges around weekend and late-night services. Sustained revenue funding for transport authorities is needed to support the ongoing delivery of these services.

Equally measures around air quality, parking and future policy / legislation around the phasing out of petrol and diesel vehicles should consider how the bus network can be impacted upon / how it can provide a solution. Regarding 'greening' the bus network, this is a much more achievable aim than other forms of transport and measures such as the Clean Bus Technology Fund have taken great strides in this area. Various new technologies are available to bus operators, including bio-gas, hydrogen, electric and hybrid-powered vehicles. Some are already in use across our region. There are however some challenges, including the capacity of the industry to retrofit vehicles and the available technology and costs of alternative fuels. Through policy work, government should continue to work through bodies such as Innovate UK to address aspects of new fuels.

Maintenance of assets and roads generally can be a factor in use, this is both in the shape of the quality of the waiting environment, the information available and the quality of the highway. On the latter, we will be responding in relation to highway maintenance budgets in the separate Select Committee response. For the former the changes to information on the bus and open data from companies as per the recent Bus Services Act consultation will go some way in instilling confidence in the network. That is, it will ensure passengers have information around operating patterns.

With a greater control over roadworks as is being explored in other consultations, local authorities can seek to improve reliability of the network for buses. Furthermore, there is an affordability and complexity angle to fares and their structures. The Government should continue to support initiatives such as TfN's Integrated and Smart Travel programme to deliver integrated ticketing solutions.

2) Factors affecting bus use, including reliability, congestion and the ways bus companies are dealing with congestion, and the effectiveness of bus priority measures (for example bus lanes and priority signalling)

Reliability and Punctuality are two other factors which affect patronage. The passenger demands a service which turns up and arrives on time with minimal delay.

³ Greener Journeys, 2016, The Value of the Bus to Society. <https://greenerjourneys.com/publication/value-bus-society/>

There has been considerable investment in bus priority over the last 30 years, but the pace of investment has slowed due to budget reductions alongside an increase in areas where new priority measures are required due to changing travel patterns and new developments.

As the Urban Transport Group notes, Bus priority infrastructure need not be 'anti-car' if well designed, allowing more people to travel more quickly in the same congested spaces⁴.

An example of effective bus priority measures is the Go North East Angel, or '21' bus, is one of the highest-frequency services in the region. It passes through a key congestion hotspot in Gateshead along A167 Durham Road. Prior to bus priority measures, the service was liable to 'bunching', with several buses often operating in convoy - inefficient for bus operations and unpopular with passengers. Gateshead Council intervened on Durham Road to deliver better priority at junctions for buses using traffic signal technology, bus lanes, bus gates, improved bus stops and cameras at key sections providing the regional UTMC with the data to observe and intervene by altering traffic signal timings to favour late-running services. Alongside these changes, Go North East amended the '21' timetable. The overall impact of these changes was a 7% improvement in bus punctuality between 2015 and 2017. A big part of the improvements has been road-space reallocation in favour of buses, further assisted at junctions by automatic UTMC interventions whenever journey times exceed a pre-determined target time by 15% or more. This has resulted in a post-implementation reduction in journey time of almost 5 minutes in the morning peak at Birtley.

Utilising such measures is a way of instilling confidence in the network through the ability to run services on time. This can be replicated elsewhere and does not always need high value investments. In urban areas some of these corridors fall within the scope of the Government's proposed Major Road Network. Under the current eligibility criteria, road schemes for such measures could not obtain funding through the National Roads Fund. As priority measures can support bus use and efficient use of the road, the Government should reconsider this element.

Through alliances and such like operators should work with authorities to identify delays on the network and investigate potential mitigation using their Automatic Vehicle Location data. This would help to quantify the level of delays and should also help to understand punctuality figures by helping to differentiate between ad-hoc delays and regular delays where we might be able to engineer a solution.

The work by Railway and Transport Strategy Centre (RTSC) at Imperial College⁵, sets out national and international examples of effective bus priority measures. It

⁴ Urban Transport Group, Bus Priority, http://www.urbantransportgroup.org/system/files/general-docs/pteg%20bus%20priority%20brochure%20June%202014_FINAL.pdf

demonstrates the varying techniques that can be used from lanes to signal schemes and detection techniques. One of the focus areas following this study, is to ensure a whole network approach is taken avoiding speeding up journeys across one section of the route to be delayed at another section. In addition, a set of common standards for common bus priority measures might be helpful.

Other options available to tackle punctuality, include bus punctuality partnerships. Such partnerships can be established on a corridor or area basis, such as the East Gateshead Bus Alliance agreed by Go North East, Nexus and Gateshead Council. They are not legally binding; their success relies upon productive engagement and a strong sense of shared commitment between partners, to achieve good outcomes for passengers. Busier routes operating at higher frequencies and suffering from reliability problems should be prioritised for future investment and partnership working.

Recent work from one of our operators Stagecoach⁶ has highlighted the impact of congestion on the network. Falling speeds result in delays, unhappy passengers and environmental impacts. That is why it is critical at source to work in partnership with the industry to tackle any pinch-points on the network whilst looking at operations to ensure that the bus has a smooth and reliable journey, thereby attracting passenger numbers.

3) How bus services are provided to isolated rural and urban communities and their dependence on services

The commentary above around secured services and declining budgets is as important in rural and isolated communities where there is a reliance on the bus due to limited alternatives.

The North East has a strong track record of delivering secured routes and working with the operators to ensure commercial routes continue. This is however increasingly difficult with budgetary pressures and something the select committee should highlight. Age UK⁷ work and work by Campaign for Better Transport⁸, amongst others highlight the challenges associated with rural buses. Those members of society who rely on the network can be adversely impacted by any cuts that are made.

⁵ Railway and Transport Strategy Centre (RTSC), (2017) The identification and management of bus priority schemes, https://www.imperial.ac.uk/media/imperial-college/research-centres-and-groups/centre-for-transport-studies/rtsc/The-Identification-and-Management-of-Bus-Priority-Schemes---RTSC-April-2017_ISBN-978-1-5262-0693-0.pdf

⁶ Stagecoach, Congestion, <https://www.stagecoach.com/media/insight-features/tackling-congestion-to-unlock-the-full-potential-of-buses.aspx>

⁷ Age UK, Older People, hit by rural bus cuts, <https://www.bususers.org/news-events/news/older-people-hit-by-cuts-to-rural-bus-services>

⁸ Campaign for Better Transport, Buses in the National Conversation, <https://bettertransport.org.uk/blog/buses/keeping-buses-in-the-national-conversation>

The solution is not a straightforward one, but highlights the value of the bus to those in isolated communities and those members of society who cannot travel via other means, Continuation of secured service funding is one aspect, through grant allocation to Local Transport Bodies as well as the industry, government and local transport bodies working in partnership to increase the appeal of commercial routes to sustain them for those who rely on the services.

The Community Transport (CT) sector has a role to play in supporting access where the traditional bus network cannot fulfil this role. We estimate in the North east there are 20 CT schemes, operating 200 vehicles, carrying 20-30,000 passengers per annum.

Our comments to the previous inquiry around Community Transport remain valid. The CT offer in the North East is a very important part of the transport offer because it provides specialist mobility to those who need it in the region as well as providing a more demand responsive flexible network and delivering employment and training opportunities.

There are several challenges facing the sector, not least funding constraints, regulatory elements and skills shortages. An ageing population will continue to put pressure on CT reimbursement by local authorities who fund it from core budgets. It is however acknowledged that this is partially delayed by an increase in eligibility age. Although local authorities have no control whatsoever of CT demand in their areas, they are statutorily obliged to reimburse for it (in Tyne and Wear via the levy to Nexus). That might come at the cost of other important local services. In the longer term this is an unsustainable model.

The North East's response is to advocate a partnership-based approach between central and local government, local transport providers, CT operators and bodies and the private sector to deliver a sustainable CT model going forward. It is important to remember that provision of transport is a means to an end (achievement of objectives around mobility, social inclusion and modal shift). In addition, where the commercial sector is unable to meet all demand, a strong, vibrant CT sector is needed, not to compete with but to complement the rest of the transport network

4) The viability and sustainability of bus services, including the effectiveness of funding, fare structures and public grants

Comments above around viability of commercial services, particularly in sectors where access is limited is of extreme interest.

The bus industry in the North East has received £16 million in government support in the form of BSOG in 2016/17⁹. We welcome that the DfT recognises that this funding

stream is essential to ensure the continued viability of local bus services and whilst reform of the grant is regularly mooted, effective implementation may be the next step. We are clear for the reasons cited above that this grant must continue and take into consideration inflation which affect the relatively fixed cost of running the network, such as fuel and wages.

There is a disconnect between the level of funding that the bus network receives and that for the rail network, We support the request from Urban Transport Group for a connectivity fund bringing together all of the funds for buses, to be made available to Local Transport Authorities that boosts spending on buses and places it in the hands of Local Transport Authorities would be a big step forward. This should focus on revenue support for services.

Nexus, Northumberland County Council and Durham County Council all provide funding for socially necessary services. These services provide a vital lifeline to communities that have lost commercially operated bus services in the past. Without such services, these communities would become more isolated. Local authority budget pressures continue, and nationwide there has been a 13.8% reduction in local authority bus service miles between 2015/16 and 2016/17. As we noted above, the North East has bucked the national trends, with authorities recognising the importance of secured bus services and avoiding significant cuts to services. However, as local authority budget pressures continue, the stability of the secured service network may be at risk.

Highway maintenance is another important area for discussion, local highway authorities must be able to maintain the highway in a sustainable way. This will be featured in our response to the highways maintenance inquiry. Requirements for maintenance must recognised specific bus related assets include bus lanes, associated enforcement measures, shelters and stations.

Regarding fares arrangements, some customers may be unaware of the fare they need to pay before they board. Many bus users and non-users lack confidence in buying the best-value bus ticket. There is also the delay factor when buying tickets on the bus.

There are multiple solutions to this problem and the inquiry may wish to consider these Smart ticketing and contactless payments offer solutions to many of these issues. The North East bus network has good contactless payment facilities, bringing benefits to users and operators. For operators, benefits include speeding-up boarding, removing cash from the system, and the ability to increase brand loyalty. The lack of integration between fares, does however create an environment for confusion within the industry.

⁹ Bus Service Operators Grant payments to English operators up to 31 March 2017. DfT 2018.

The North East has a smart ticketing initiative. Branded as the Pop card, this product can be used to purchase tickets (using operator fares) on the Tyne and Wear Metro, Ferry as well as all bus services across the North East and Tees Valley. This is one option of making the system more accessible,

Transport for the North's Integrated and Smart Travel programme aims to transform the travel experience throughout the North with the use of emerging technologies. The key goal is to allow passengers to board buses and rail services all across the North using account-based contactless payments. In addition to TfN's programme, we are seeking to expand multi modal ticketing across the region and not just in Tyne and Wear.

Having known fare information, easy methods to purchase tickets or pay fares and affordable fares is one way of driving forward the attractiveness of the network and growing patronage. Our research shows that Commuters in particular are key contributors to on-going fare receipts and are a reliable source of revenue. However, passenger fare receipts have been declining in recent years despite bus fares continuing to rise¹⁰. Whilst contactless and mobile based ticketing are helping to make buses more accessible in terms of ways to pay, actual fare structures continue to be complex and this is something in partnership with industry that should be addressed.

Ultimately measures to look at the whole journey experience should be explored. This should include, the quality of the journey, upgrading infrastructure, looking at the fares package, ensuring reliability of service with clear means of accountability (such as a Charter) when something goes wrong (akin to the rail network) and high-quality information around routings, timetable, running information and fares.

Conclusion

The North East has a good track record of delivering a high-quality bus network across the region which supports access to isolated communities, has strong route branding and offers a wide variety of destinations with easy methods of payment,

There is however room for improvements, not least to increase patronage, particularly to address congestion hotspots around the region, switching away from the car and supporting the long-term sustainability of the commercial network. Equally there is a need for measures to support secured services in times of budgetary pressures.

¹⁰ Annual Bus Statistics (2018)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/666759/annual-bus-statistics-year-ending-march-2017.pdf

There are several tools which can be used to support the network which we have set out above, these include close partnership working with industry to deliver a quality offer in terms of access to information, addressing congestion and reliability, the waiting environment and vehicle quality as well as sustained funding for the network.

We welcome the chance to provide our input to this inquiry and look forward to the committee's response.

October 2018

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North East Joint Transport Committee

Date: 18 June 2019
Subject: Capital Programme 2018/19 Outturn
Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to provide the Joint Transport Committee with details of the 2018/19 Transport capital programme outturn position.

The report identifies that total capital expenditure during 2018/19 on Transport schemes was £61.818m, against the revised programme budget of £65.359m. Outturn spending was therefore c95% of the revised programme budget. Underspensing relates mainly to slippage on some schemes, which will be reflected in the updated 2019/20 programme.

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.

Expenditure of £16.062m on Local Growth Fund transport schemes was included in the accounts for 2018/19, with significant grants paid to South Tyneside Council for the refurbishment of the South Shields Transport Interchange (£6.000m) and road infrastructure improvements along The Arches junction (£4.062m), to Nexus for the Metro Skills Centre (£2.923m) and to North Tyneside Council for the A19 to North Bank of Tyne highway improvement scheme (£2.234m).

The Metro Asset Renewal programme entered its ninth year and passed the £300m investment milestone during 2018/19. Expenditure at the year-end was £24.204m, which was within the minimum and maximum levels set for the year by the Department for Transport.

Works on the Tyne Pedestrian and Cycle Tunnels continued during 2018/19 and are now nearing completion. Expenditure during the year on the Tyne Tunnels capital programme totalled £4.164m.

Local Transport Plan grants totalling £11.872m were paid to constituent local authorities to support the delivery of their capital programmes, with a further £2.497m paid to Nexus to support delivery of the Metro and Non-Metro capital programmes.

The Go Ultra Low project continued during 2018/19, with total capital expenditure of £1.312m, and the Electric Vehicle filling station in Sunderland became operational in April 2019. The project will be completed with the installation of rapid charging clusters during 2019/20.

The majority of the capital works during the year have been funded through government grants, with works on the Tyne Pedestrian and Cycle Tunnels funded through borrowing in line with the original borrowing approval for that project, and contributions from reserves part-funding works on the Nexus capital programme and the New Tyne Crossing, as set out in the table below.

	2018/19 £m
Government Grants	55.900
Borrowing	4.121
Revenue Reserves	1.137
Total Funding	61.158

Recommendations

The North East Joint Transport Committee is recommended to note the 2018/19 Transport capital programme outturn position.

1. Background Information

- 1.1 In January 2018 the NECA Leadership Board agreed an initial Transport capital programme of £80.125m. The initial budget factored in a significant level of over-programming. Regular updates on the progress of the Transport Capital programme have been presented to the Committee for consideration during the year, with the programme being revised to £65.359m. This report summarises the outturn position for the 2018/19 financial year against this revised programme.

2. Proposals

2.1 Transport Capital Programme Outturn 2018/19

Capital expenditure on Transport schemes totalled £61.818m in 2018/19, as set out in Table 1 below. This represents expenditure of almost 95% against the revised programme for the year.

	Original Approved Programme	Revised Approved Programme	Outturn	Variance: Over / (Under)
	£m	£m	£m	£m
Local Growth Fund (less amounts shown in other lines)	26.915	20.926	16.062	(4.864)
Metro Capital Programme	37.982	27.762	27.169	(0.593)
Nexus non-Metro Capital Programme	0.319	0.322	0.341	0.019
Tyne Tunnels Capital Programme	3.600	3.540	4.164	0.624
Local Transport Plan (less amounts shown in other lines)	11.309	11.309	11.872	0.563
Go Ultra Low	-	1.400	1.312	(0.188)
Transforming Cities Fund	-	-	0.898	0.898
Total	80.125	65.359	61.818	(3.541)

2.2 Local Growth Fund Transport Schemes

2018/19 was the fourth year of the Local Growth Fund (LGF) programme, which covers Economic Assets, Innovation, Transport and Skills themed projects. Many of the transport schemes within this element of the capital programme have almost completed the drawdown of the LGF elements of their funding and the programme is therefore smaller than it has been in recent years. Expenditure to the year-end totalled £16.062m, below the revised approved programme for the year agreed in January of £20.926m due to slippage on some schemes, which will be reflected in the updated 2019/20 programme. To the end of 2018/19, the following key projects have been progressed:

- £6.000m was paid to South Tyneside Council for work on the South Shields Transport Interchange project which includes the provision of a new Transport Interchange which delivers bus and Metro facilities on a single site which is accessible, integrated and under cover, along with decommissioning of the existing Metro and bus facilities. This represents the full LGF contribution to the scheme.
- £4.062m of LGF was paid to South Tyneside Council for the Traffic Movements along A185/A194/A19 scheme to improve the Arches junction. The total LGF funding for the scheme is set to be £6.196m, with £0.600m forecast for 2019/20.
- £2.234m was paid to North Tyneside Council for the A19 North Bank of Tyne (Swans) Stage 2 scheme which involves improvements to roundabouts and approach roads, improvements to other junctions and improved cycling and walking facilities in the area. The total LGF approval is £4.479m, with the remaining £0.700m expected to be claimed during 2019/20.
- £0.643m was paid to Durham County Council for the Horden Rail Station scheme, of a total £3.34m LGF approval. The scheme involves the construction of a new station on the Durham Coast Line to provide improved public transport access to the people and businesses of Horden and Peterlee, including the adjacent communities of East Durham. Planning approval was determined in January 2019 and works commenced earlier this year with a target of opening the station by summer 2020.
- A further £2.923m LGF grant was used to fund work on the Metro Skills Centre at South Shields. This is included within the totals for the Metro Capital Programme section at 2.3 onwards. Almost all remaining LGF Transport funding is currently forecast to be drawn down by individual projects in 2019/20 and the 2019/20 programme will be updated to reflect the 2018/19 outturn position.
- Smaller payments were made in year to other local authority schemes including the Northern Access Corridor Phase 2 and 3 (Newcastle City Council), Jade Business Park (A19/A189 Seaham Murton Interchange – Durham County Council), A1056-A189 Weetslade Roundabout Improvements (North Tyneside Council) and A1058 Coast Road (North Tyneside Council).

The LGF capital programme continues to be managed in accordance with the North East Local Enterprise Plan (North East LEP) Assurance Framework, which is subject to annual review by the North East LEP Board and updated where required to meet latest best practice guidance.

2.3 **Metro Capital Programme**

2018/19 represented the ninth year of Nexus' eleven-year programme to renew the Metro network, where investment is directed towards those assets where there is greatest need, according to both asset condition and a risk-based approach that ensures future operational requirements are fully considered.

- 2.4 The budget for any particular year should be seen in the context of the long-term funding commitment from government where the following factors are a key feature of how Nexus delivers its renewal programme:
- i. The requirement from DfT that Nexus achieves at least a minimum level of expenditure and no more than a maximum level of expenditure in any one financial year (which for 2018/19 were set at £21.041m and £31.264m respectively);
 - ii. The flexible way in which grant funding can be vired between financial years with up to 20% being carried forward into the following year or 20% being brought forward from the following year (an increase from 10% flexibility as a result of discussions during 2017 with DfT);
 - iii. A recognition that logistical and other planning processes play a significant role in determining where resources are deployed in fulfilling the objectives of Nexus' three-year rolling programme, which at any particular time involves the delivery of around 100 individual projects; and
 - iv. The need for each individual project comprising the overall programme to deliver value for money.

- 2.5 The 2018/19 capital budget therefore included an over programming level of 49%. This was necessary because experience has shown that over-programming levels reduce during the course of the year as efficiencies are delivered and/or specific projects are re-phased in order that expenditure levels are contained within the agreed DfT funding envelope.

A key benefit of this approach is that it gives Nexus the ability to actively manage the schedule and delivery of projects to drive efficiencies without a risk of falling below minimum expenditure levels. This includes obtaining procurement savings through consolidating packages of work to increase market interest and competitiveness and ensuring that necessary disruption to the Metro service is minimised (by avoiding key events and making best use of school holidays and lower patronage windows).

- 2.6 During the financial year, the Metro capital budget was subsequently revised from £37.982m prior to the start of the financial year, to £27.762m.

The reduction in the budget was due to the re-profiling of individual projects, some of which were brought into the current year when the 2017/18 year was closed down, some of which have been moved into future years and some of which have been accelerated i.e. delivered earlier than previously planned, together with a change in priorities.

Examples included:

- i. Track works from Gateshead Stadium to South Shields which were initially planned for 2017/18 which were largely postponed to future years to minimise disruption to passengers;
- ii. Re-profiling of Reed Track Circuits project to future years in view of difficulties in sourcing suitable replacements;

- iii. Re-profiling of works relating to Nexus Learning Centre to 2019/20 following contractor delays

2.7 These examples reflect the dynamic nature of the programme and also helps ensure spending targets are achieved.

2.8 The 2018/19 outturn for the Metro ARP Capital Programme is £24.204m, lower than the revised estimate, as detailed in the table below. However, this is within the agreed DfT funding envelope for the year, which required a minimum amount of expenditure of £21.041m. The outturn is £0.076m more than the Quarter 4 monitoring position reported earlier this year, largely as a result of increased fleet investment.

	Latest Approved 2018/19	Outturn 2018/19	Variance: Over / (Under)
	£m	£m	£m
Civils	2.650	2.578	(0.072)
Communications	2.881	2.885	0.004
Level Crossings	0.003	-	(0.003)
Mechanical & Electrical	0.164	0.076	(0.088)
Metro Cars	3.525	3.740	0.215
Miscellaneous	1.003	1.000	(0.003)
Overhead Line	2.916	2.912	(0.004)
Permanent Way	4.649	4.587	(0.062)
Plant	0.008	0.008	-
Power	0.121	0.065	(0.056)
Signalling	2.629	2.520	(0.109)
Stations	3.959	3.832	(0.127)
Skills Centre	0.001	-	(0.001)
Total ARP Programme (Note 1)¹	24.510	24.204	(0.306)
Other Projects	3.252	2.965	(0.287)
Total	27.762	27.169	(0.593)

2.10 In 2018/19 the following key projects were progressed:

- Contract award, site setup and preparatory work is complete in readiness for the renewal of the highest priority track sections from Gateshead Stadium to South Shields - with delivery on site scheduled for April / May 2019 including the Easter weekend.
- Bridge decks at Burnside and Beach Road in North Tyneside were successfully renewed over consecutive weekends in March 2019.
- Material delivery and advance preparation is complete in readiness for rail renewal work within the tunnels between the QEII Bridge and Gateshead Stadium commencing in Summer 2019.

¹ 2018/19 Approved Programme includes various projects that formed part of the original budget for 2017/18 but were subsequently carried forward for delays into future years.

- South Shields Interchange – the structure is largely complete and internal fit-out is now underway.
- Groundworks are nearing completion for the South Shields Learning Centre. Work is underway on the interior design for the training facilities.
- The new Radio system is fully operational and proposals for the long-term support and maintenance contract are being evaluated.
- The Railway Traffic Management System (RTMS) was commissioned in August 2019. Nexus is working closely with the Contractor to resolve a number of outstanding issues with the operation of the system.
- Commissioning of new multifunctional relays in the power supply system continues with 81% completed. This is already delivering improved resilience in fault conditions. The work is planned to complete by the end of July 2019.
- The new Nexus Core IT infrastructure is installed and commissioned. The transfer of applications from the old environment is expected to be complete in April 2019.
- The Overhead Line equipment renewal programme continues with wire runs being completed over weekend possessions at approximately 3-week intervals. Replacement of cantilever components continues overnight without disrupting Metro operations.
- The full-scale programme to address cable degradation in location cases is progressing to plan. This will continue for the next 2 years.
- A programme of halt station refurbishment – undertaken by the Nexus Capital Delivery team - is continuing for Monkseaton, West Monkseaton, Cullercoats, Shiremoor, Palmersville, Benton and Longbenton stations. Damp remediation at Cullercoats is expected to complete in summer 2019.

2.11 The outturn for 2018/19 is financed as follows:

	Funding 2018/19
	£m
ARP	
Metro Rail Grant (MRG)	21.784
Local contribution 10%	
- Local Transport Plan (LTP)	2.420
- Reserves	-
Total ARP	24.204
Other Schemes	
Local Growth Fund	2.923
Reserves	0.042
Total – other Schemes	2.965

Total	27.169
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2.12 Nexus non-Metro Capital Programme

The revised budget for 2018/19 was £0.319m with expenditure at the year-end being £0.341m, as set out below:

	Latest Approved budget 2018/19	Outturn 2018/19	Variance: Over / (Under)
	£m	£m	£m
Nexus Non-Metro Programme			
Regent Centre Car Park	0.032	0.036	0.004
Ferry Works	0.287	0.305	0.018
Total Nexus Non-Metro	0.319	0.341	0.022

2.13 The following table sets out how the Nexus non-Metro capital programme for 2018/19 will be financed:

	Funding 2018/19
	£m
Grant	
Local Transport Plan (LTP)	0.077
Nexus Contribution	
Reserves	0.264
Total	0.341

2.14 Tyne Tunnels

The Tyne Tunnels capital programme relates to the refurbishment of the Tyne Pedestrian and Cycle Tunnels (TPCT). The works are continuing with civil, mechanical and electrical engineering contractors working on site. Good progress is being made throughout the tunnels with all areas of work either complete or nearing completion. Once these works are completed the commissioning and testing of all the apparatus and systems in the tunnels can be completed to allow the tunnels to be reopened to the public.

2.15 It is anticipated at the time of writing this report that the tunnels will reopen early in the 2019/20 financial year, with works ongoing during the first quarter of the year.

Proposals are being developed for the official re-opening of the TPCT which will promote the works carried out and inform the public of the availability of this asset.

2.16 The revised budget for the works in 2018/19 was £3.540m, with outturn expenditure totalling £4.164m. The variance is due to some expenditure which had been anticipated to take place in April 2019 being brought forward to 2018/19.

2.17 Works during 2018/19 on the Tyne Pedestrian and Cycle Tunnels have been funded from prudential borrowing, to a total of £4.121m. This is in line with the original approval for the works which provided for up to £6m to be met from prudential borrowing with repayments to be met from the Tyne Tunnels revenue account (i.e. funded from tolls income). No additional external borrowing was undertaken during

the year. The cost of provision for principal repayments and interest charges has been included in the 2019/20 revenue budget for the Tyne Tunnels.

The works in previous years have been funded from Tyne Tunnels reserves. Capital expenditure on the New Tyne Crossing (£0.043m relating to professional fees regarding land transfers and legal agreements) has been funded from the Tyne Tunnels reserves.

2.18 **Local Transport Plan**

Local Transport Plan (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 Metro ARP capital programme). The LTP block allocation is also used to contribute to the costs of the Regional Transport Team, which supports the delivery of the Local Transport Plan. Expenditure to the year end totalled £11.872m (excluding the elements used to meet the Metro ARP local contribution and to fund the non-Metro capital programme, which is reported in sections 2.3 and 2.12 above). This was above the budget of £11.309m due to some payments relating to 2017/18 for which the grant had been carried forward from previous years.

2.19 **Go Ultra Low**

The Go Ultra Low project has been the subject of previous reports to the Joint Transport Committee. The project is jointly funded through funding from Office for Low Emission Vehicles (OLEV) and European Regional Development Funding (ERDF) and includes the construction of one of the UK's first Electric Vehicle (EV) filling stations at West Wear Street in Sunderland city centre, along with the installation of a number of rapid charging clusters across the region. The electric vehicle filling station in Sunderland became operational in April and has been positively received. The official opening of the station is scheduled for 6 June 2019. The 11 EV charging hubs, which are also funded through the Go Ultra Low North East programme, are due to be delivered through the summer and autumn 2019 and will be installed at strategic locations around the region.

Expenditure to the year end was slightly underspent against the revised capital budget of £1.400m due to minor delays in the completion of the filling station which had originally been scheduled to be operational in March 2019. The full project will complete in 2019/20 and the 2019/20 budget will be updated to take into account slippage at the year end.

2.20 **Transforming Cities Fund**

In March 2019, the North East received notification that it had been awarded £10m from the Tranche 1 Transforming Cities Fund (TCF) process by DfT. The TCF has been established to fund capital infrastructure works that will deliver transformational benefits to sustainable and public transport users, and the bid for the North East was submitted on 4 January 2019. The grant awarded by DfT will be allocated as follows:

Scheme Name	TCF Grant Allocation £m
Scheme 1: Cycling Links to Key Employment Sites	2.557
Scheme 2: Cycling Links to Newcastle City Centre	0.980
Scheme 3: Cycling Links to Sunderland City Centre	1.446
Scheme 4: Public Transport Reliability Upgrades	3.007
Scheme 5: Transport Improvements at Barras Bridge	2.010
Total	10.000

An amount of £0.898m was included as an accrual in the 2018/19 accounts in relation to schemes which were already progressing, with grant to be paid once grant funding agreements have been signed with the constituent local authorities delivering specific schemes.

The full £10m is expected to be expended during the coming year and the capital programme for 2019/20 approved earlier this year has been updated to reflect this grant award. The bid for funding under Tranche 2 of the Transforming Cities Fund is the subject of a separate report on this agenda.

2.21 **Capital Programme Financing**

Capital expenditure in 2018/19 was financed as set out in the table below.

	2018/19 £m
Government Grants	55.900
Borrowing	4.121
Revenue Reserves	1.137
Total Funding	61.158

3. **Reasons for the Proposals**

- 3.1 This report is for information, to enable the JTC to fulfil its role of 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 The capital programme for 2019/20 will be monitored and reported to the JTC at regular intervals during the year. The programme will be updated to take into account changes arising from the 2018/19 outturn position.
- 6. Potential Impact on Objectives**
- 6.1 This report is for information with no impact on objectives.
- 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 implications from this report which is for information.
- 8. Legal Implications**
- 8.1 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 schemes by the key delivery bodies are factored into the risk management processes of those organisations. The JTC holds reserves to mitigate against financial risks associated with its transport activities, and the level of these is considered to be adequate at the year end.
- 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 2018/19 was comprised of previously approved schemes which have been subject to consultation before being signed off. Individual schemes (for example LGF funded schemes) are subject to consultation at a local level appropriate to the specific project.
- 13. Other Impact of the Proposals**
- 13.1 There are no other impacts arising from this report which is for information.
- 14. Appendices**
- 14.1 None
- 15. Background Papers**
- 15.1 Joint Transport Committee Capital Programme 2018/19 – report to 19 March 2019 meeting.

16. Contact Officers

16.1 Eleanor Goodman, Principal Accountant, eleanor.goodman@northeastca.gov.uk,
0191 277 7518

17. Sign off

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

18. Glossary

ARP – Asset Renewal Programme

DfT – Department for Transport

ERDF – European Regional Development Fund

EV – Electric Vehicle

GUL – Go Ultra Low

JTC – Joint Transport Committee

LGF – Local Growth Fund

LTP – Local Transport Plan

MRG – Metro Rail Grant

OLEV – Office for Low Emission Vehicles

TCF – Transforming Cities Fund

North East Joint Transport Committee

Date: 18 June 2019
Subject: Revenue Budget 2018/19 Outturn
Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to provide the North East Joint Transport Committee with an update on the outturn position in relation to the 2018/19 Transport Revenue Budget. 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.

Regular updates on the Transport Revenue Budget have been provided to the Committee for consideration during the year and this report sets out the position to the year end. The outturn position for the year is positive, with expenditure within the revised budget against all budget heads. 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 includes details of how the grant has been applied to the provision of public transport services. Underspends against the budgets for the three main organisations delivering transport services on behalf of the Joint Transport Committee are retained within the reserves of these organisations and will be taken into account in the setting of the transport budgets for future years.

Total transport reserves (held on behalf of the Joint Transport Committee to manage risk and to fund specific activity in future years) have increased from £35.265m to £37.678m. The majority of these are earmarked for specific purposes, such as to meet the local contribution required for the Metro Asset Renewal programme and the new Metro Fleet.

Recommendations

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

1. Background Information

- 1.1 At its meeting held on 20 November 2018, the North East Joint Transport Committee (JTC) received a report setting out the Transport Budget for 2018/19 which had been agreed by the North East Combined Authority in January 2018. This report sets out the year-end outturn position against the 2018/19 budget.

2. Proposals

2.1 Transport Revenue Budget 2018/19 Summary

The table below summarises the outturn position against the net Transport Revenue budget (i.e. the net cost to the North East Combined Authority after external income) for 2018/19. Each element is set out in more detail in the following sections.

Table 1: Transport Revenue Budget 2018/19 Summary

	2018/19 Original	2018/19 Revised	2018/19 Outturn	Variance
		£000	£000	£000
Transport Levy	(83,648)	(83,648)	(83,648)	-
Grant to Durham	15,692	15,692	15,692	-
Grant to Northumberland	6,146	6,146	6,146	-
Grant to Nexus	59,700	56,367	56,367	-
Contribution to Metro Fleet Replacement Reserve	-	3,333	3,333	-
Retained levy budget	2,110	2,110	1,993	(117)
Tyne Tunnels Revenue account	11	7	-	(7)
Contribution (to)/from NECA Reserves	11	7	(117)	(124)

As the transport levies and revenue grants are mainly fixed for the year, there is no change in the levies received or grants paid, and minimal change in the retained levy budget itself. The grant paid to Nexus was revised from the original budget to provide for the second of three contributions to the Metro Fleet Replacement Reserve, which will hold a total of £10m match funding on behalf of Nexus for the new Metro Fleet. Any surplus or deficit against the budgets for the three main organisations delivering transport services on behalf of the JTC (i.e. Durham County Council, Northumberland County Council and Nexus) is retained or managed within the reserves of these organisations. Further details are set out in the sections below.

2.2 Durham

The outturn for 2018/19 shows an underspend of £739k, with details shown in the table overleaf. The main reasons variances to budget are explained below:

- i. Concessionary Fares – £112k under budget – This relates mainly to a lower number of concessionary fares journey than expected being taken.

- ii. Subsidised Services - £601k under budget – This relates mainly to Medium Term Financial Plan savings made early following changes made to the procurement of bus services.
- iii. Bus Stations - £32k under budget – This is due to minor variances relating to reduced premises costs and higher than expected departure charge income.
- iv. Bus Shelters - £21k over budget – This is due to minor variances relating to repairs and maintenance.
- v. Passenger Transport Information - £15k under budget – minor variances.

Table 2: Durham County Council Transport Grant

	2018/19 Original	2018/19 Revised	2018/19 Outturn	Variance
	£000	£000	£000	£000
Concessionary Fares	11,940	11,940	11,828	(112)
Subsidised Services	2,850	2,850	2,249	(601)
Bus Stations	144	144	112	(32)
Bus Shelters	19	19	40	21
Passenger Transport Information	89	89	74	(15)
Staffing	650	650	650	-
Net Expenditure	15,692	15,692	14,953	(739)

2.3

Northumberland

The outturn position for 2018/19 shows an underspend of £270k for Concessionary Fares and Subsidised Bus Services.

The main areas of expenditure operated by Northumberland County Council are as follows:

- i. Concessionary Fares – Although claims from operators were received monthly all adjustments to reimbursement rates were made quarterly to ensure that operators were reimbursed with a correct overall rate. The outturn position showed that Concessionary Fares underspent by £98k. This was due to a reduction in patronage numbers and the increase in the age-related qualifying criteria.
- ii. Subsidised Bus Services – The Council supports a range of socially necessary bus services, mainly in the rural North and West areas of the County but also some in the more urban South East. The outturn position showed that the Council underspent by £189k at the end of the financial year. There were no new routes added to the network during the year with the underspend being attributable to the retendering exercise that took place in the previous financial year.

Table 3: Northumberland County Council Transport Grant

	2018/19 Original	2018/19 Revised	2018/19 Outturn	Variance
	£000	£000	£000	£000
Concessionary Fares	4,722	4,722	4,624	(98)
Subsidised Services	1,230	1,230	1,041	(189)
Bus Stations	23	23	38	15
Passenger Transport Information	25	25	27	2
Staffing	145	145	145	-
Net Expenditure	6,145	6,145	5,875	(270)

2.4

NexusBase Budget

When approving Nexus' 2018/19 revenue budget in January 2018, the NECA Leadership Board approved use of £1.934m of reserves in order to set a balanced budget. This allowed Nexus to maintain frontline services despite a £1.190m reduction in grant received from the JTC. This is possible because of a combination of permanent savings achieved in the previous financial year and further efficiencies generated in 2018/19. In the previous update to the JTC, a revised base budget surplus of £0.975m was reported.

The revenue outturn for the financial year ending 31 March 2019 before taxation and movement in capital reserves is an in-year surplus of £0.924m. This represents a variation of £0.173m from the forecast surplus of £0.751m reported to the JTC in January 2019, and marginally below the revised budget position of a £0.975m in year surplus. The improved position compared to the previous forecast relates to further savings in the North East Metro Operations Limited (NEMOL) budget.

The table below provides the Committee with a summary of Nexus' outturn position for the financial year against its revised budget. The table shows Nexus' main service areas after support services and other indirect costs have been allocated and the commentary that follows explains the variations against each of the service heads.

Table 4: Nexus Transport Grant

2.5

	2018/19 Revised	2018/19 Outturn	Variance
	£000	£000	£000
English National Concessionary Travel Scheme (ENCTS)	34,977	34,961	(16)
Discretionary Concessionary Travel (CT)	3,709	3,656	(53)
Metro	602	1,063	461
Ferry	1,023	1,373	350

Local Rail	126	140	14
Bus Services	11,326	10,799	(527)
Bus Infrastructure	2,042	1,973	(69)
Public Transport Information	1,587	1,478	(109)
Total Requirement	55,392	55,443	51
JTC Grant	(56,367)	(56,367)	-
(Surplus)/Deficit before movement in capital reserves	(975)	(924)	51
Fleet Transition Reserve	(1,560)	(1,560)	-
(Surplus)/Deficit after movement in capital reserves	(2,535)	(2,484)	51

2.6 JTC Grant 2018/19

As previously agreed, the grant from the JTC in 2018/19 was reduced by £3.333m with NECA holding this sum of money on Nexus' behalf in order to part-fund the £25m local contribution towards the new fleet of Metrocars.

2.7 Concessionary Travel (CT)

The underspend across both statutory and discretionary elements of the CT budget is largely explained by a reduction in support which was not required during 2018/19 due to the implementation of a two-year agreement in the previous year.

2.8 Metro

There have been a number of variations throughout the Metro service area, which combined, total £0.461m of additional cost pressures in 2018/19. The main variations are due to:

- i. Metro Fare Revenue – Metro fare revenue increased by £0.700m (1.6%) against the prior year, the shortfall of £0.600m against the 2018/19 revised budget was caused by a number of external pressures including a challenging retail environment, increases in car ownership and economic uncertainty along with the down turn in general Metro service performance. The shortfall is split between a reduction of c.£0.260m (0.6%) on Metro products and £0.340m (5.6%) on third party ticket income, namely Network Ticketing Limited. This reduction in fare revenue against the revised budget for 2018/19 has been reflected in the 2019/20 base budget agreed by the JTC.
- ii. Rail Infrastructure – An underspend of £0.480m across Rail infrastructure is explained by savings in insurance claims and staff related costs.
- iii. Metro Operations – NEMOL – Savings of £0.354m were generated mainly against staff costs together with an increase in commercial income.

- iv. Replacement fleet and Metro Extensions – Almost £0.500m of additional expenditure was incurred during the year in order to ensure the progression of both the replacement fleet and Metro extensions projects. In particular, additional support was required in order to keep the replacement fleet project to programme.

2.9 Ferry

Reparation works on the Ferry Landings of £0.264m were completed during the year, an overhaul of one of the vessels resulted in a further pressure of £0.056m and fuel costs were £0.030m over budget.

2.10 Local Rail

Additional consultancy fees of £0.027m relating to Rail North were incurred during the year and partially offset by minor savings elsewhere.

2.11 Bus Services

There have been a number of savings throughout bus services, which combined, total £0.527m. The main variations are due to:

- i. Contract renewals of secured services have been in line with the previous year, and in some cases at a lower price, resulting in savings of £0.609m, offset by a reduction in fare revenue of £0.277m;
- ii. Taxi card has had a lower take up during the year resulting in a saving of £0.076m; and
- iii. An underspend on support in respect of low emission vehicles resulted in saving of £0.063m.

2.12 Bus Infrastructure

Under spends on security, cleaning and winter gritting contributed to the saving of £0.069m.

2.13 Passenger Transport Information

An under spend on bus shelter maintenance, electrical inspections, cleaning and overhead efficiencies of bringing the print unit in house contributed to the saving of £0.109m.

2.14 Fleet Transition Reserve

The capitalisation of investment in the fleet amounting to £1.560m for which a 'Fleet Transition Reserve' has been specifically earmarked has resulted in a saving against the revenue budget. This reserve will provide the headroom necessary to accommodate an expected increase in costs during the period in which the TSA for the new fleet also covers the existing (old) fleet.

2.15 **Retained Levy Budget**

This budget relates primarily to activity inherited from the former Tyne and Wear Integrated Transport authority (TWITA) as well as some costs such as external audit

and the cost of servicing the JTC, which relate to the whole JTC area. The majority of the budget relates to financing charges on historic supported borrowing debt. Additionally, there is budget provision to pay for support services, other supplies and services, and a repayment to the Tyne Tunnels account for the use of reserves in 2013/14 to pay off the Tyne and Wear Pension deficit. Expenditure for the year was well within budget with savings against Support Services, Administration and Governance and Financing Charges.

Table 5: Retained Levy Budget

	2018/19 Original	2018/19 Revised	2018/19 Outturn	Variance
	£000	£000	£000	£000
Support Services/Staffing	220	205	169	(36)
Administration and Governance	92	58	28	(30)
Financing Charges	1,798	1,798	1,747	(51)
Transforming Cities Fund (TCF) bid support	-	49	12	(37)
Transfer to Earmarked TCF reserve	-	-	37	37
Total Expenditure	2,110	2,110	1,993	(117)
Contribution from Levies	(2,110)	(2,110)	(2,110)	-
Contribution (to)/from Reserves	-	-	(117)	(117)

2.16 Support Services/Staffing and Administration and Governance

Costs of Service Level Agreements and other support services are charged to budgets in line with activity during the year. There was an underspend of £36k against the revised budget for support services due to the balance of work on Transport accountable body activity being more focused on other areas of activity such as the Tyne Tunnels capital programme.

In addition, the Joint Transport Committee was only established on 2 November 2018 so there was a part-year cost for work required to support the committee.

2.17 Financing Charges

There was an underspend of £51k against the budget for financing charges due to the repayment of Equal Instalment of Principal loans during the year resulting in lower overall borrowing levels.

2.18 Transforming Cities Fund bid support

In the revised budget, an amount of £49k was identified from the retained levy budget to support the development of the Tranche 2 TCF bid to DfT. The announcement of the Tranche 1 bid was delayed, coming in March 2019, and therefore the majority of the work on the larger bid will now take place in 2019/20. The balance (£37k) has been carried forward in an earmarked reserve so it is separately identifiable.

2.19 Tyne Tunnels Revenue Account

The Tyne Tunnels are operated as a ringfenced trading account, with all costs met from toll income paid by tunnel users, with no call on the levy or other local authority funding. The outturn position was a slight improvement overall compared to the revised budget agreed by the JTC in January 2019, with a break-even position compared to a £7k deficit. Details are set out in the table below with variances explained in the following sections.

Table 6: Tyne Tunnels Revenue Account

	2018/19 Original	2018/19 Revised	2018/19 Outturn	Variance
	£000	£000	£000	£000
Tolls Income	(25,970)	(26,730)	(26,842)	(112)
TT2 Contract Payment	19,480	20,298	20,256	(42)
Employees	33	-	-	-
Historic Pension Costs	54	50	50	-
Support Services	80	95	85	(10)
Supplies and Services	45	30	35	5
Financing Charges	6,579	6,594	6,773	179
Interest/Miscellaneous Income	(50)	(90)	(116)	(26)
Repayment from former TWITA reserves	(240)	(240)	(240)	-
(Surplus)/Deficit on Tyne Tunnels account	11	7	-	(7)

2.20 Tolls Income

Tolls income was slightly ahead of the revised budget estimate and has been applied to make additional provision for the faster repayment of the outstanding borrowing on the tunnels.

2.21 TT2 Contract Payment

The Tunnels are operated under a concessionaire agreement by TT2 Limited. Payments to the concessionaire are calculated with reference to traffic volumes. Traffic levels have been impacted in recent years by the Highways England works at Silverlink roundabout and were slightly behind the level forecast at the point of setting the revised budget, resulting in a slightly lower contract payment.

2.22 Support Services

Support Services were slightly underspent against the revised budget, due to more of the Service Level Agreement charges being charged to the capital programme in line with activity taking place during the year.

2.23 Financing Charges

Within the budget for financing charges, there was a saving of £96k on interest charges due to the repayment of Equal Instalment of Principal loans during the year resulting in lower overall borrowing levels. The surplus income received as described under tolls income above was used to fund an additional voluntary revenue provision for the repayment of principal of £275k, resulting in an overall cost increase against financing charges of £179k.

2.24 Interest/Miscellaneous Income

Additional interest income of £7k compared to the revised budget was received due to slightly higher than anticipated rates on short term investments. Miscellaneous income of £19k was received through savings on insurance costs by TT2 Ltd which are shared with the JTC.

2.25 **Reserves**

In its role as accountable body for the JTC, NECA holds reserves in relation to Transport. The majority of these are earmarked to meet specified expenditure which will take place in future years, such as the TCF support, Metro Reinvigoration and Metro Fleet Renewal reserves. The Tyne Tunnels reserve is held to manage risk associated with the ownership of these significant assets and is required under the Tyne Tunnels Order to be used only for Tyne Tunnels activity until such time as it can be demonstrated that the debt will be fully paid off.

Table 7: Revenue Reserves Provisional Outturn

	1 April 2018 £000	31 March 2019 £000	Movement in Year £000
Tyne Tunnels Reserve	22,302	21,150	(1,152)
Tyne and Wear Transport Reserve	513	630	117
Transforming Cities Fund support	-	37	37
Metro Reinvigoration Reserve	9,117	9,167	50
Metro Fleet Renewal Reserve	3,333	6,694	3,361
Total	35,265	37,678	2,413

The Tyne Tunnels reserves reduced by £1.152m in the year due to the use of reserves to fund capital expenditure and the repayment of funding swaps with Local Growth Fund and North East Smart Ticketing Initiative grants from previous years.

The Tyne and Wear Transport Reserve increased by £117k through underspends on the retained levy budget as described in section 2.15 above.

A new earmarked reserve for Transforming Cities Fund Support was created to hold unused funds from the 2018/19 budget which will now be applied during 2019/20.

The Metro Reinvigoration Reserve is held on behalf of Nexus to help meet the local contribution required to match fund DfT contribution to the Metro Asset Renewal Programme. The reserve increased by £50k during the year through the accrual of interest on the balances held. The Metro Fleet Renewal Reserve increased by £3.361m through the contribution from the Tyne and Wear levy described in section 2.1 above and the accrual of interest.

3. Reasons for the Proposals

3.1 This report is for information, to enable the JTC to fulfil its role of 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 The revenue budget for 2019/20 will be monitored and reported to the JTC at regular intervals during the year. The budget will be updated to take into account any changes arising from the 2018/19 outturn position or information which has been received since the original budget for the year was set in January 2019.

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 implications 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 an 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 JTC holds reserves to mitigate against financial risks associated with its transport functions, and the level of these is considered to be adequate at the year end.

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 2018/19 was subject to consultation with key stakeholders including constituent authorities.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report which is for information.

14. Appendices

14.1 None

15. Background Papers

15.1 Joint Transport Committee Budget 2018/19 – report to 20 November 2018 meeting

16. Contact Officers

16.1 Eleanor Goodman, Principal Accountant, eleanor.goodman@northeastca.gov.uk, 0191 277 7518

17. Sign off

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

18. Glossary

DfT – Department for Transport

ENCTS – English National Concessionary Travel Scheme

JTC – Joint Transport Committee

NECA – North East Combined Authority

NEMOL – North East Metro Operations Limited

TCF – Transforming Cities Fund

TT2 – Tyne Tunnels 2 Limited

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North East Joint Transport Committee

Date: 18th June 2019

Subject: Update on the new Metro fleet procurement ahead of (BAFO) stage.

Report of: Managing Director, Transport North East

Executive Summary

The purpose of this report is to provide the Joint Transport Committee with an update on the procurement process associated with Nexus' Fleet Replacement Programme. Nexus have completed the first of two phases of their procurement process for the new Metro fleet, new maintenance facility and fleet maintenance contracts and have begun the second phase of the procurement (Best and Final Offer phase) with three tenderers who will now compete to become Nexus' preferred tenderer. Contracts are expected to be awarded in January 2020 following DfT approval of Nexus' Final Business Case and this will lead to the first new train being delivered in late 2021.

Recommendations

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

1. Background Information

- 1.1 Further to the Leadership Board presentation held on 4th September 2018, the purpose of this report is to provide an update on procurement process associated with Nexus' Fleet Replacement Programme.
- 1.2 In November 2017, the government confirmed £362m is available for a new fleet of Metrocars and maintenance facility. £337m of this will be directly contributed by the government as capital grant, and the remaining £25m is from Nexus' reserves.
- 1.3 On the 31st January 2018, the procurement was advertised via the Official Journal of the European Union (OJEU). At the end of May 2018 a Selection Questionnaire (SQ) was issued through OJEU and this process concluded with the issue of the Invitation to Negotiate (ITN) to five tenderers in September 2018.
- 1.4 A single procurement exercise is underway covering contracts for the provision of new Metrocars, a new maintenance facility and a long-term (35 year) maintenance contract. Nexus is the procuring body for these Contracts under the Utilities Contracts Regulations 2016 and will be responsible for the award, and financial consequences of, the contract for new trains, train maintenance and depot reconstruction. However, the Sub-Committee will be consulted throughout the process.

2. Proposals

- 2.1 On the 22nd March 2019, Nexus received Tenders from 3 tenderers and began the evaluation of these tenders in accordance with the evaluation methodology set out in the ITN.
- 2.2 Nexus have concluded the Financial and Quality evaluation of all three tenders, which concluded that all tenderers were suitable to proceed to the second and final stage of the procurement – Best and Final Offer (BAFO).
- 2.3 Nexus notified the successful tenderers on the 7th June and are currently in dialogue to provide tenderers with further opportunity to optimise their tender[s].

3. Reasons for the Proposals

- 3.1 This report does not contain any proposals and is for information only.

4. Alternative Options Available

- 4.1 The report is for information so no alternative options are available.

5. Next Steps and Timetable for Implementation

- 5.1 The high-level programme milestones are listed below.

Activity	Target Date
1st Stage ITN Evaluation	March – May 2019 (Actual)
BAFO	June – July 2019
BAFO Evaluation	July – September 2019
DfT Approvals	June – December 2019

Contract Award	January 2020
First Train Delivered	December 2021

6. Potential Impact on Objectives

6.1 The proposal for Metro's future is important in meeting objectives set out in the Metro and Local Rail Strategy, 2016, particularly in terms of:

- providing Metro and local rail services that are reliable, accessible and comfortable with high levels of customer satisfaction, within available resources; and
- to grow the Metro and local rail network and their modal share as part of an integrated public transport network.

7. Financial and Other Resources Implications

7.1 As previously reported to the Leadership Board, Nexus has secured £337m government grant which combined with a £25m local contribution amounts to a total funding envelope of £362m for a new fleet of Metrocars and maintenance facilities.

7.2 Whilst the total funding requirement for the new fleet and maintenance facilities has been secured, and the grant funding profile for 2019/20 and 2020/21 is as set out in the main body of this report, Nexus is still in discussion with DfT regarding the grant funding profile for future years, which will be linked to the cash flow requirements associated with the procurement.

7.3 In terms of Nexus' intention to secure a long term maintenance agreement for the new fleet, it does not have surety of funding beyond 31st March 2020. This means that although negotiations for future years' revenue grant from DfT continue, in the interim, Nexus will need to place reliance on its ability to fund Metro operations from fare revenue and funding raised from the Tyne and wear transport levy.

8. Legal Implications

8.1 There are no legal requirements or implications within this report.

9. Key Risks

9.1 In order to ensure the project for fleet delivery is successful, Nexus has developed a fully monetised comprehensive risk register which is in place for the Metro Futures Project and is updated periodically.

10. Equality and Diversity

10.1 The design of the new Metrocars will be fully compliant with the latest accessibility guidelines from Government.

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 There are no specific consultation/engagement implications arising from this report.

13. Other Impact of the Proposals

13.1 There are no other direct implications arising from this report.

14. Appendices

14.1 None.

15. Background Papers

15.1 North East Combined Authority paper dated 19th April 2018 and Leadership Board presentation held on 4th September 2018.

NELB - 16th January 2018 Metro Futures and New Fleet Procurement Update.

NELB – 30th November 2017 Metro Future Fleet Procurement Update.

TNEC - 13th July 2017, Metro Futures update and Fleet Procurement Strategy – detailing the Fleet Specification and Depot strategy.

TNEC - 20th April 2017, Metro Fleet specification update (included the summary document of market research as annex).

TNEC - 9th February 2017, Summary of market research and consultation for new fleet of Metrocar design.

16. Contact Officers

16.1 Tobyn Hughes Managing Director, Transport North East
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Tel: 0191 203 3246

17. Sign off

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

18. Glossary

ITN - Invitation to Negotiate

SQ - Selection Questionnaire

DfT - Department for Transport

NELB - North East Leadership Board

North East Joint Transport Committee

Date: 18 June 2019

Subject: North East Transforming Cities Fund Bid – Update

Report of: Lead Chief Executive for Transport

Executive Summary

The purpose of this report is to provide details of the Strategic Outline Business Case (SOBC) prepared to support a bid from the North East region for funding from the Government's Transforming Cities Fund (TCF). This is our second bid for TCF funding, from the Tranche 2 allocation, following our successful Tranche 1 bid submitted in January 2019. The SOBC demonstrates how an ambitious investment programme will be a strategic driver for economic, social and environmental improvement.

In line with DfT requirements the TCF Bid includes High Cost (total TCF ask of £377.3m), Medium Cost (total TCF ask of £359.9m) and a Low Cost (total TCF ask of £331.1m) programmes of works. The programme has been developed in line with bidding requirements and has been developed based on collaborative working between the Regional Transport Team, Nexus and the individual local authority Economic Directors and Transport Leads.

The programme offers economic, social and environmental benefits that significant outweigh its construction costs, showing that this investment in our region will deliver high value for money.

Recommendations

The Joint Transport Committee is recommended to:

- (i) approve submission of the North East Region's draft Transforming Cities Fund Tranche 2 bid to the Department for Transport, based on the programme of schemes set out in Appendix 2 and described in the draft Strategic Outline Business Case summarised in Appendix 3; and
- (ii) should any final amendments to the draft SOBC be required by this Committee prior to submission to DfT, approval of these amendments will be delegated to the Committee Chair.

1. Background Information

- 1.1 In March 2018 the Department for Transport (DfT) launched a Call for Proposals for city region authorities wishing to obtain capital funding from its Transforming Cities Fund (TCF). The TCF has been established to fund capital infrastructure works that will deliver transformational benefits to sustainable and public transport users. An Expression of Interest from the North East region was submitted June 2018¹ and the North East (Northumberland, Tyne and Wear and County Durham) is one of twelve city regions shortlisted to submit bids for a share of £1.28bn of capital funding. This report sets out the North East region’s ambitious proposal to draw down a share of that funding.

2. Proposals

- 2.1 The TCF process represents a considerable opportunity for the North East to secure major capital investment in our urban transport network. The competitive nature of the process means that complying with the guidance received from DfT is critical to our success. Guidance is clear that TCF funding is only available for investment in public transport and sustainable transport measures - it is not available for road schemes or other car-based schemes. The Government’s objectives for TCF are clearly set out in Guidance and shown at Table 1².

Drive up productivity through improved connections between urban centres and suburbs	Improve access to work and deliver growth	Encourage use of Future Mobility Services
Tackle air pollution and reduce carbon emissions	Deliver more homes	Deliver apprenticeships and improve skills

Table 1: Objectives for Transforming Cities Fund Tranche 2

- 2.2 Guidance is clear about the cohesive and transformational nature of the programme that DfT expects to be submitted by bidding city regions, stating that: “The Fund is not aimed at packages that simply deliver large numbers of unconnected smaller interventions across the board as these are unlikely to be transformational in their own right; it is seeking coherent programmes of interlinking interventions which will transform connectivity in key commuter routes in city regions.”
- 2.3 The Regional Transport Team has worked closely with scheme promoters to develop our programme of schemes to be submitted to Government. A long list of

¹ <https://northeastca.gov.uk/wp-content/uploads/2018/06/Transforming-Cities-Fund-Free-Format-Version.pdf>

² Paragraphs 1.8-1.10, “Transforming Cities Fund, Supplementary Guidance for Shortlisted City Regions: Tranche 2”, Department for Transport, January 2019

schemes was provided by public sector and private sector stakeholders the region. A process was then followed to:

- sift the long list of schemes based on key attributes that are included in TCF guidance, as set out in Table 2³;
- rank the sifted schemes against TCF objectives as set out in Table 1; and
- use that ranking to develop the medium cost scenario programme, plus alternative high cost and low cost scenarios (as required by DfT⁴).

<p>Deliverable</p> <p>This programme must be delivered between 2020 and 2023, free of legislative or institutional barriers</p>	<p>Objectives</p> <p>The programme and its components must deliver on the objectives set out for TCF, and our regional equivalents</p>	<p>Value for Money</p> <p>Every component of the programme, and the programme itself, must deliver good value for the investment of public funds</p>
<p>Ambition</p> <p>The programme must be ambitious and transformational, driving real change in transport use</p>	<p>Match Funding</p> <p>The programme and its components must be capable of attracting match funding from alternative public sector, and private sector, sources</p>	<p>Regional Support</p> <p>The programme must garner widespread support regionally, and work hand in hand with other regional programmes</p>

Table 2: Key attributes guiding scheme sifting for Transforming Cities Fund Tranche 2

2.4 The outcome of this ranking exercise for each shortlisted scheme is shown at Appendix 1. The schemes in the medium cost, high cost and low cost scenario programmes are shown at Appendix 2. These ambitious programmes request a funding settlement from DfT between £333m in the low cost scenario and £377m in the high cost scenario. These programmes feature:

- Significant investment in the infrastructure that supports our Bus Corridors, Walking and Cycling Corridors, City Centre Gateways and Park & Ride network.
- Major investment in our local Metro and rail networks, in the form of:
 - the Metro Twin Tracking scheme, which will improve service reliability across the network and enable the daytime Metro frequency to increase on the South Shields to St James (via coast) Line and the South Hylton to Airport Line from five to six trains per hour.
 - The Northumberland Line scheme, which will reintroduce passenger rail services from four stations in South East Northumberland and North Tyneside to central Newcastle.

2.5 DfT requires that our bid for funding is submitted as an analysis of the Tranche 2 programme set out in a Strategic Outline Business Case (SOBC). A summary of

³ This exercise identified schemes in the long list that were duplicated, schemes that overlapped and were able to be simplified, schemes that did not comply with the key sifting criteria and schemes that were withdrawn from this particular programme by promoters. Schemes not progressing through this sifting will form a pipeline of regional projects to be bought forward in future funding bids.

⁴ Paragraph 3.6, "Transforming Cities Fund, Supplementary Guidance for Shortlisted City Regions: Tranche 2", Department for Transport, January 2019

this SOBC can be found at Appendix 3. The full draft SOBC to be submitted to DfT in June can be viewed at <https://northeastca.gov.uk/what-we-do/transport/north-east-transforming-cities-fund-bid/> .

- 2.6 Once the draft SOBC is submitted, the Regional Transport Team and DfT will commence ‘co-development’ discussions that will advance the draft SOBC further, prior to the final submission to DfT on 28 November 2019. This co-development process is welcomed as it will ensure the DfT become invested in our programme and support it as its detail develops. It is likely that this process will suggest changes to our Tranche 2 programme of schemes, which will be communicated to members for their approval.

3. Reasons for the Proposals

- 3.1 The proposals set out in Section 2 of this report are focussed on attracting significant additional investment in the North East’s public transport network (Metro, bus and rail) and sustainable transport network (cycling and walking). This investment will assist in boosting our economy, expanding opportunities for work and training and contribute to achieving environmental objectives.

4. Alternative Options Available

- 4.1 Option 1 is to submit a SOBC to Government in support of our bid for Transforming Cities Fund resources, as set out in Section 2 of this report.
- 4.2 Option 2 is to halt work on our Transforming Cities Fund bid and end our involvement in the bidding process set up by DfT. This approach would mean that the potential benefits of significant investment in sustainable transport, public transport and future mobility will be lost.
- 4.3 Option 1 is the recommended option.

5. Next Steps and Timetable for Implementation

- 5.1 Between June 2019 and November 2019 the Tranche 2 programme and its Strategic Outline Business Case will be further developed in discussion with DfT. Government has indicated that all bidding city regions will be advised what is their allocation of the Transforming Cities Fund in early 2020. The schemes that can be funded by that allocation will then be delivered between 2020 and 2023.

6. Potential Impact on Objectives

- 6.1 A successful TCF bid will attract considerable additional funding to the North East’s transport network, increasing the use of public transport, increasing the use of sustainable transport and reducing reliance on the private car for more trips. These impacts will have a positive effect on the economic, social and environmental objectives set out in our Strategic Economic Plan, Local Industrial Strategy, local air quality plans and will help inform a future North East Transport Plan. The funding will also assist in delivering the local air quality improvements required in order to meet global and national transport carbon emissions targets.

7. Financial and Other Resources Implications

- 7.1 In line with DfT requirements the SOBC attached includes a High Cost (total £448.0m with a TCF ask of £377.3m and match funding requirement of £70.7m), Medium Cost (total £428.6m TCF ask of £359.9m and match funding requirement of £68.7m) and a Low Cost (total £398.6m with a TCF ask of £331.1m and match funding requirement of £65.5m) programme of works.
- 7.2 The programme has been developed in line with bidding requirements and has been developed based on collaborative working between the Regional Transport Team, Nexus and the individual local authority Economic Directors and Transport Leads.
- 7.3 There are no human resource or ICT implications associated with this report

8. Legal Implications

- 8.1 Should the bid be successful, it is anticipated it will be subject to terms and conditions applied by the Department for Transport in a funding agreement or offer letter which will be the subject of a further report to the Committee.

9. Key Risks

- 9.1 The key risk associated with this project relate to the production of a strong programme of schemes that meet DfT guidance, and the production of a strong business case to support investment in that programme. Resources have been added to the Regional Transport Team and regular meetings and briefings have been convened in order that these two key risks have been mitigated effectively.

10. Equality and Diversity

- 10.1 A successful TCF bid will enable a broader range of public transport and sustainable transport options to be available to more people in the North East. The specific needs of people with mobility problems will be considered during the design phase of each scheme within the package to ensure that equality of access is achieved and enhanced. The safety and security requirements of vulnerable people will also be considered during this design phase to ensure that a diverse range of people from across our communities can enjoy the benefits of the resulting investment.

11. Crime and Disorder

- 11.1 At this stage there are no specific crime and disorder issues identified with this programme.

12. Consultation/Engagement

- 12.1 The content of this report has been the subject of consultation with various officer groups amongst the seven local authorities and Nexus, as well as benefitting from extensive consultation and engagement with external

stakeholders, including bus operators, major employment parks and major retail destinations.

13. Other Impact of the Proposals

13.1 It is likely that a successful TCF bid will have significant beneficial impact on the businesses of transport operators, key employment sites and employers in the North East. In addition it is likely that improved access to educational opportunities will be delivered. Finally, greater use of sustainable and public transport modes will lead to improved health outcomes for people living and working in the North East.

14. Appendices

- 14.1
- Appendix 1 – Ranking of Schemes included in the Medium Cost Programme, High Cost Programme and Low Cost Programme
 - Appendix 2 – Details of Schemes included in the Medium Cost Programme, High Cost Programme and Low Cost Programme
 - Appendix 3 – Schemes in Medium Cost Programme, High Cost Programme and Low Cost Programme, arranged by thematic package and TCF Key Corridor

15. Background Papers

- 15.1 North East TCF Expression of Interest – available at <https://northeastca.gov.uk/what-we-do/transport/north-east-transforming-cities-fund-bid/> .
- 15.2 Department for Transport TCF Tranche 2 Guidance – available at <https://www.gov.uk/government/publications/apply-for-the-transforming-cities-fund> .

16. Contact Officers

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17. Sign off

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

18. Glossary

DfT – Department for Transport

TCF – Transforming Cities Fund

BCR – Benefit:Cost Ratio, a Government value for money measure for public sector investments

APPENDIX 1

Ranking of Schemes included in the Medium Cost Programme, High Cost Programme and Low Cost Programme

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
NX03	Twin tracking of Metro line between Pelaw and Bede / Metro capacity enhancement	Nexus	The Metro twin tracking scheme entails Nexus taking over the existing single track freight line that runs parallel to the remaining single track sections of Metro between Pelaw and Tyne Dock. This will enable Metro trains to operate on two tracks, as elsewhere across the network, bringing extra capacity and resilience to the entire network. Completing this twin tracking project will enable Nexus to increase the daytime frequency of Metro trains from five per hour to six per hour across the network. The cost of the scheme covers the physical track works required to allow Metro trains to access both lines, the erection of overhead catenary on the current freight line and the provision of five new Metro trains. Freight trains will still be able to run over the tracks taken over by Nexus	£117,300,000	£108,400,000	12
NO01	Northumberland Line	Northumberland County Council	The Northumberland Line proposals will introduce passenger trains on the existing freight railway between Ashington, Bedlington, Blyth, Northumberland Park and the East Coast Main Line at Benton. Trains will operate hourly between Newcastle and Ashington, more regularly in peak hours. Stations will be constructed at Ashington, Bedlington Station, Newsham (for Blyth) and Northumberland Park (integrating with Metro services). Further stations may be constructed in future, but these require regulatory permissions that cannot be obtained within the funding timeframe of TCF. The principal cost items for this project are the upgrade of several level crossings to accommodate a more frequent train service and the provision of new stations, parking and highway infrastructure	£117,216,520	£99,400,000	12
NT02	Improvements to North Shields transport hub	North Tyneside Council	Redevelopment of Wellington Street West site and former Co-op site to secure step-free, covered access between Metro and bus, limited new retail and improved public realm, cycle hub, improved cycling and walking links into interchange, bus priority measures on routes into town centre and Shields Ferry landing	£25,000,000	£22,500,000	8
NE02	Newcastle Central Station – Central Gateway	Newcastle City Council	<ul style="list-style-type: none"> East Concourse - new access ramp to improved car park/public realm; access from Orchard Street, upgrade Orchard Street and Clavering Place tunnels Westmorland Road junction upgrade 	£21,700,000	£18,400,000	10

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
ST08 a	South Shields to Newcastle Bus corridor improvements	South Tyneside Council	South Shields to Newcastle City Centre and to Durham City Centres: <ul style="list-style-type: none"> Whiteleas Way Bus Lane Stanhope Road / Boldon Lane Junction Boldon / Tiledshed Level Crossing Removal - New Bridge New Road / Boker Lane Junction Boldon ASDA/ New Road / Junction Improvements 	£17,500,000	£11,000,000	10
NE01	Transforming Newcastle City Centre	Newcastle City Council	Significant upgrades to Newcastle City Centre. This includes: <ul style="list-style-type: none"> Pedestrian priority on key streets Public transport improvements and priority Improvements to junctions such as Gallowgate/Percy Street; Market St/John Dobson St and Market St/Pilgrim St Provision of cycle infrastructure linking east to west infrastructure Upgrades to Intelligent Transport Systems to place all junctions within the urban core on UTC New and enhanced bus stop provision throughout the Bus Loop, including improvements to Market Street Potential upgrade to New Bridge Street access Cycling upgrade between St Nicholas St/Bigg Market Junction and Swan House Roundabout to provide continuous segregated cycling between Jesmond and Gateshead Improvements to Cycling provision on Claremont Road and access from Town Moor 	£15,000,000	£12,250,000	11
SU03	Sunderland Central Station redevelopment	Sunderland City Council	The project comprises the construction of a new railway station building on the footprint of the existing site which incorporates access to the Metro and heavy rail services. TCF bid comprises the southern access element of the scheme. Subsequent phases consist of northern access and reopening of a third platform	£14,000,000	£12,600,000	11
NE04	Newcastle Outer West	Newcastle City Council	Improvements to junctions (typically the replacement of roundabouts with signalised controls and links to UTMC). Particularly around Stamfordham Road and Ponteland Road. These would be able to give increased priority to public transport using the corridor	£12,000,000	£4,100,000	9

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
DU07	Durham bus station	Durham County Council	Demolition of existing life-expired bus station and replaced with a new building on the current site. Improved facilities including new toilets, increased floor to ceiling height to provide more light and space, removal of retail units to provide more passenger circulation space, and relocation of DIRO stands away from a retaining wall which currently impacts on bus manoeuvres	£8,500,000	£4,250,000	9
NX04	Strategic park and ride sites – Follingsby park and ride and links to IAMP and Callerton Parkway	Nexus	Development of a bus-based park and ride site at Follingsby, linking IAMP and Follingsby business parks with the wider region - 600 space car park with bus waiting facilities and provision for new mobility services. Capacity doubled at existing park and ride site at Callerton, whilst future proofing for further development, increasing provision for disabled parking, electric vehicle charging points, cycle infrastructure, and providing enhanced walking and cycling routes on the site. The scheme will also include enhanced bus facilities to enable local bus services to drop off and pick up from the site.	£7,500,000	£6,760,000	12
SU05	Inner ring road improvements (bus priority)	Sunderland City Council	Removal of congestion pinch points on St Michaels Way, providing bus priority measures, improved public transport links, journey time saving and congestion relief. Includes Trimdon Street roundabout, High Street West junction, Chester Road junction, Priestman Roundabout and Park Lane Interchange access junction	£7,000,000	£6,300,000	10
NT08	Bus priority improvements along A188/A189 corridor phase 1	North Tyneside Council	<ul style="list-style-type: none"> • Bus priority improvements along A188/A189 corridor including Four Lane Ends interchange • Enhancement of existing park and ride facility at Four Lane Ends interchange. <p>The possible provision of a new bus Park & Ride site in the A189 corridor (between Northumberland and Newcastle) will be considered as part of phase 2 of this project.</p>	£6,219,000	£4,500,000	10
DU01	Walking and cycling improvements	Durham County Council	Improved walking and cycling links into the city as well as links to Sunderland and Newcastle: <ul style="list-style-type: none"> • Pedestrian bridge at Milburngate House • Pedestrian improvements along South Road corridor • North West residential cycling links and A691 links • Sunderland Road cycling links and Belmont Business Park walking and cycling links 	£6,142,478	£3,981,604	9
SU10	A690 route action plan	Sunderland City Council	Aim is to provide bus priority measures, improve journey times and reliability, and reduce junction delays. Provide safety improvements for vulnerable road users. Junctions include, Barnes Gyratory, Grindon Lane, North Moor Road, Board Inn roundabout. Better CCTV and UTMC connectivity.	£6,000,000	£5,400,000	10

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
NE03	Newcastle – North Tyneside strategic cycling infrastructure	Newcastle City Council	New cycling infrastructure providing a link between A1058 Coast Road Cycle Route to Newcastle urban core (Newcastle/North Tyneside Boundary to John Dobson Street) and secondary link between A1058 and Haddricks Mill	£5,600,000	£5,000,000	6
SU09	Chester Road bus corridor	Sunderland City Council	To provide bus priority measures resulting in journey saving time (particularly public transport). Includes junctions at the Royalty, Broadway, Grindon Lane and Greenwood Road. To improve pedestrian links. To provide a gateway to the University and the City. Better CCTV and UTMC connectivity	£5,600,000	£5,040,000	10
GA05	MetroGreen sustainable access	Gateshead Council	Sustainable transport package to support development around the Metrocentre. A range of new and improved walking and cycling facilities and improved conditions for buses, including specific priority measures	£5,000,000	£4,500,000	10
GA09	Great North Cycleway – A167 Birtley to Eighton Lodge	Gateshead Council	Upgrading of cycle links on main Great North cycle route corridor from borough boundary with County Durham to Kells Lane. Creation of shared use footway on one or both sides of carriageway. Improvements to junctions, side roads and crossings along the route. Vigo Lane roundabout converted to signalised junction incorporating toucan facilities	£5,000,000	£4,500,000	6
NT10	Healthy bus and Metro	North Tyneside Council	Infrastructure measures to deliver high quality cycling and walking linkages to Bus and Metro stations (Four Lane Ends, Palmersville, Northumberland Park, Shiremoor, Whitley Bay)	£5,000,000	£4,500,000	10
SU07	Holmeside / Sunderland station car park	Sunderland City Council	To provide park and ride facilities for national and local rail passengers encouraging modal transfer- linked to Holmeside proposals. Includes electric vehicle charging infrastructure. The location of the scheme is approximately 150m from the southern entrance to Sunderland Station, the upgrade of station facilities is included in SU03. The plans are currently for a 160 multi storey car park with retail facilities at ground floor level, this could be downscaled to a surface level car park or upscaled to include more storeys	£5,000,000	£4,500,000	10
DU02	Park and ride expansion, Durham City	Durham County Council	Expansion of existing Sniperley bus-based park and ride site and the creation of an additional site at Stonebridge to meet forecast demand and inclusion of EV charging	£4,500,000	£2,700,000	10
SU15	Strategic cycle network A690 corridor	Sunderland City Council	Construction of new cycleways links into employment areas, including provision of a crossing over the A19 by raising the parapets on the existing Herrington accommodation bridge	£4,000,000	£3,600,000	7

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
NX02	Park and ride enhancements	Nexus	New smart / digital ticket solutions to enhance the attractiveness of park and ride and facilitate integration between modes and enhancing information provision to encourage use. Provision of data to support UTMC data and VMS. Improvements to car parks to enhance perceptions of safety and security including improved CCTV and lighting. At following sites: <ul style="list-style-type: none"> • Northumberland Park • Four Lane Ends • Callerton • Regent Centre • Stadium of Light • Bank Foot 	£3,600,000	£3,240,000	8
ST04	Healthier Metro stations	South Tyneside Council	Develop Chichester and Tyne Dock Metro stations to improve connections through on carriageway solutions to improve walking and cycling routes to the metro stations and public realm improvements to improve access to stations. Schemes looks at measures to improve the car parking offer, where possible looking to introduce EV charging points	£3,450,000	£2,800,000	10
GA10	A184 cycle route	Gateshead Council	Creation of new shared use pedestrian and cycle route along north side of A184 (Felling Bypass) and improvement of facilities for crossing side roads with traffic signals	£3,000,000	£2,700,000	7
NE08	Newcastle Streets for People	Newcastle City Council	Improving cycling and walking corridors to Metro stations and major bus interchanges, using the format of the successful Streets for People Programme funded by the Cycle City Ambition Fund. Proposed at Fawdon/Kingston Park Metro, Byker Metro and Ouseburn Valley, and Denton or Lemington bus routes	£3,000,000	£2,800,000	10
ST08 b	South Shields to Sunderland Bus corridor improvements	South Tyneside Council	South Shields to Sunderland City Centre: <ul style="list-style-type: none"> • Westoe Fountain / Dean Road / Sunderland Road Junction • The Nook PT Improvements • A183 Bus Lane into Whitburn 	£2,500,000	£2,000,000	10
GA01	West Tyneside cycle route (upgrading existing routes)	Gateshead Council	Upgrading of existing cycle routes along A1 corridor. Links the North/South Great North cycle route in Harlow Green area to East/West Keelmans Way, via Team Valley and Metrocentre / MetroGreen area, continuing to Blaydon	£2,000,000	£1,800,000	9

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
GA13	Keelmans Way improvements	Gateshead Council	Western section of the route is in danger of being lost due to river erosion in two locations – major bank stabilisation works (possibly river dredging) are required to protect and reinstate the route. Improvements also required immediately east of Wylam railway station where the gradient and alignment of the route is poor and an old set of barriers impede movement	£1,800,000	£1,620,000	5
GA07	Askew Road	Gateshead Council	Provision of new pedestrian cycle facilities to provide access to housing development sites – access to bus stops and removal of existing concrete footbridge	£1,711,000	£1,540,000	9
GA08	Hills Street and Gateshead Quays sustainable access	Gateshead Council	Upgrading of pedestrian, cycle and public transport environment on key link to Tyne Bridge: <ul style="list-style-type: none"> • Provision of a segregated cycleway alongside a new north/south road through the Baltic quarter • Improved pedestrian/cycle provision in the Tyne Bridgehead area including Hills Street • Improvements to the pedestrian, cycle and public transport environment on Hawks Road 	£1,500,000	£800,000	10
GA11	A195 bus lane	Gateshead Council	Northbound bus lane on A195 north of A194(M) on the approach to its junction with New Road. Buses using the route link Heworth interchange with Follingsby/Washington/Houghton le Spring	£1,200,000	£1,080,000	10
SU04	Holmeside bus rationalisation and priority measures	Sunderland City Council	Reassigning of highway use and provision of improved pedestrians and cyclist facilities, reducing through vehicle movements in the City Centre core: <ul style="list-style-type: none"> • Super crossing provision • Signalised shuttle working • Potential one way system 	£1,000,000	£900,000	10
NE07 / NO02	Callerton - Airport -Ponteland cycle route	Northumberland County Council (lead); Newcastle City Council	Connection between Newcastle Airport, Callerton and Ponteland using existing disused rail alignment in Northumberland and offroad alignments where possible. Links into development in Ponteland and Airport Enterprise Zone	£800,000	£700,000	8

Code	Scheme name	Scheme promoter	Summary	Total cost	TCF ask	Ranking against TCF objectives
IN01	Intu cycle storage	Intu	<ul style="list-style-type: none"> Secure cycle storage facility for use by all staff working across intu Eldon Square plus access for the wider cycling population in the city Potential for providing a changing facility for walkers, joggers and runners coming into the City Centre Space for Sustrans' activities to further promote active travel opportunities – Dr Bike, maintenance space, public bike hire, guided rides etc Potential for co-location of Tourist Information services for the wider benefit of the those visiting the city 	£605,600	£300,000	10
GA16	Gateshead Interchange bus lane	Gateshead Council	A reconfiguration of the north bound bus lane out of Gateshead interchange towards Newcastle. Current arrangements has been causing delays to GNE buses due to need to switch lanes under traffic signal control on the approach to Askew Road. This route carries almost all Gateshead to Newcastle buses	£500,000	£450,000	9
DU03	Bus priority measures	Durham County Council	Bus priority measures on the approaches to Durham City in Gilesgate (102m bus lane extension) and Shincliffe (252m inbound bus lane)	£349,080	£232,720	8
DU04	Durham rail station access improvements	Durham County Council	Improving the pedestrian access to Durham City - new stair facilities linking the A691 with the rail station southbound platform	£200,000	£133,333	8
ITS01	ITS Package of works - Regionwide	Regionwide – being developed by Gary Macdonald (AECOM)	Intelligent Transport Systems (ITS) technology is required to facilitate corridor-based improvements across the region and to support non-corridor schemes. ITS will collect data from various sources and implement strategies to better inform mode and departure time choice. The scheme specifically focuses on carbon reduction through improved traffic flow and improving the reliability of motorised modes. The scheme provides the foundations for a Future Grand Mobility Challenge that will see a phased roll-out of ride-sharing and slow modes as alternatives to single-occupancy car travel whilst improving conditions for public transport users. The scheme will also support the development of Future Mobility Zones for the area	TBC	TBC	11

APPENDIX 2

Schemes in Medium Cost Programme, High Cost Programme and Low Cost Programme, arranged by thematic package and TCF Key Corridor

North East TCF Tranche 2 Bid Medium Cost Programme

Total TCF Ask
£359.9m

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Thematic Package	Schemes by Corridor	Cost	TCF Ask
Transforming Bus Corridors	<p> ■ North and South ■ Banks of Tyne ■ Cities and Airport ■ River Wear </p> <p>A188/A189 Bus Corridor ■; Hills Street/Gateshead Quays ■; A195 Bus Lane ■; Gateshead Interchange Bus Lane ■; North Shields Transport Hub ■; South Shields-Newcastle Bus Improvements ■; South Shields-Sunderland Bus Improvements ■; Durham Bus Priority ■; Durham Bus Station ■; Holmeside Bus Rationalisation ■; Sunderland Inner Ring Road Bus Improvements ■; Chester Road Bus Corridor ■; A690 Route Action Plan ■</p>	£82.9m	£64.5m
Transforming Cycling and Walking Corridors	<p>Newcastle Outer West ■; Airport-Ponteland Cycle Route ■; Intu Cycle Storage ■; West Tyneside Cycle Route ■; Metro Green Sustainable Access ■; Askew Road Cycle Route ■; Newcastle Streets for People ■; North Tyneside Metro Cycle/Walk Links ■; South Tyneside Healthy Metro Access ■; Durham Walking/Cycling Improvements ■</p>	£39.7m	£27.0m
Transforming City Centre Gateways	<p>Newcastle Central Gateway ■; Transforming Newcastle City Centre ■; Sunderland Central Station ■; Sunderland Station Car Park ■; Durham Rail Station Access ■</p>	£55.9m	£47.9m
Transforming Park and Ride	<p>Metro Park & Ride Enhancements ■ ■; Follingsby and Callerton Park & Ride ■ ■ ■; Durham Park & Ride Expansion ■</p>	£15.6m	£12.7m
Delivering Metro and Local Rail Strategy	<p>Northumberland Line ■; Metro Twin Tracking (capacity enhancements) ■ ■ ■</p>	£234.5m	£207.8m

North East TCF Tranche 2 Bid High Cost Programme

Total TCF Ask
£377.3m

Thematic Package	Schemes by Corridor	Cost	TCF Ask
Transforming Bus Corridors	<p> ■ North and South ■ Banks of Tyne ■ Cities and Airport ■ River Wear </p> <p>A188/A189 Bus Corridor ■; Hills Street/Gateshead Quays ■; A195 Bus Lane ■; Gateshead Interchange Bus Lane ■; North Shields Transport Hub ■; South Shields-Newcastle Bus Improvements ■; South Shields-Sunderland Bus Improvements ■; Durham Bus Priority ■; Durham Bus Station ■; Holmeside Bus Rationalisation ■; Sunderland Inner Ring Road Bus Improvements ■; Chester Road Bus Corridor ■; A690 Route Action Plan ■</p>	£82.9m	£64.5m
Transforming Cycling and Walking Corridors	<p> ■ North and South ■ Cities and Airport ■ Banks of Tyne ■ River Wear </p> <p>Birtley to Eighton Lodge ■; Newcastle & North Tyneside Strategic Cycle Links ■; Newcastle Outer West ■; Airport-Ponteland Cycle Route ■; Intu Cycle Storage ■; West Tyneside Cycle Route ■; Metro Green Sustainable Access ■; Askew Road Cycle Route ■; A184 Cycle Route ■; Keelmans Way ■; Newcastle Streets for People ■; North Tyneside Metro Cycle/Walk Links ■; South Tyneside Healthy Metro Access ■; Durham Walking/Cycling Improvements ■; A690 Strategic Cycle Network ■</p>	£59.1m	£44.4m
Transforming City Centre Gateways	<p> ■ North and South ■ Cities and Airport ■ River Wear </p> <p>Newcastle Central Gateway ■; Transforming Newcastle City Centre ■; Sunderland Central Station ■; Sunderland Station Car Park ■; Durham Rail Station Access ■</p>	£55.9m	£47.9m
Transforming Park and Ride	<p> ■ North and South ■ Cities and Airport ■ Banks of Tyne ■ River Wear </p> <p>Metro Park & Ride Enhancements ■ ■; Follingsby and Callerton Park & Ride ■ ■ ■; Durham Park & Ride Expansion ■</p>	£15.6m	£12.7m
Delivering Metro and Local Rail Strategy	<p> ■ North and South ■ Cities and Airport ■ Banks of Tyne ■ River Wear </p> <p>Northumberland Line ■; Metro Twin Tracking (capacity enhancements) ■ ■ ■</p>	£234.5m	£207.8m

North East TCF Tranche 2 Bid Low Cost Programme

Total TCF Ask
£333.1m

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Thematic Package	Schemes by Corridor	Cost	TCF Ask
Transforming Bus Corridors	<p> ■ North and South ■ Banks of Tyne ■ Cities and Airport ■ River Wear </p> <p>A188/A189 Bus Corridor ■; Hills Street/Gateshead Quays ■; A195 Bus Lane ■; Gateshead Interchange Bus Lane ■; South Shields-Newcastle Bus Improvements ■; South Shields-Sunderland Bus Improvements ■; Durham Bus Station ■; Holmeside Bus Rationalisation ■; Sunderland Inner Ring Road Bus Improvements ■; Chester Road Bus Corridor ■; A690 Route Action Plan ■</p>	£57.5m	£41.7m
Transforming Cycling and Walking Corridors	<p>Newcastle Outer West ■; Intu Cycle Storage ■; West Tyneside Cycle Route ■; Metro Green Sustainable Access ■; Askew Road Cycle Route ■; Newcastle Streets for People ■; North Tyneside Metro Cycle/Walk Links ■; South Tyneside Healthy Metro Access ■; Durham Walking/Cycling Improvements ■</p>	£38.9m	£26.3m
Transforming City Centre Gateways	<p>Newcastle Central Gateway ■; Transforming Newcastle City Centre ■; Sunderland Central Station ■; Sunderland Station Car Park ■</p>	£55.7m	£47.8m
Transforming Park and Ride	<p>Follingsby and Callerton Park & Ride ■ ■ ■; Durham Park & Ride Expansion ■</p>	£12.0m	£9.5m
Delivering Metro and Local Rail Strategy	<p>Northumberland Line ■; Metro Twin Tracking (capacity enhancements) ■ ■ ■</p>	£234.5m	£207.8m

APPENDIX 3

North East Region TCF Tranche 2 Programme – Summary of Draft SOBC

- 1 This appendix provides a summary of the draft Strategic Outline Business Case to be submitted to DfT on 20 June 2019. The full document can be viewed [here](#).

The Strategic Case

- 2 The Strategic Case builds a high level narrative about the challenges faced by the region: this includes a description of the economic, social and environmental challenges, as well as direct transport challenges. The current policy context in the North East region is critical to this assessment, ranging from the Strategic Economic Plan and the emerging Local Industrial Strategy through to Local Transport Plans, the Metro & Local Rail Strategy and other supporting strategies. The Strategic Case then describes the current transport problems experienced in the region that emerge from these challenges and explains how our Tranche 2 programme can help to address those problems. Because the Tranche 2 programme has a wide geographical coverage and envisages multi-modal investment, the Strategic Case is high level. The contribution of the Tranche 2 programme towards achieving the TCF objectives set out in Table 1 is at the heart of the Strategic Case, with particular emphasis on delivering improved economic productivity through transport investment.

- 3 The Strategic Case concludes that our Tranche 2 programme will have a transformational impact on the economy and environment in the region, by opening up new job opportunities, widening labour markets, improving access to skills and training opportunities and contributing to improving the local environment by encouraging a switch of trips from cars to sustainable transport modes. This is achieved in three ways:

- By investment in two large schemes that improve access within the city region by rail and Metro;
- By investment in city centre transport gateways that improve local and long distance connectivity by rail; and
- Through investment in smaller but equally significant schemes that, coupled with past infrastructure investment, provide coherent improvements to connectivity by bus, cycling, walking and Park & Ride in key corridors and city centres.

The Economic Case

- 4 The Economic Case then builds on the findings of the Strategic Case and explores quantitatively and qualitatively how the Tranche 2 programme of investments can bring economic benefits to people and businesses in the North East region. At the heart of the Economic Case is a quantitative appraisal of the time savings and travel utility benefits experienced by existing and new users of public transport and sustainable transport modes. This is encapsulated in a calculation of the long term economic benefits of the programme, which are compared to the economic costs of delivering that programme. This comparison of the benefits and costs

demonstrates that for every pound spent on the Tranche 2 programme the region will enjoy benefits worth around £2.50 (that is, the benefit:cost ratio or BCR is around 2.50⁵).

- 5 The Economic Case also identifies a range of other wider economic benefits that the programme will deliver, including the ‘agglomeration’ benefits that arise from bringing industries and businesses ‘closer together’ by investing in key transport links.

The Commercial Case

- 6 The commercial case provides information about how the Tranche 2 programme will be delivered. An outline procurement strategy is provided that sets out how scheme promoters in the region will develop the design of their schemes in more detail, procure them and manage the delivery phase to ensure that they are delivered on time and to budget. The commercial case also identifies the key partnerships that will be formed to both deliver the schemes and then realise the full benefits of the investment.

The Financial Case

- 7 The financial case sets out all financial aspects of our bid. It explains the capital costs of our Tranche 2 programme and identifies the match funding that has been sourced locally to support the bid for funding. Considerable effort has been expended to ensure that the financial details of this case are correct and can be delivered by each scheme promoter once funding is made available. While not covered in detail in this draft SOBC, the final SOBC will also explain how the whole life costs of the Tranche 2 programme will be met through enhanced revenue streams and local maintenance budgets.

The Management Case

- 8 The management case sets out when the elements of the programme will be delivered (a project plan), identifies what risks are associated with delivery of the Tranche 2 programme and explains how those risks will be mitigated by the scheme promoters in the region (a risk register). The Government is intending to devolve funding for all but the largest schemes⁶ in the programme to the region and requires us to explain how that devolved funding will be managed and overseen to ensure the schemes are delivered and the benefits of the programme realised. The management case therefore sets out how existing structures and partnerships will be used to govern delivery of the Tranche 2 programme once the funding has been allocated. Our existing experience in the region of delivering major transport investments is an important factor in assuring Government that this devolved funding will be placed in safe hands in the North East.

SOBC Conclusions

- 9 The Strategic Outline Business Case remains in draft form, but nevertheless provides Government with a compelling case for ambitious investment in our

⁵ This is a provisional BCR figure, which will be updated by officers at the JTC meeting.

⁶ Those schemes with a capital value over £40m.

region. The benefits of our programme considerably outweigh the costs, our ability to deliver is exemplary and the links between this programme of transport investments and the wider economic, social and environmental challenges and opportunities in the region are clearly set out.

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North East Joint Transport Committee

Date: 18 June 2019

Subject: Discharge of Transport Functions by Durham County Council

Report of: Durham County Council with 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 the North East Joint Transport Committee for the 2018/19 year.

Recommendations

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

1. Background Information

- 1.1 When the North East Joint Transport Committee approved its Standing Orders in November 2018, 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 concessionary travel and ticketing on local passenger transport services.
- 1.2 Attached at Appendix 1 is an account of the discharge of transport functions for 2018 agreed by the Corporate Director for Regeneration and Local Services and Transport Portfolio Holder, Economic Regeneration. Appendix 1 has been reported for information to the County Council's Cabinet meeting on 3 April 2019.

2. Proposals

- 2.1 Members are requested to note the report.

3. Reasons for the Proposals

- 3.1 The North East Joint Transport Committee 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 1.

5. Potential Impact on Objectives

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

6. Financial and Other Resources Implications

- 6.1 The transport functions will be funded by the levy issued by Joint Transport Committee 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 1 – North East Joint Transport Committee (JTC) – Durham County Council Transport Activity Report 2018/19

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
The North East Joint Transport Committee Standing Orders dated January 2019

14. Contact Officers

14.1 Adrian J White, Head of Transport and Contract Services, Durham County Council, adrian.white@durham.gov.uk, Tel: 03000 267455

15. Sign off

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

North East Joint Transport Committee (JTC) Durham County Council Transport Activity Report 2018/19

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. 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. A strike by drivers significantly affected Arriva bus services for one week in December 2018. A threatened further strike in January 2019 was averted by a negotiated settlement.
5. Services operating without subsidy from DCC ("commercial service") 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 and Arriva provide the majority of the services, with approximately equal market shares. Three other firms also run locally significant bus services without subsidy. This is a reduction following the takeover by Scarlet Band of the former JSB service between Willington and Bishop Auckland in November 2018.
6. Total bus boardings have increased slightly in 2018/19 to quarter 3 compared with the same period of 2017/18, by about 1.6%. This compares with a decline that had set in from mid-2014, which itself reflected the trend occurring in other parts of the region and

most of the UK. This increase is despite a continuing slight fall in concessionary bus journeys, considered to be due to the impact of the increasing age of entitlement to concessionary travel.

7. There has been further investment in new and cascaded buses in the period, although at a lower rate than seen in previous years.

Secured Service Retendering Activity

8. The council's general practice is that contracts for bus service 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 2018 has seen little change in bus contracts.

Concessionary Fares

9. 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 2018/19 are set to fall by only about 0.3% compared with the previous year. This is a lower reduction than the rate of recent years, and reflects the less severe winter this year. It is anticipated a further slight fall in concessionary travel will continue in 2019/20.

North East Smart Ticketing Initiative (NESTI)

10. 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. Usage has continued to grow and it is now the method of payment used by most regular users on Park and Ride. However, Pop PAYG has yet to achieve 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

11. 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 to deliver a scheme.

Transport Focus Bus Passenger Satisfaction Survey

12. DCC continues to work 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 and the 2018 results, summarised

below, confirm the trend. The overall result for County Durham was equal top within the region, and in joint 5th place (out of 26) nationally.

Category	Arriva	Go North East	Overall (including other operators)
Overall Satisfaction	86%	93%	91%
Value for money	66%	69%	70%
Punctuality	67%	79%	77%
Journey time	88%	88%	89%

Park and Ride

13. The Durham Park and Ride has continued to perform very satisfactorily.

Community Transport (CT)

14. 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 2018. The Council's programme of offering capital grants from Local Transport Plan funding to assist Community Transport continues.

15. 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.

16. The Department for Transport's announcement of revised interpretation of regulations regarding community minibus permits and community bus services has caused understandable concern to the sector. The limitations in the new guidance on operation of contracts has little impact in County Durham as our contracts have always required full Public Service or Taxi Operator licences. However, if the guidance remains unchanged after the current consultation, there appears to be considerable difficulties for the organisations that primarily exist in order to provide community transport, which may no longer qualify for the current exemptions from normal licence requirements.

Home to School/Social Care Transport

17. Home to school and social care transport forms the major part of Durham's operations, with a total spend of approximately £13 million pa and over 1000 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 2018/19 school year, about 6,000 pupils receive free travel to school from Durham County Council, with a further 3,300 pupils travelling under the non-statutory concessionary schemes.

18. 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. Tender prices have remained very competitive, despite increased fuel prices and some impact from the National Living Wage.

Travel Response Centre

19. Durham has continued to operate the 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 80,000 calls on an annual basis. Referrals from social workers and other care staff for client travel to day care are also processed.
20. 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

21. 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.
22. The Council continues act as the regional contact for National data issues and represent the region at national working groups. This includes Traveline as well as taking an active role in the DfT Open Data Initiative.
23. Durham County Council has continued to provide 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 map, 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.
24. Interactive display kiosks installed at Durham Railway Station and Durham Bus Station have improved the provision of local and wider travel information. Additional display kiosks will be installed at key interchanges across the county as funding is made available.

Real Time Passenger Information

25. Durham County Council has continued to provide the data management role for the North East Real Time Passenger Information (RTPI) project in partnership with Nexus, Northumberland County Council and Tees Valley Unlimited. This involves processing, validating and submitting public transport data.

DfT Access Fund 2017-2020

26. Durham has continued to be 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.

Wheels to Work County Durham

27. The successful County Durham Wheels to Work (W2W) scheme has continued to develop and expand. 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). To date, the scheme has helped 98 people access to work or training using a fleet of 35 scooters available for hire. The scheme is currently being funded by external grant funding, Durham County Council Local Transport Plan and Area Action Partnerships (AAP).
28. Additional funding has recently been secured from the AAP Welfare Assistance Scheme to make the scheme available to residents across the whole of the County from 1 April 2019. Additional funding opportunities will continue to be explored.

New Horden Rail Station

29. 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 being provided Durham County Council and the North East Combined Authority.
30. In January 2019 the rail station received planning approval.
31. The design is progressing through Network Rail's GRIP process and is due to be completed and operational by 2020. The scheme will see 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 will also be created.