



## Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 13th July, 2023 at 2.00 pm

Meeting to be held in a Whickham Room - Civic Centre

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## AGENDA

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	Page No
1. <b>Apologies for Absence</b>	
2. <b>Declarations of Interest</b>	
<p>Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (and submit it to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.</p>	
3. <b>Minutes of the Meeting held on 12 January 2023</b>	<b>5 - 12</b>
<p>The Committee is asked to approve the minutes of the meeting held on 12 January 2023.</p>	
4. <b>Notes of the inquorate meeting held on 6 April 2023</b>	<b>13 - 20</b>
<p>The Sub-Committee is asked to agree the notes of the inquorate meeting held on 6 April 2023.</p>	
5. <b>Nexus Corporate Business Plan 2023/24 – 2027/28</b>	<b>21 - 42</b>
6. <b>Metro Performance Update</b>	<b>43 - 48</b>
7. <b>Nexus Corporate Performance Update</b>	<b>49 - 60</b>
8. <b>Nexus Corporate Risks 2023/24</b>	<b>61 - 98</b>

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|-----|---|------------------|
| 9.  | <b>Review of the £2/£4 offer provided on Metro between January and March 2023</b> | <b>99 - 106</b>  |
| 10. | <b>Tyne Tunnels Update</b>  | <b>107 - 116</b> |
| 11. | <b>Exclusion of the Press and Public</b>  |                  |

The Committee may wish to pass a resolution to exclude the press and public from the meeting on the grounds indicated.

<b>Item No</b>	<b>Paragraph(s) of Schedule 12(A) to the Local Government Act</b>
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<b>12</b>	<b>1 and 3</b>
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12. **Nexus Executive Board**

**117 - 120**

13. **Date of next meeting**

The next meeting will be held on Thursday 14 September at 2pm in the Blaydon Room, Gateshead Civic Centre.

Contact Officer: Sonia Stewart Tel: 433 2280 E-mail: [soniastewart@gateshead.gov.uk](mailto:soniastewart@gateshead.gov.uk)

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**JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE**

**DRAFT MINUTES FOR APPROVAL**

**DATE:** 12 January 2023

**VENUE:** LAMESLEY ROOM, GATESHEAD CIVIC CENTRE

**Committee Members Present:**

Councillor: C Johnson (Chair)

Councillors: J McElroy, P Dean, A Hay

**In attendance:**

Statutory Officer: L Keating (Legal Manager acting as Monitoring Officer – Transport)  
E Goodman (Finance Manager – Transport North East)  
T Hughes (Managing Director, Transport North East)

Officers: F Bootle, M Kearney, H Matthews, H Lewis, E Goodman and S Stewart

Others: P Smith (TT2 Ltd), A Flynn, Sonia Stewart

**41. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor G Miller and Councillor J Byrne.

**42. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**43. MINUTES OF THE PREVIOUS MEETING HELD ON 15 November 2022**

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

#### **44. MATTERS ARISING**

The Committee heard from the bus operators on the current position with regards to performance. The Committee were advised by all three operators that the industry has gone through a torrid 18 months with recruitment and retention being a real challenge. As we came out of the pandemic there was a perfect storm as the age range of drivers were in their early 50s and a lot of people deciding they could live off taking early retirement. The DVLA were on strike and getting licences through for new drivers has been a struggle. It takes 12 weeks to put a new driver on the road. It can take a long time to get the number back to strength. The operators are trying to build passenger confidence. The Committee were advised that things are starting to improve all of the time.

The Committee were advised that the operators are working with Nexus and Transport North East and have a couple of initiatives coming through. The Committee were also advised that the bus companies are working together and have kept Transport North East informed of the issues. It was noted that collectively the will is there and progress is being made.

The Committee requested that this item be placed on the agenda for a future meeting for a further update.

#### **45. REVISION TO METRO, SHIELDS FERRY and SECURED BUS FARES APRIL 2023**

The Committee received a report to advise of the fares proposal for 2023/24. The Committee were advised that this proposal is presented against a backdrop of high inflation, the energy crisis and a cost of living crisis, all of which are putting extraordinary pressures on Nexus' financial position. The proposal presented in this paper aims to respond to these competing demands and with an overall 7.5% fares increase for Metro, 7.8% for Shields Ferry and 5.4% for secured bus – below RPI inflation as at July 2022 (11.8%) – measures will include:

- A freeze in price for adult Pay As You Go (PAYG) travel on Metro with a smartcard or using an Android phone, for the second consecutive year and supported by a strong marketing campaign to move customers towards this easier and more flexible way to pay, alongside an increase of 50p (8.8 to 13.9% depending on zones) on equivalent paper tickets. This will increase the price differential between a paper ticket and PAYG on smartcard and mobile to up to £1.05 for a single journey and £1.35 per day.
- PAYG travel on Metro for young people aged 16 to 21 using Pop blue or Pop 19-21 smartcards will be frozen
- Weekly adult season tickets increase by 2-3%, below RPI inflation and supporting travel by regular customers who are unable to commit to longer term products. 4 Week and Annual season tickets will increase by 11%, roughly in line with RPI inflation

- A further freeze in Gold Card for older and disabled customers at £12 per year, and £24 for those not resident in Tyne and Wear.

The proposal above is designed to ensure that larger fare increases are specifically targeted in a way that ensures those customers affected have access to cheaper alternatives, either through the Pop smartcard or Android app.

The fares proposal helps Nexus to work towards balanced budget whilst offering customers affordable and sustainable ticketing options on Metro, Ferry and Secured bus.

Fares and ticketing proposals put forward as part of the Bus Service Improvement Plan (BSIP) are outside of the scope of this report and any further revisions to Metro, Ferry or Secured Bus fares required to reflect and complement the BSIP proposals will be considered separately.

**RESOLVED:** that the Tyne and Wear Sub-Committee

- (a) Approved the Metro, Shields Ferry and Secured Bus fares proposal to be implemented from 1 April 2023 which includes:
  - a. An overall increase in the weighted basket of fares of 7.5% for Metro, 7.8% for Shields Ferry and 5.4% for Secured Bus
  - b. Freezing adult Pay As You Go prices
  - c. Freezing Pay as You Go fares for young people aged 16-21
- (b) Noted that the fares review is estimated to generate increased revenue of £1.245m which is contained within the Nexus budget for 2023/24 being presented to the Jointed Transport Committee on 17 January 2023
- (c) Approved a freeze in the price of concessionary products (paragraph 2.6 refers)
- (d) Noted that alternative options had been explored as part of the fares review process

## **46. NEXUS CORPORATE PERFORMANCE**

The Committee received an update on the performance of Nexus against its Corporate Business Plan for 2022/23. The report covered period 7 and 8 which encompasses performance during the period 18 September 2022 to 12 November 2022.

Between Periods 7 and 8, Metro patronage was 4.75 million which is 0.7% above the period target of 4.72 million. Metro Patronage for the year to date is 17.44 million which is 1.25% below target.

Metro fare and commercial revenue for the reporting period was £7.316m whilst the total fare and commercial revenue for the year to date is £26.675m. To the end of period 8, fare revenue is ahead of target and current indications are that it is recovering better than originally anticipated. However, we are mindful of the current economic climate and the Bank of England's forecast of recession, therefore

recovery remains fragile, and we will need to continue to closely monitor the position in the months ahead. It is worth noting that overall, revenue is still below pre-pandemic levels and that Nexus' cost base has risen since the pandemic and is under increasing pressure because of both the energy crisis and the significant increase in inflation this past year. The government has now announced an Energy Bill Relief Scheme to provide support on energy costs between 1 October 2022 and 31 March 2023 which is expected to offset £6.1m of the HV power overspend in year.

Metro punctuality in periods 7 and 8 was 77.8% which is 7.0% below the periodic target of 84.8% whilst the 13-period moving annual average (MAA) at the end of the Period 8 was 82.2% which is 5.0% below target.

Punctuality in Period 8 was particularly affected by Low Rail Adhesion (LRA) caused by autumn leaf fall. LRA is an industry wide issue with this year's autumn conditions proving to be particularly challenging across the national rail network. Nexus are taking a number of steps to reduce the impact of LRA on Metro punctuality including: additional coaching for Train Crew, enhanced levels of vegetation management and focussed use of our Rail Head Treatment Train.

Ferry patronage in Periods 7 and 8 was 52,807 which is 46.9% above the target of 35,947. For the year to date, ferry patronage is 281,358 which is 30.3% above target. Ferry fare revenue in Periods 7 and 8 was £60,274 which was 33.6% above the profiled budget of £45,108. Ferry fare revenue the year to date is £276,980 which is 14/0% above the budget of £243,064.

Due to external factors beyond Nexus' control Secured Bus Patronage figures are currently unavailable.

Secured Bus Revenue in periods 7 and 8 was £685,163 which was 191.2% better than the evenly profiled budget target of £235,266. For the year to date secured bus revenue is £1,848,735 which is 94% better than the evenly profiled budget target of £951,169. Revenue targets will be reviewed as part of the budget setting process for 2023/24.

The Committee were advised that on the 24 February the new depot will open and the new unit number 555003 is expected to arrive on 27 January.

**RESOLVED:** the Tyne and Wear Sub-Committee noted the information contained within the report.

## **47. NEXUS CORPORATE RISK REVIEW**

The Committee received a report to update on the Nexus Corporate Risk Register for 2022/23 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.



During December 2022, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2022/23.

There are currently three risks which are 'red', of these 2 risks are red because of funding uncertainties. These risks are:

- Long Term Funding for Metro
- North Shields Ferry Landing

Specifically, in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation from the Department for Transport (DfT) that it will receive £30.2m of capital grant in 2022/23 along with £33.8m in capital grant funding for 2023/24 and 2024/25. Whilst this allows for some longer term planning it does not allow Nexus to complete its full essential renewals programme. The rising costs of energy and raw materials has also applied additional pressures on budgets.

The project to replace North Shields Ferry Landing is currently unfunded. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities.

The final red risk is Metro Performance which is red as a result of recent disruptions to service in particular those caused by low rail adhesion (LRA).

In the current review, one risk has seen its score increase. Stagnant bus patronage coupled with increased levels of cancellations and driver shortages has seen the likelihood of the Bus Patronage risk increase.

Concern was expressed with the potential that the Shields Ferry could cease to exist by 2025. It was noted that it is important this service continues to be funded.

**RESOLVED:** the Tyne and Wear Sub-Committee noted the report.

## **48. NEXUS PEOPLE AND CULTURE STRATEGY**

The Committee received a report to provide them with an overview of the Nexus' People and Culture Strategy. This is a brand new strategy for Nexus, and one that has been shaped and developed by Nexus people working in the

organisation through a series of engagement activities. People are at the heart of everything Nexus does, and this strategy provide the priorities and actions required to make Nexus a better place to work for everyone. The Strategy has been shaped around the 'Employee Life Cycle' of employer branding, recruitment and selection, induction and onboarding, career development and moving on. In addition, the working environment and diversity and inclusion have also shaped the development of the strategy. A series of pledges have been developed in each theme which sets out what Nexus will do to help develop our people.

We have engaged with stakeholders including schools and colleges as there has been a challenge with engagement previously.

It is anticipated that the strategy will be an evolving document. Work has also been ongoing with regards to recruiting those undertaking T Levels and a review of the work experience processes. Trials of CVs is another area being used to streamline recruitment processes.

A new induction programme is being developed alongside succession planning. It is a relatively new strategy but progress will be measured against a set of KPIs and further updates will be brought to the Committee.

**RESOLVED:** The Tyne and Wear Sub-Committee noted the report.

#### **49. NEXUS DIVERSITY AND INCLUSION STRATEGY**

The Committee received a report to provide an update on the Nexus Diversity and Inclusion Strategy. The Committee were advised that this new strategy will allow Nexus to promote, support and enhance both diverse and inclusive public transport for our customers, and diverse and inclusive workspaces for our colleagues. Through a more developed and collaborative approach given to diversity and inclusion, we intend to make a positive shift in the Nexus culture overall, across our organisation. Nexus recognises that inclusion that is enhanced by diversity should be implicit within our values and mission we have as an organisation and that it can help Nexus fulfil its daily activity more effectively.

Through the development of the strategy there is a commitment to achieve the following:

- A workforce that is reflective of diversity across Tyne and Wear
- Providing accessible and welcoming public transport
- A diverse and inclusive internal culture

- Being socially responsible as a large regional employer and service provider

**RESOLVED:** The Tyne and Wear Sub-Committee noted the report.

## **50. METRO FLOW UPDATE**

The Committee received a Metro Flow Update. The Committee were advised that this was a £104m project and it was established pre-covid, before a war in the Ukraine and when inflation wasn't at 11%.

Whilst there was an over-run of 10days the project was delivered on budget. The alternative bus service continued to be delivered until the project was completed. Over 2000 people worked on the scheme and it received a 45/45 Considerate Constructors score.

There were some challenges during the project including 59 Freight Trains which required a 3 hour stand down of 300 plus operatives plus plant each time they came through the site. There were also some Network Rail strikes to contend with and the signalling systems meant that some components were obsolete and re-designs and modifications were required. Delays in the component supply chains also meant some components arrived late.

The site was formally handed back to Nexus on 10 December 2022 with testing over the following few days and services re-commencing on Wednesday 14 December.

It was noted that a massive well done was in order, as a delay of 10 days was good considering people were thinking it would go on a lot longer and that the project was delivered on budget and before Christmas was excellent.

It was suggested that hopefully devolution will help with the skills shortage and it needs to be noted that if we are given funding we are able to deliver on time and on budget.

**RESOLVED:** The Tyne and Wear Sub-Committee noted the report.

## **51. TYNE TUNNELS UPDATE**

The Committee received a report providing information the management and operation of the traffic tunnels and the management and operation of the Tyne Pedestrian and Cyclist Tunnels.

The report provided information on traffic levels at the Tyne Tunnels which are significantly higher than in previous years with over 1.5 million vehicle journeys through the tunnels during November 2022. Initial analysis suggests that some traffic may have been displaced from other Tyne crossings such as the A1 due to road works, but it is likely that the main reason for higher traffic levels is the faster journey times on the A19 due to the barrierless system at the Tyne Tunnels and other A19 improvements such as Testos and Silverlink which also have improved journey times.

The rate of successful toll payments is at 97.16% at November 2022. This is the highest compliance level since the Tyne Pass system came into operation and shows a promising trend of fewer tunnel users failing to pay their toll on time and being affected by enforcement.

The Committee were informed that there have been some delays with the inclined lift. Work is starting again and the testing and certification is programmed for May/June time. The Committee will be kept informed as progress is made.

**RESOLVED:** The Tyne and Wear Sub-Committee noted the report.

## **52. DATE OF NEXT MEETING**

The next meeting will take place on Thursday 6 April 2023 at 2pm.



**JOINT TRANSPORT COMMITTEE, TYNE AND WEAR SUB-COMMITTEE**

**NOTES OF INQUORATE MEETING**

**DATE:** 6 APRIL 2023

**VENUE:** LAMESLEY ROOM, GATESHEAD CIVIC CENTRE

**Committee Members Present:**

Councillor: C Johnson (Chair)

Councillors: P Dean and J McElroy

**In attendance:**

Statutory Officers: M Barker (Monitoring Officer – Transport)  
E Goodman (NECA Finance Manager)

Officers: P Meikle, F Bootle, M Kearney, S Stewart, H Mathews, Iain Jardine, R Watson

**53 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor G Miller and Councillor J Byrne.

The Monitoring Officer advised that the meeting was inquorate. The Chair and Committee agreed to continue with the meeting and discuss the items on the agenda, noting that no decisions could be made by the Committee.

**54 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**55 MINUTES OF THE MEETING HELD ON 12 JANUARY 2023**

The minutes could not be agreed as the meeting was inquorate and would be presented for agreement at a future meeting.

56

## **INTRODUCTION OF 21 AND UNDER FARES ON METRO, SHIELDS FERRY AND SECURED BUS SERVICES**

The Committee were advised that with the introduction of the Bus Service Improvement Plan (BSIP), Nexus plans to match the 21 and under pricing that bus operators are set to introduce. Nexus will use this opportunity to simplify its product range aimed at young people aged 21 and under.

It is planned to expand the Pop Blue smartcard from its current age range of 16 to 18 to anyone aged 21 and under. Prices will be revised to a simplified £1 single and £2.20 day cap. This will result in the removal from sale of the Pop 19-21 smartcard.

The Junior Blue smartcard which is aimed at those aged 16 and under will continue to be offered, owing to the lower price point offered for a day's travel.

The changes proposed on Metro will be mirrored on Shields Ferry and the limited number of bus services (secured bus services) where Nexus takes the revenue risk and sets fares.

By ensuring services under Nexus' control are brought into alignment with the improvements bus services will see as a result of the BSIP, Nexus is ensuring that the overall public transport offering is as attractive as possible to young people, helping to ensure a more sustainable future for the region.

Given that the meeting was inquorate the members who were present requested that officers make arrangements for an urgent decision to be made under delegated authority as this matter needs to be progressed before the next meeting of the Committee.

57

## **NEXUS CORPORATE BUSINESS PLAN 2023-24 TO 2027-28**

The Nexus Corporate Business Plan for 2023/24 – 2027/23 provides the framework for Nexus' delivery up until 2027/28, it sets out the main actions Nexus will take and the indicators by which success will be measured. The Corporate Business Plan is a rolling five-year programme, that will be reviewed on an annual basis.

Many of Nexus' long term plans are dependent on securing funding from external sources whilst delivery of the Corporate Business Plan is also dependent delivering the medium term financial plan.

The plan is built on the following five themes:

- Safety without compromise
- Our people
- Assets and Technology
- Sustainability
- Customer Experience

These are underpinned by 13 Key Performance Indicators. The Corporate Business Plan will be monitored on a weekly basis by Nexus Senior Leadership Team and

reported back to this Committee at its of its meetings.

The Committee were unable to approve the Business Plan due to being inquorate and noted that it will be brought back to the next meeting for approval.

**58**

## **NEXUS CORPORATE PERFORMANCE UPDATE**

The Committee received a report providing an update on the performance of Nexus against its Corporate Business Plan for 2022/23. The report covered periods 9, 10 and 11 – 13 November 2022 to 4 February 2023.

Between Periods 9 and 11, Metro patronage was 6.78m which is 2.4% above the periodic target of 6.62 million. Metro Patronage for the year to date is 24.22m which is 0.25% below the target of 24.28m.

Metro fare and commercial revenue for the reporting period was £10.374m whilst the total fare and commercial revenue for the year to date is £37.049m. To the end of Period 11, fare revenue is ahead of target (which was set based on 84% of pre-Covid levels) and continues to perform well. It is now expected that fare revenue will exceed 90% of pre-Covid levels across the year. It is worth noting that overall, revenue is still below pre-pandemic levels and that Nexus' cost base has risen since the pandemic and is under increasing pressure because of both the energy crisis and significant increase in inflation this past year. The government is providing support on energy costs through the Energy Bill Relief Scheme between 1 October 2022 and 31 March 2023, which is expected to offset £6.2m of the HV power overspend in the year.

Metro punctuality in periods 9 to 11 averaged 71.2% which is 11.6% below the periodic target of 82.8% whilst the 13-period moving annual average (MAA) at the end of Period 11 was 82.3% which is 4.9% below target.

In period 9 substantial water ingress resulted in a fire breaking out at a substation at Pallion. This left the substation severely damaged and as a result Network Rail were forced to suspend services between Park Lane and South Hylton whilst urgent repairs were carried out. This was coupled with a request from Network Rail to reduce frequency through Sunderland Station to a 24-minute service. Full services resumed between Park Lane and South Hylton in December.

In Period 10, heavy rain resulted in flooding at Sunderland Station which resulted in an additional service suspension between East Boldon and Sunderland Station for two days. This is linked to the construction work at the station and Network Rail are rectifying this once the building is watertight.

Additionally throughout the reporting period, passengers travelling to and from Sunderland were affected by Network Rail industrial action which meant that no services operated between Pelaw and Sunderland on several occasions.

Extended periods of extremely cold weather in January impacted on the aging train fleet, this reduced the number of sets available for service.

You also encountered higher than normal sickness levels amongst train crew during the reporting period, reducing your available resources and requiring some services to be cancelled.

In Periods 10 and 11, Nexus experienced a number of instances of cable theft in the North Tyneside area which resulted in disruption for passengers whilst repair works were carried out. Nexus has introduced additional security into the affected area and is working closely with Northumbria Police to identify the perpetrators of these crimes.

During Period 11, the ongoing works to complete the move into the new depot at South Gosforth combined with the age of trains additionally impacted train availability, reducing the number of sets available for service. As a result Nexus had to stop providing the extra peak services between Pelaw and Monkseaton in the traditional morning and evening rush hours. This has since helped to reduce the number of trains which break down in service each day, with the average gap between faults rising from 4,047km in period 10 to 4,696km by the end of period 11, and project to rise further. Nexus continue to work close with partners Stadler to assist them in improving the fleet position and make more trains available as well as providing a reduced but more reliable timetable.

In February, the first train of the new fleet was delivered marking the beginning of the transition away from ageing rolling stock.

Ferry patronage in Period 9 to 11 was 53,327 which is 24.8% above the target of 42,726. For the year to date ferry patronage is 334,685 which is 29.4% above target.

Ferry fare revenue in Periods 9 to 11 was £64,155 which is 14% above the profiled budget of £56,289. Ferry fare revenue for the year to date is £341,135 which is 13.9% above the budget of £299,352.

Secured bus patronage in Periods 9 to 11 was £454,720 which is 28.9% better than the evenly profiled budget target of £352,899. For the year to date secured bus revenue is £2,303,455 which is 76.6% better than the evenly profiled budget target of £1,304,068. Revenue targets have been reviewed as part of the budget setting process for 2023/24.

Nexus' Gender Pay Gap report for the year ending 31 March 2022 showed that the mean gender pay gap in the organisation improved from 14.43% to 10.89%, a decrease of 3.54%.

It was noted that it will be a challenge until the new fleet are up and running, it was also noted that it is worrying that there is not long term plan for some of the investment needed in metro, does the work we are strengthen our case when looking to government for funding.

It was noted that the team turned the damaged lines around really quickly. It was also noted that the renewing work only started in 2010 and an awful lot has been done, with still a lot to do. It is critical therefore that the government are continued to



be lobbied and a longer term plan is definitely something that is needed. It was also noted that by 2030 the signalling will be renewed.

It was queried whether the signalling could cause issues in terms of reliability and Signal Past Danger element. It was noted that it is in the Safety Improvement Plan and the stats are better than they were two years ago. There was a spike in July / August 2022. Rate of incidents have improved.

ASB does have an impact on performance, it is disappointing as there has been a lot of investment to make the metro appear safe and be safe. It queried whether we are looking at all areas to help tackle the issues. It was noted that Nexus work closely with all agencies and are very dynamic in reactions to any issues that arise.

It was noted that there is a lot of work to do, and we all know ASB is an issue, it was noted that it is good that there is a Multi Agency Transport Team set up with Kim McGuinness' office involved. It would be good to bring a report back to help people understand the impact of this work.

The information presented was noted by the Committee members present.

## **59 NEXUS CORPORATE RISKS 2023-24**

The Committee received a report providing an update on the Nexus Corporate Risk Register for 2023/24 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

During March 2023, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2023/24.

A detailed explanation of the risks for 2023/24 was provided in the appendix to the report, including the status. As part of the review for 2023/24 two risks have been removed from the Corporate Risk Register, they are:

- Delivery of Metro Flow, as this project has now been completed
- Patronage Recovery, as this risk managed through a number of other Corporate Risks

Two risks have been merged into one risk, as follows:

- Frontline Services and Discretionary Travel Schemes – Metro Services
- Frontline Services and Discretionary Travel Schemes – Non-Metro Services

The Bus Patronage risk from the 2022/23 Corporate Risk Register has been renamed to 'The Future of the Bus Network' to reflect broader pressures on the bus network.

There are currently 3 risks which are 'red' of these 2 risks are red because of funding uncertainties, these risks are:

- Long Term Funding for Metro

- North Shields Ferry Landing

Specifically in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation that the regional devolution agreement provides revenue and capital grant funding for 2023/24 and 2024/25. Whilst this allows for some longer term planning it does not allow Nexus to complete its full essential renewals programme. The rising costs of energy and raw materials has also applied additional pressures on budgets.

The North Shields Ferry Landing risk is red since the project to replace the North Shields Ferry Landing is currently unfunded. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities. A new landing is required by 2025 to ensure the longevity of the service. Following an unsuccessful Levelling Up Funding Bid the RAG Status for this risk has increased from 12-16, due to the increasing likelihood that the new landing will not be completed by 2025.

The final red risk is Metro Performance which is red as a result of recent disruptions to service including from the fleet availability issues, cable theft, extreme weather and issues on Network Rail infrastructure.

The Products and Payments Offer risk has improved in RAF status to Green, with the score decreasing from 9 to 6 as plans are in place to develop a range of ticketing improvements including EMV and expanding mobile products on to other mobile devices, reducing the likelihood of this risk occurring.

It was noted that the long term funding has been an issue and is something we need to keep an eye on in terms of funding for asset renewal.

The Committee noted the information presented in the report.

## **60 TYNE TUNNELS UPDATE**

The Committee received an update report on the activities at the Tyne Tunnels relating to:

- The management and operation of the traffic tunnels; and
- The management and operation of the Tyne Pedestrian and Cyclist Tunnels (TPCT)

Traffic levels at the Tyne Tunnels are continuing to be higher than in previous years with over 1.4 million vehicle journeys through the tunnels during February 2023. Compliance rate (rate of successful toll payments) under the Tyne Pass Scheme is at 97.76% in February 2023. This is the highest compliance level since the Tyne Pass system came into operation and shows a promising trend of fewer tunnel users failing to pay their toll on time and being affected by enforcement.

Operational changes due to take place on 31 March 2023 relating to the Blue Badge Scheme at the Tyne Tunnels, users will be required to register their vehicle for a Blue Badge exemption from paying the toll.

The Committee noted the information contained within the report.

**Chair.....**

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## **North East Joint Transport Committee, Tyne and Wear Sub-Committee**

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**Date:** 13<sup>th</sup> July 2023

**Subject:** Nexus Corporate Business Plan 2023/24 – 2027/28

**Report of:** Managing Director, Nexus

## Executive Summary

The Nexus Corporate Business Plan for 2023/24 – 2027/28 provides the framework for Nexus' delivery up until 2027/28, it sets out the main actions Nexus will take and the indicators by which success will be measured. The Corporate Business Plan is a rolling five-year programme, that will be reviewed on an annual basis.

Many of our long-term plans are dependant on securing funding from external sources whilst delivery of the Corporate Business Plan is also dependant delivering on our medium term financial plan.

The Corporate Business Plan is built around delivering our vision of:

# Our vision for 2025

Our Vision for the future of Nexus as the public body which can deliver this ambitious plan is built on five core principles



Along with our mission:

‘Making public transport great for our environment, economy and communities’

This is articulated through five themes:

- Safety without compromise
- Our People
- Assets and Technology
- Sustainability
- Customer Experience

The themes are underpinned by 13 Key Performance Indicators:

- Number of RIDDOR reportable accidents
- Number of assaults to staff
- Metro punctuality
- Metro service reliability (% of scheduled KM operated)
- Fleet reliability
- Customer perception of safety and security
- Customer satisfaction
- Public transport patronage
- Satisfaction with public transport facilities
- Asset reliability
- Carbon footprint
- Employee engagement
- Diversity

The Corporate Business Plan will direct Nexus’ actions over the 2023/24 and set the framework to achieve our vision for 2027/28.

The Regional Transport Plan has provided the context for Nexus’ Corporate Business plan since 2021-22. Our Corporate Business Plan directly supports the objectives of the regional plan.

<b>Transport Plan Objectives</b>	<b>Vision</b>	<b>KPIs</b>
Carbon Neutral Transport	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon footprint</li> </ul>
Healthier North East	<ul style="list-style-type: none"> <li>• Customer Experience</li> </ul>	<ul style="list-style-type: none"> <li>• Public transport patronage</li> </ul>
Overcoming inequality and grow our economy	<ul style="list-style-type: none"> <li>• Our People</li> <li>• Assets and Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Public transport patronage</li> <li>• Employee engagement</li> <li>• Diversity</li> </ul>
Appealing sustainable transport choices	<ul style="list-style-type: none"> <li>• Customer experience</li> <li>• Safety without compromise</li> </ul>	<ul style="list-style-type: none"> <li>• Metro punctuality and reliability</li> <li>• Fleet reliability</li> </ul>

	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Our People</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Satisfaction with public transport facilities</li> </ul>
Safe and secure network	<ul style="list-style-type: none"> <li>• Safety without compromise</li> </ul>	<ul style="list-style-type: none"> <li>• No. of RIDDOR reportable accidents</li> <li>• Customer perception of safety and security</li> <li>• Reliability of assets</li> </ul>

The Corporate Business Plan will be monitored on a weekly basis by Nexus Senior Leadership Team and report to TWSC at each of its meetings.

**Recommendations**

The Tyne and Wear Sub-Committee approve the Nexus' Corporate Plan 2023-24 - 2027-28.



## 1. Background Information

- 1.1 The Nexus Corporate Business Plan for 2023/24 – 2027/28 sets out five themes, underpinned by 13 Key Performance Indicators (KPIs) which will direct our action over the course of the year. Service managers will set their departmental service plans and budgets in accordance with this plan.
- 1.2 The delivery of the plan will be monitored on a weekly basis by Nexus Senior Leadership Team to ensure progress and will report to TWSC at each of its meetings.
- 1.3 Target and actions set in the plan will be realistic but challenging to ensure continual improvement.
- 1.4 The first theme in the plan is **Safety without compromise**. As a public transport operator, the safety of our network, our customers and employees are of paramount importance and the plan sets the basis for building a public transport operation people feel safe to use.
- 1.5 We will continue to work towards reducing our dependence on lookout protection, embed Life Saving Rules and improve the safety of our stations.
- 1.6 We will ensure that we have the correct safety procedures in place for our new fleet and that our train crew are confident and competent to drive our new trains.
- 1.7 Anti-social behaviour is a major cause of concern for our passengers and a significant cost to the network. We will continue to develop our multi-agency approach to tackling anti-social behaviour as well using a data led approach to tackling fraudulent travel and ASB.
- 1.8 Our second theme is **Customer Experience**. Our plans will ensure our services meet the needs and expectations of our customers.
- 1.9 The introduction of our new fleet in 2023/24 will mark a transformative moment in Metro's history and we will continue to look for ways to improve our customer experience through the modernisation of stations and by securing funding for the replacement of the North Shields Ferry Landing.
- 1.10 We will continue improve our ticketing offer by increasing the number of mobile enabled tickets and by extending mobile ticketing to other mobile wallet providers.
- 1.11 We will work alongside bus service providers to develop a price capped multi-modal ticket to make it easier for customers to move between modes of transport.
- 1.13 Working with Transport North East (TNE) and bus operators we will deliver on the outcomes identified in the Bus Services Improvement Plan (BSIP) to enhance bus services in the region, and enter a new Enhanced Partnership to sustain and improve services
- 1.14 Our third theme is **Assets and Technology**; we will continue to invest in our physical assets to improve the reliability of public transport including delivering

another year of essential renewals for the Metro infrastructure whilst also looking to secure funding to renew other assets.

- 1.15 We will continue to develop our business case to replace our signalling system this would represent one of the largest infrastructure projects in Nexus' history.
- 1.16 We will continue to develop our ICT to ensure our assets are fit for purpose, meet the needs of the business and ensure efficiency in our processes.
- 1.17 As part of our fourth theme, **Sustainability**, we will continue to deliver on the actions identified in our Energy and Environment Strategy whilst we will also look to identify partners to work with on the next stage of the CLEANFerry project.
- 1.18 We will continue to deliver on our medium term plan as well as working to secure long term funding certainty for our capital programme.
- 1.19 Our fifth theme is **Our People**, we will begin to implement our People and Culture Strategy, designed to build Nexus' reputation an employer of choice.
- 1.20 We will continue to develop a programme of career development and succession planning activities to ensure that we have the right skills to deliver on our priorities in future.
- 1.21 We will deliver our new employee engagement strategy, designed to ensure that our colleagues voices are heard across the business.
- 1.22 Once approved the Corporate Business Plan will be monitored on a regular basis by the Nexus Senior Leadership Team and progress reported to TWSC.

## **2. Proposals**

- 2.1 It is proposed that the TWSC approves the Nexus Corporate Business Plan 2023/24 – 2027/28.

## **3. Reasons for the Proposals**

- 3.1 The Nexus Corporate Business Plan will ensure that Nexus continues to deliver the transport priorities of the Joint Transport Committee
- 3.2 The Corporate Business Plan demonstrates how Nexus will deliver services funded by the levy.

## **4. Alternative Options Available**

- 4.1 The sub-committee could instruct Nexus to adopt different priorities.

## **5. Next Steps and Timetable for Implementation**

- 5.1 If the Corporate Business Plan is approved it will be implemented and monitored on a weekly basis.

## **6. Potential Impact on Objectives**

6.1 The Corporate Business Plan supports the delivery of objectives around growing the use of public transport and supporting economic regeneration of the region, helping to provide access to employment and leisure.

## **7. Financial and Other Resources Implications**

7.1 Nexus' Director of Finance and Resources confirms that the 2023/24 budget and medium term financial plan were approved by the JTC in January 2023 to enable the delivery of the Corporate Business Plan.

7.2 However, some elements of the Corporate Business Plan are subject to external funding bids which if unsuccessful, would impact the deliverability of some of the projects identified.

## **8. Legal Implications**

8.1 The Corporate Business Plan ensures Nexus meeting its legal obligations on service delivery.

## **9. Key Risks**

9.1 The main risk is that unforeseen budgetary pressures emerge throughout the year which diverts resources to other priorities.

9.2 Finally, there is a risk the external funding bids are not successful and other funding opportunities do not materialise, impacting on the deliverability of some of the projects in the plans.

## **10. Equality and Diversity**

10.1 All Nexus project and services are impact assessed to ensure that they are accessible and the business plan is underpinned by the Nexus Equality and Diversity strategy.

## **11. Crime and Disorder**

11.1 Nexus work closely with the Metro police unit and British Transport Police to ensure the safety of the network. The Corporate Business Plan will also be underpinned by the Personal Safety and Security strategy which is currently under development and due to be published in 2023/24.

## **12. Consultation/Engagement**

12.1 The business plan has been developed through internal consultation with all relevant departments of Nexus and from Nexus' approved strategies.

12.2 The business plan is also underpinned by market research, customer feedback and best practice from elsewhere which can be applied to Nexus and Metro services.

12.3 TWSC was consulted on the draft business plan at a policy seminar in October 2022.

**13. Other Impact of the Proposals**

- 13.1 The Corporate Business Plan will put in place plans aimed at growing the use of public transport, helping to reduce car journeys on the local road network, helping to reduce congestion and improve air quality.

**14. Appendices**

- 14.1 **Appendix A:** Nexus Corporate Business Plan 2023/24 -2027/28

**15. Background Papers**

- 15.1 None

**16. Contact Officers**

- 16.1 Name: Martin Kearney  
Designation: Managing Director  
E-mail: martin.kearney@nexus.org.uk  
Tel: 0191 203 3500

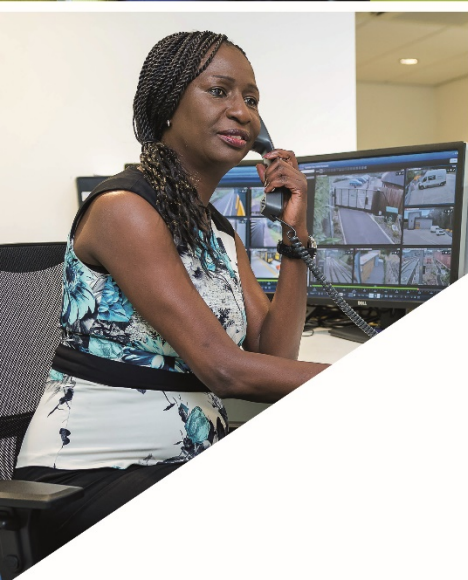
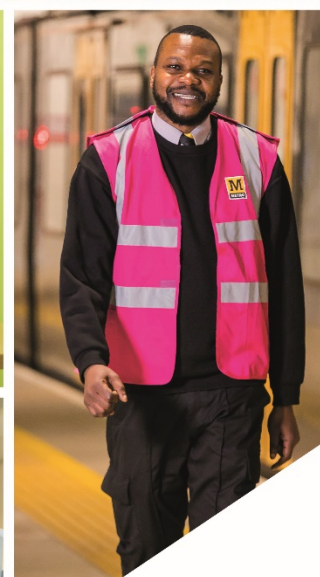
**17. Sign off**

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

**18. Glossary**

# Nexus Corporate Plan

2023/24 – 2027/28



# Our vision for 2025

Our Vision for the future of Nexus as the public body which can deliver the ambitious plan is built on five core principles



# Nexus Mission

**'Making public transport great for our environment, economy,  
and communities'**

## Executive Summary

Our Corporate Plan sets out the framework for what Nexus will deliver from 2023/24. The plan draws from the Regional Transport Plan, Nexus Corporate Strategies and is underpinned by market research, evidence and best practice.

To achieve our vision, our Corporate Plan is built around five themes:

- Safety without compromise
- Our People
- Assets and Technology
- Sustainability
- Customer Experience

Our performance is measured via thirteen Key Performance Indicators:

- Number of RIDDOR reportable accidents
- Number of assaults to staff
- Metro punctuality
- Metro service reliability
- Fleet reliability
- Customer perception of safety and security
- Customer satisfaction
- Public transport patronage
- Satisfaction with public transport facilities
- Asset reliability
- Carbon footprint
- Employee engagement
- Diversity

Nexus has established a long-term Corporate Plan which aligns with the regional planning framework that is set out in the North East Regional Transport Plan.

The Regional Transport Plan sets out five objectives for transport across the North East and Nexus is required by the Joint Transport Committee of the two Combined Authorities that Nexus serves, to deliver the policy and objectives set through their plan.



The objectives of the Regional Transport Plan are:

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

**Our vision and KPIs which support our business plan assist in the delivery of the Transport Plan objectives**

Transport Plan Objectives	Vision	KPIs
Carbon Neutral Transport	Sustainability	Carbon footprint
Healthier North East	Customer Experience	Public transport patronage
Overcoming inequality and grow our economy	Our People Assets and Technology	<ul style="list-style-type: none"> <li>• Public transport patronage</li> <li>• Employee engagement</li> <li>• Diversity</li> </ul>
Appealing sustainable transport choices	Customer experience Safety without compromise Sustainability Our People	<ul style="list-style-type: none"> <li>• Metro punctuality and reliability</li> <li>• Fleet reliability</li> <li>• Customer satisfaction</li> <li>• Satisfaction with public transport facilities</li> </ul>
Safe and secure network	Safety without compromise	<ul style="list-style-type: none"> <li>• No. of RIDDOR reportable accidents</li> <li>• Customer perception of safety and security</li> <li>• Reliability of assets</li> </ul>

Nexus is currently undertaking its budget setting process and our ability to deliver the Corporate Business Plan as set out, is contingent upon the availability of both capital and revenue funding.

The COVID-19 pandemic had a significant impact on Nexus’ revenue budget and patronage on Metro has still not recovered to pre-pandemic levels. We anticipate that the emerging cost of living crisis will have further downwards pressure of customers willingness and ability to travel, particularly for leisure and retail journeys which have formed the backbone of Metro’s recovery to date.

The cost-of-living crisis has also impacted on Nexus’ costs, in particular we have seen significant increases in the costs of power, with energy bills more than doubling in 2022 and to remain high throughout the delivery of this plan. In addition, inflationary cost pressures on projects impacts the amount of work Nexus can undertake through our capital programme.

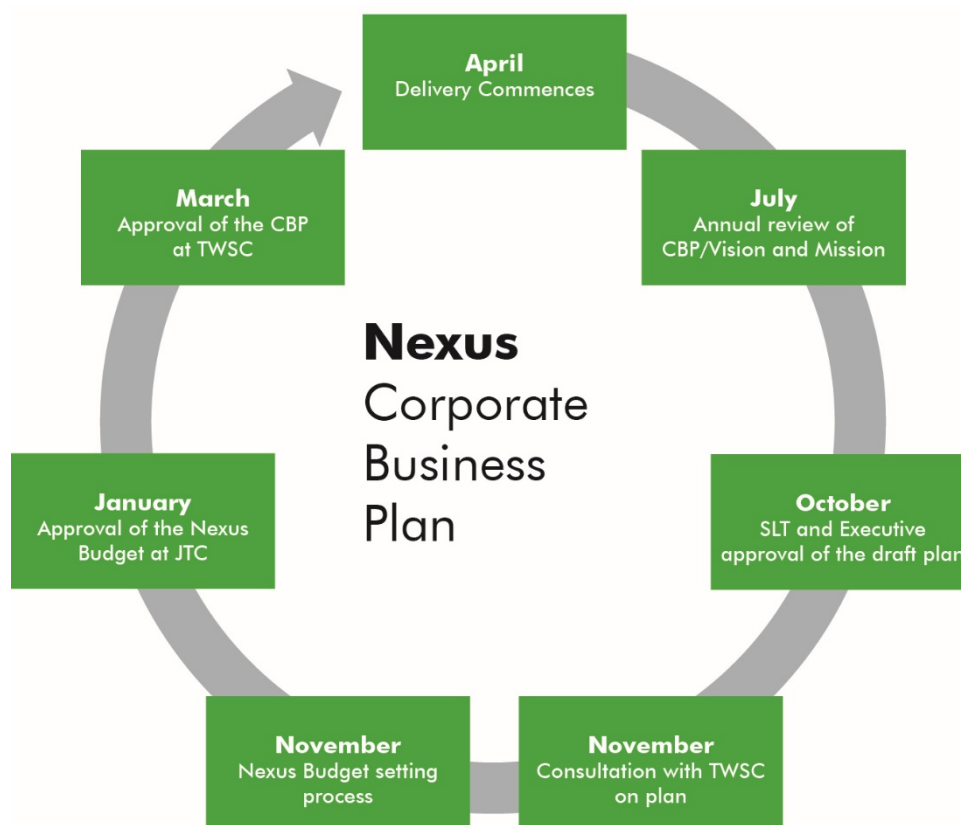


Nexus is lobbying the Government for additional support to offset the impacts of the increase in the cost of power, and we are also in discussions regarding the Tyne and Wear transport levy with the North East Joint Transport Committee and our local authority partners in order to manage our budget deficit and become financially sustainable over the medium term. In addition to this, we await the outcome of the Spending Review in order to secure our 'business as usual' capital and revenue grant funding for the Tyne and Wear Metro, from the Department for Transport.

In the next year we look forward to the first of our new fleet of trains entering into operational service which, along with the Metro Flow project completed in 2022, represent two exciting investments into our network which enable a step change in customer service, and will attract a new generation of customer to Metro.

We also hope to have secured funding and commenced work on the relocation of the North Shields Ferry landing. A project that will secure the future of the Ferry as well as supporting economic regeneration, tourism and leisure on both sides of the river.

Nexus will also play our role in delivering the Bus Service Improvement Plan for the region, setting bus services and public transport at the heart of sustainable economic growth.



Our Corporate Plan will align with the policies, aims and objectives of the Regional Transport Plan and will be supported by our internal business planning processes which complement and support the financial and performance reporting duties and responsibilities of Nexus to the Joint Transport Committee.

We are a public body and develop our plans by listening to local people and businesses. When we intend to make changes or deliver projects which impact on people, we seek to ensure there is appropriate engagement and that we are accountable of the feedback we receive.

Our strategies set out what we will deliver to meet these objectives and are developed using market research, evidence and best practice to help us to achieve our vision.

## Theme 1: Safety without Compromise

### Performance indicators

- Number of RIDDOR reportable accidents
- Number of assaults
- Customer perception of safety and security
- Signals passed at danger (SPADs)
- Employee lost time accidents
- Passenger accidents
- Delays due to anti-social behaviour
- Crimes reported by Nexus
- Fraud Rate

### In 2023/24 we will:

#### A Harm Free Environment

The safety of colleagues and customers is Nexus' main priority, and we will continue our work to reduce the frequency and severity of accidents occurring on our network.

We will improve our track safety by continuing our work to reduce the dependence on lookout protection and develop our remote asset condition monitoring capacity.

We will continue develop Life Saving Rules and will review our processes for best practise against those of other operators.

We will begin to implement the outcomes of our station safety reviews to ensure that our stations meet the highest safety standards for both customers and colleagues.

#### Improve Operational Safety

We will ensure that our new fleet has the required safety procedures in place and that our Train Crew are confident and competent in driving the new trains through a combination of simulator and live training along with ongoing coaching and support from managers.

We will look at best practise on SPAD reduction from elsewhere in the industry to ensure that the measures we have in place to reduce the likelihood of SPADs occurring are comprehensive and effective.

## Reduce anti-social behaviour

Anti-social behaviour, including vandalism, graffiti, ticketless travel and intimidating behaviour is a problem we will address across the Metro network and our wider public transport infrastructure. Our research tells us that anti-social behaviour and ticketless travel is a key priority for our customers and addressing this issue will assist in growing patronage, particularly in the evenings, through improved perceptions of safety and security.

We will continue our deployment of additional security staff to provide reassurance to passengers whilst implementing a data led approach to staff deployment in order to tackle ASB hotspots. We will seek to introduce re-deployable CCTV to our network allowing resources to be targeted at key locations.

We will continue to work with the Police and Crime Commissioner's office, Northumbria Police, British Transport Police and Local Authority colleagues to deliver a multi-agency approach to tackling ASB, hate crime and sexual harassment through combined resources.

### By 2027/28:

Safety will continue to be at the heart of everything we do. We will have industry leading accident frequency rate with colleagues confident that the training provided, processes in place and support available, provides them with a safe working environment.

We will have fully embedded a safety culture, with a process of continuous improvement and will have begun the process to align our rulebook to that of other operators. We will have a well-established, remote asset condition monitoring regime allowing for targeted maintenance and inspection work thereby reducing the amount of look out protection required on the network.

We will have a well established SPAD prevention programme including training, monitoring and support for Train Crew.

We will continue to tackle anti-social behaviour through enhanced CCTV on both trains and stations which feed live through to the Control Room and an increased staff presence at our stations and on our trains. We will also have sought funding to introduce additional gatelines across the network to reduce fraudulent travel and improve passenger perception of safety and security.

## Theme 2: Customer Experience

### Performance indicators

- Metro patronage
- Metro punctuality
- Metro reliability
- Metro customer satisfaction
- Net promoter score
- Satisfaction with the range of tickets
- Satisfaction with the cost of tickets
- Satisfaction with information
- Subsidy per Secured Bus Passenger
- Satisfaction with bus information at stops and stations
- Ferry customer satisfaction
- Ferry patronage
- Customer complaints
- Public transport percentage of total journeys made
- Take up of Pay as You Go (PAYG)

### In 2023/24 we will:

#### Invest in our infrastructure

We expect our first new train to enter into passenger service in 2023, this will be a landmark moment in Metro's history, beginning the transition between the fleet which first entered service when Metro was introduced to a new generation of trains which serve the region for the next thirty years.

Work to modernise and improve a number of Metro stations including Byker, Whitley Bay and Cullercoats will begin whilst we will also continue to develop plans and seek funding to refurbish Monument, Gateshead and Regent Centre Metro Stations.

We will support the work looking at extensions to the Metro and local rail network being led by Transport North East (TNE).

#### Products, Payments and Information

Our ticketing offer will continue to modernise and reflect the demands and needs of our customers. We will enhance our POP brand through the development of additional mobile enabled tickets and extending mobile ticketing on to other mobile wallet providers whilst we will also begin to develop plans for account-based ticketing.

Through the Bus Services Improvement Partnership (BSIP), we will work in partnership with bus providers to deliver price capped multimodal ticketing making it easier for customer to move between modes of transport.

We will improve our real time information provision on both Bus and Metro to ensure that passengers are able to make informed travel decisions.

Our new ticket machines will be installed in our car parks which, along with safety improvements funded through Transforming Cities Fund, will enhance our customers experience in using our

carparks, throughout 2023 we will promote our park and ride offer to grow patronage and help support reducing congestion and improving air quality in our urban centres.

### **An excellent customer experience**

The completion of the Metro Flow project will allow for greater resilience in the Metro network, allowing for better recovery of delayed services and provide the opportunity for future service enhancements.

Working with TNE and bus operators we will deliver on the outcomes identified in the BSIP to enhance bus services in the region and enter a new Enhanced Partnership to sustain and improve services.

We will begin work towards achieving a 'Autism Friendly Award' and reinvigorate our dementia awareness training.

### **By 2027/28**

The Tyne and Wear will be served by a high quality, reliable and integrated public transport network with the patronage growing across all modes. Customers will feel confident switching between modes of transport knowing that they the lowest available price through account-based ticketing and price capped multi modal ticketing as well as having access to accurate real time travel information.

We will seek funding to ensure that most used Metro and Bus stations, including Monument and Gateshead interchange, are modernised to a high standard whilst we will also improve the look and feel of our all of our stations.

Our new fleet will be fully embedded with a new ten-minute timetable in operation, increasing capacity on the network.

The Shields Ferry will undergo the biggest transformation in a generation with the construction of a new Ferry landing on the North Shields Fish Quay, providing better links to bus services and the businesses in the area.

## Theme 3: Assets and Technology

### Performance indicators

- Assets in service
- Asset inspection and maintenance regime
- Digital connectivity across the network
- Time/Cost/Quality of the essential renewals programme
- Customer satisfaction with facilities
- Accessibility of facilities

### In 2023/24:

#### Improve our physical assets

We will continue to deliver on our asset renewal programme whilst continuing to lobby for greater funding assurance to provide us with the ability to develop a long term fully funded programme of improvements for our network.

We will continue to develop remote asset condition monitoring to identify which of our assets need proactive attention to reduce failures and improve reliability.

We will continue in the development of our business case to replace our signalling system, ensuring that our physical assets keep pace with the performance improvements that will be delivered by our new fleet.

After starting our refurbishment process in 2022/23, we will complete planned half-life overhaul of a number of our lifts and escalators, extending their lifespan by a decade.

We will develop a plan and seek funding to refurbish any bus stops in the region which do not meet modern standards.

#### Technology

We continue to deliver on our ICT strategy to improve our internal processes, utilising modern ICT techniques to make our organisation as efficient as possible through better utilisation of Office 365 and the development of technology roadmaps.

We will begin working with the data provided by our new fleet to understand the potential improvements it could make to the service and customer experience.

We will begin to implement our 3 year cyber security plan with the aim of achieving 'Cyber Essentials' accreditation.

### By 2027/28:

We will have secured funding for the replacement of our signalling system and will be in the process of delivering on the largest infrastructure project in Metro history.

We will have delivered on our customer connectivity project, providing good mobile phone reception across our network whilst our Cyber Security systems will have achieved Cyber Essentials accreditation.

## Theme 4: Sustainability

### Performance indicators

- Carbon footprint of Metro operations
- Energy consumption

### In 2023/24:

#### Environmental

We will seek partners to work with on the next stage of the CLEANFerry project designed to improving the environmental performance of the Shields Ferry.

We will develop an Environment, Social, Governance Strategy establishing our corporate obligations and reaffirming commitments on Biodiversity, Climate Change, Climate Risk, and Carbon Reduction in line with our responsibilities as an organisation.

As part of our journey to improved environmental performance we will continue to deliver on our Environment and Sustainability strategy through: improved reporting of greenhouse gas emissions, the introduction of departmental sustainability competitions and introducing an environmental frameworks for our major projects.

We will continue to work with bus operators to increase the number of Electric, Euro 5 and Euro 6 buses on our routes, particularly in Clean Air Zones.

We will develop and implement plans to move our road fleet to Ultra Low Emissions Vehicles (ULEV).

#### Financial

Delivery on the Nexus Medium Term Financial Plan will continue whilst, we will continue to work with the Department for Transport and HM Treasury to secure long term certainty of funding for our capital programme across Metro, Ferry and Bus infrastructure.

We will work alongside bus operators to deliver on the agreements in the Bus Services Improvement Partnership.

As part of our Capital Projects pipeline we will continue to scan the horizon for suitable funding opportunities to deliver on our priorities.

Our commercial strategy will be refreshed to identify income generation opportunities for the organisation to help provide additional sustained sources of funding.

### By 2027/28:

The launch of the new fleet will generate a step change in energy consumption and the consequential carbon footprint of the Metro network. We will investigate and where possible invest in technologies which exploit this and the capabilities of the new fleet to further improve the environmental credentials of the system. We will work to ensure that we reduce the environmental impact of our buildings and other infrastructure. We will have established a system to understand the carbon impacts of all of our projects.

We will have a network of environmental champions in place within our organisation, ensuring the public transport we provide is as green as possible. We will have achieved awards and accreditation for our environmental programme and implemented a wider range of energy initiatives across our estate to improve our carbon footprint. We will embed environmental initiatives into our projects.

We will have secured long term asset renewal funding for our network and will have utilised the performance improvements delivered by the new fleet and Metro Flow projects to increase patronage to above pre-pandemic levels.

## Theme 5 : Our People

### Performance indicators

- Employee engagement indicators
- Absence levels
- Workforce diversity
- Applicant diversity

### In 2023/24:

#### A great place to work

We will begin implementing our People and Culture strategy, making improvements to our recruitment and talent attraction process to build Nexus' reputation as an employer of choice.

Work will continue to develop our onboarding and induction process, developing a standardised process so that all new recruits to our organisation will experience the same positive and supportive introduction to the business.

Following on from the success experienced attending events such as Pride UK, we will continue to support events and occasions which celebrate the diversity of our region.

We will embed diversity and inclusion within our business through the implementation of our Diversity and Inclusion strategy.

#### Developing our people

Our people are our biggest asset and as such it is important that we provide individuals with the support and skills they need to build their career through Nexus.

We will develop a programme of career development and succession planning activity to ensure that people have the opportunities to progress in their career within Nexus.

We will build on work to review our competency system to ensure that people have the correct skills in which to safely, efficiently and confidently carry out their roles.

The introduction of our new fleet will require our existing driving staff to be released from duty to be trained on the new equipment whilst also maintaining a consistent service for our passengers.

#### An engaged workforce

We want our people to be brand ambassadors for Nexus, proud of the work they do and the role that Nexus plays for the residents of Tyne and Wear. We will begin to develop the activities identified in our People and Culture strategy including continuing to develop our internal communications strategy, providing routes for colleagues to provide their ideas or concerns and ensuring that this feedback is acted upon.

We will continue to provide health and wellbeing advice and support within the workplace which will contribute to employee engagement, reduction in sickness absence and also ensure our employees are able to operate and perform at their potential.



## By 2027/28:

We will be an organisation which achieves high satisfaction scores from its employees, which is reflected in high levels of customer satisfaction. We will have managers and leaders who are supported in their development with strong succession and development plans in place across the whole organisation. We will also have well established apprentice and graduate development schemes.

Our workforce will better represent the communities we serve, allowing us to better understand the needs of our customers.

## Summary

With introduction of our new train fleet and by realising the benefits of Metro Flow, 2023/24 will begin one of the most transformative eras in Nexus' history. Our new fleet will improve customer experience and comfort, improve our environmental performance and, through enhanced on-board CCTV, improve our ability to tackle unwelcome behaviour. Metro Flow will provide additional capacity for customers on our network and will make our service more robust in times of disruption.

Beyond 2023/24, Nexus will continue to develop its ambitious plans to improve public transport in the region, developing plans for improving and renewing our infrastructure, developing plans for expanding our network and securing the long-term future of the Shields ferry.

We will continue to build on the environmental improvements delivered by our new fleet through a range of energy saving measures designed to reduce our carbon output and set out a pathway to 'net zero'. We will ensure that our services are seen as the sustainable travel choice for environmentally conscious individuals by improving our park and ride offer, EV charging facilities, improving interconnectivity between modes of transport and enhancing our cycle parking facilities.

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## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 13 July 2023  
**Subject:** Metro Performance Update  
**Report of:** Managing Director

### Executive Summary

The purpose of this report is to outline the performance challenges that Metro has faced since Period 9 of 2022/23 and the actions that have been taken to provide customers with a more reliable service up to Period 2 of 2023/24.

Fleet availability improved from 57.6% in Period 10 to 87.5% by Period 2 because of a range of interventions Nexus and its contractor, Stadler Rail Services, have introduced.

Following fleet availability improvements and the successful management of incidents, punctuality has steadily improved from 67.7% at the end of Period 10 to 86.6% at the end of Period 2.

### Recommendations

The Tyne and Wear Sub-Committee is recommended to note Metro's performance against its targets for 2023/24.

## 1. **Managing Metro Performance**

1.1 The purpose of this report is to outline the performance challenges that Metro has faced since Period 9 of 2022/23 and the actions that have been taken to provide customers with a more reliable service up to Period 2 of 2023/24.

1.2 Between Periods 1 and 9 of 2022/23, Metro punctuality averaged 84.9%, which was 2.0% below the target of 86.9%. Full fleet availability was met on 87.0% of occasions in this reporting period.

1.3 In Period 9, Stadler opened the new Metro depot at South Gosforth which coincided with a reduction in fleet availability and punctuality per period. The move to the new depot created issues around Metrocars being stopped while awaiting the wheel lathe, challenges in responding to motor and power faults, and difficulty in allocating depot space for maintenance and repair. Although this is because of the new depot being designed to maintain the new fleet, along with stabling capacity restrictions, this is in line with Stadler's delivery plan and therefore should have been anticipated. Stadler has been unable to meet their availability requirements, resulting in regular cancellation of services, in particular peak short services, for which contractual penalties have been levied by Nexus.

1.4 We continue to work closely with Stadler in the transition to the new depot as they work to improve fleet availability. In addition to logistical challenges associated with the new depot becoming operational, the impact of cold weather and the age of the fleet is a constant challenge, although the contractual obligations placed on Stadler make the resolution of such challenges theirs to solve. Alongside this, a high turnover of staff has also been a challenge in maintaining service levels.

1.5 To respond to these challenges, Nexus amended the Metro timetable at the end of Period 11, removing 'peak short' services between Pelaw and Monkseaton in the traditional morning and evening rush hours, which are less pronounced post-Covid.

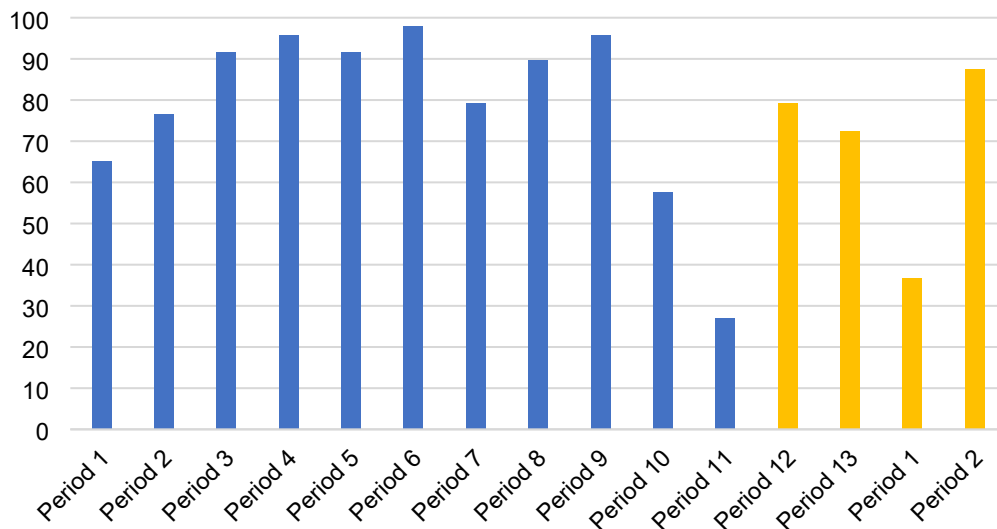
1.6 Whilst the removal of the 'peak shorts' on weekdays has meant a reduction in the frequency of services, this has helped improve the customer offer, with reliability improving. Fleet availability for Period 10 was 57.6% and fell further to 27.1% in Period 11. However, based on a revised target of 28 trains per day, implemented at the end of Period 11, fleet availability improved to 87.5% in Period 2. When availability exists, peak services operate based on capacity needs. Assessments of the changes have confirmed that enough capacity exists for the demand experienced.

1.7 Stadler has been issued with a formal remedial plan and in response, has begun to increase headcount in key areas and appointed external specialists to assist in diagnosing some of the power faults they are encountering. Stadler's investment in additional technical resource has cost circa £500k. They have also invested circa £40k in securing 3rd party specialists (such

as SNC Lavalin/Atkins for technical support relating to ongoing power issues and TXM Consult for depot operational support). Stadler are managing obsolescence and key suppliers closely for materials and component overhauls.

1.8 Figure 1 details the percentage of full fleet availability, with the yellow bars indicating the Periods inclusive of the revised target where ‘peak shorts’ had been removed. The graph shows the positive impacts of the changes that have been implemented. The percentage of full fleet availability was notably lower in Period 1; this was due to an accumulation of faults, which were difficult to manage due to challenges around procuring replacement parts and issues with stabling at the depot.

1.9 Figure 1: Percentage of full fleet available



1.10 Alongside these fleet availability issues, Nexus faced several significant infrastructure incidents from Period 9 onwards which impacted upon punctuality, including a number of extreme weather events which caused a fire at Pallion substation, flooding at Sunderland station, and significant damage to the roof canopy at Whitley Bay station. There was also industrial action on Network Rail Infrastructure and higher levels of driver sickness in Period 9, together with a number of instances of cable theft in Periods 10 and 11. Further, a line closure between Regent Centre and Airport also impacted service in Period 13.

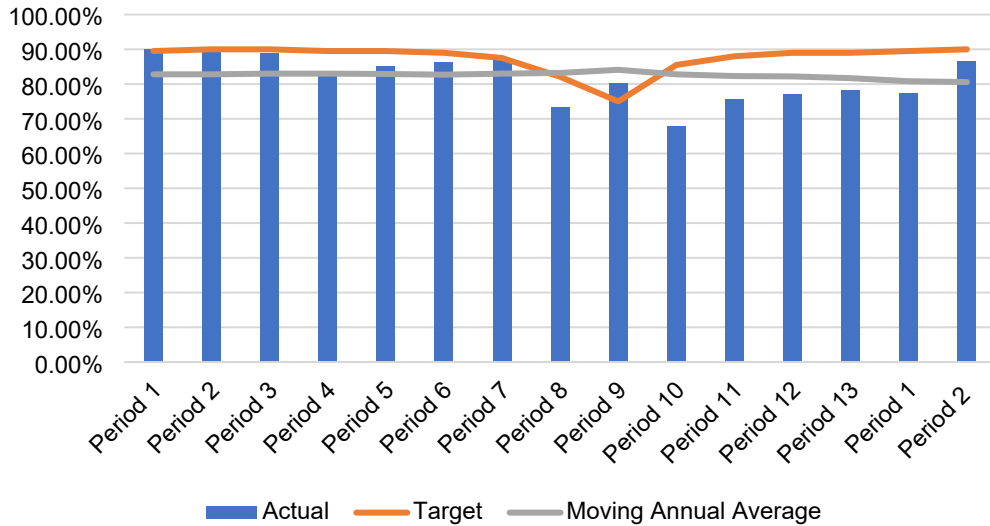
1.11 Additionally, 800 metres of overhead line ‘de-wirement’ occurred in Period 13 and into Period 1, which caused a service suspension between Pelaw and Jarrow and Pelaw and Brockley Whins. Nexus’ ability to recover from this incident was impacted by fleet availability, alongside the restricted maintenance opportunities on trains used during the disruption.

1.12 The following graph shows how punctuality was adversely affected by the aforementioned challenges and the associated impact on fleet availability. In a similar manner to fleet availability, punctuality has steadily improved to

86.6% at the end of Period 2 from a low point of 67.7% at the end of Period 10, showing the positive impacts that improved fleet availability brought to punctuality.

1.13

Figure 2: Periodic punctuality



**2. Proposals**

2.1 There are no proposals in the performance update.

**3. Reasons for the Proposals**

3.1 Not applicable to a performance update.

**4. Alternative Options Available**

4.1 No alternatives arise in respect of this performance update.

**5. Next Steps and Timetable for Implementation**

5.1 Nexus will continue to monitor and manage Metro performance.

**6. Potential Impact on Objectives**

6.1 Monitoring of Metro performance helps to provide assurance that local transport policies and objectives are being implemented efficiently and effectively.

**7. Financial and Other Resources Implications**

7.1 Nexus' Director of Finance and Resources confirms that there are no immediate financial implications arising from this report and that Nexus' performance is being managed from within existing resources.

## **8. Legal Implications**

8.1 There are no direct legal considerations arising from this performance monitoring update report.

## **9. Key Risks**

9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management, including the review of Nexus' corporate risk register.

## **10. Equality and Diversity**

10.1 There are no specific equalities and diversity considerations arising from this performance update.

## **11. Crime and Disorder**

11.1 There are no specific crime and disorder considerations arising from this performance update.

## **12. Consultation/Engagement**

12.1 There are no specific consultation or engagement considerations arising from this performance update.

## **13. Other Impact of the Proposals**

13.1 There are no direct proposals arising from this performance update, and therefore no consequential impacts.

## **14. Appendices**

14.1 None

## **15. Contact Officers**

15.1 Martin Kearney  
Managing Director  
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Tel: 0191 2033500

## **16. Sign off**

16.1

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

- Monitoring Officer: v
- Chief Finance Officer: v

## **17. Glossary**

17.1 Any acronyms or technical terms used are explained in the body of the report.



## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 13 July 2023  
**Subject:** Nexus Corporate Performance Update  
**Report of:** Managing Director

### Executive Summary

The purpose of this report is to provide an update on the performance of Nexus against its Corporate Business Plan for 2023/24. This report covers Periods 12 and 13 of 2022/23 and Periods 1 and 2 of 2023/24, which encompasses 5 February 2023 to 27 May 2023.

Metro Patronage continues to recover and finished 2022/23 at 29,029,194 journeys. This was 1.8% ahead of target but still below pre-pandemic levels. Patronage continues to grow and was 1.4% above target for Periods 1 and 2 of 2023/24.

Metro fares and commercial revenue is ahead of target but still below pre-pandemic levels, while Nexus' cost base continues to be under significant pressure due to inflation and the energy crisis. Patronage and revenue on the Shields Ferry and secured bus services are also ahead of target.

Metro punctuality improved to 82% in Periods 1 and 2 compared to 77.7% in the previous two periods but remains below the target of 89.8%. Nexus removed 'peak short' services between Monkseaton and Pelaw from the morning and evening rush hours in Period 11 to reflect the number of trains from the ageing fleet our contractor Stadler could make available; while this has meant a reduction in frequency it has helped improve the customer experience by providing greater reliability. Fleet availability was 87.5% in Period 2 compared to 27.1% in Period 11.

Nexus' capital investment programme saw a number of milestones in the last four periods including the delivery of the first new Metro trains for testing and the completion of maintenance facilities at Metro's depot in South Gosforth. Metro's in-house team installed 6,000 metres of new overhead power lines between Regent Centre and Airport; 67% of overhead wire across Nexus' infrastructure has now been renewed in the past 10 years. Engineers also worked round the clock to restore services in three days after 800m of wires were brought down at Pelaw on 30 March.

Nexus' £104 million Metro Flow project, completed earlier this year, has been named a finalist for Project of the Year and Infrastructure Achievement of the Year at the 2023 National Rail Awards. Metro's operations and customer service team is also a finalist at the awards for their efforts to deliver the 2022 Great North Run.

### **Recommendations**

The Tyne and Wear Sub-Committee is recommended to note Nexus' performance against its key priorities in its Corporate Plan for 2023/24, including Metro performance.

**1. Background Information**

- 1.1 The report provides summary information about Nexus' progress against its Corporate Plan (CP) targets and objectives for 2023/24
- 1.2 For 2023/24 the CP has five main themes and 13 key priority work-streams.
- 1.3 A summary of the RAG (Red/Amber/Green) status for each of these workstreams is outlined below:

<b>Safety without Compromise</b>	
<b>Workstream</b>	<b>Status</b>
A Harm Free Environment	The 2023/24 Safety Plan is progressing to plan.
Improve Operational Safety	The 2023/24 SPAD (Signals passed at danger) reduction plan is being implemented.
Reduce anti-social behaviour	We have introduced additional security presence on the network and incidents of ASB are reducing.

**A Harm Free Environment**

- 1.4 The 2023/24 Safety and Security Plan is progressing to plan, with a focus on reducing workforce harm, customer safety, and public safety.
- 1.5 We are continuing with our escalator and stairs poster safety campaign aimed at reducing customer accidents at stations, especially in the Central corridor. We have also updated our station safety messaging to reflect these risks.
- 1.6 We have added our Defibrillators to the national register which allows people to see their location and alerts Nexus to their use, allowing us to trigger our process to replace the pads.

**Improve Operational Safety**

- 1.7 Nexus is continuing to deliver on the 2023/24 Signals Passed at Danger reduction plan.
- 1.8 Nexus currently has a monthly SPAD reduction working group, made up of attendees from various parts of the business and trade unions. We have taken additional steps to reduce the likelihood of SPADs occurring, including detailed training sessions, a continued review of our infrastructure, and support for safe and effective driving and management. We are beginning to see some of the positive influence produced by some of the actions implemented in 2022/23.

## **Reduce anti-social behaviour**

- 1.9 On 25th May, Nexus expanded its daily security presence on the Metro Network with 44 Security officers on the network from 19:00 ensuring that the majority of trains had a security presence to provide reassurance to customers and the Metro team. The cost of the expanded security team is being met from increased Metro revenue, together with a contribution from the Safer Streets ASB and transport initiative provided by the Police and Crime Commissioner.
- 1.10 In Periods 1 and 2, Nexus' external Security Team recorded 3,173 incidents of unacceptable behaviours including vaping, playing music, or shouting on board a train. 1,995 individuals were refused travel or removed from services during this reporting period.
- 1.11 Nexus has relaunched Operation Maple between Meadow Well and Northumberland Park during the spring and summer months, in a joint initiative between Northumbria Police, North Tyneside Council and Nexus. The operation sees uniformed and plain-clothed officers ride the Metro network during entire shifts to provide a visible policing presence, offer reassurance to the public and swiftly deal with disorder.
- 1.12 Nexus also continues to support Operation Coastwatch, in operation between Cullercoats and Tynemouth, which sees North Tyneside Council, Northumbria Police and Nexus work together to keep the beaches, Metro network and coastal communities safe. The efforts have been bolstered by the creation of a new ASB taskforce, overseen by North Tyneside's Elected Mayor.
- 1.13 Nexus, alongside North Tyneside Council, has won a Problem Solver Award from Northumbria Police, recognising the success of the Operation Coastwatch and Operation Maple partnerships to confront anti-social behaviour.
- 1.14 We are working alongside the Police and Crime Commissioners Office to provide training to customer-facing staff around tackling anti-social behaviour across the network.
- 1.15 Our workstream to combat anti-social behaviour includes an extensive out-reach programme with schools recognised as industry best practice. The Nexus Youth Liaison Officer Deborah Rodenby sees more than 12,000 young people every year in lessons and small groups, and was this year shortlisted for the UK Women In Rail Unsung Hero award recognising her work in the community.

<b>Customer Experience</b>	
<b>Workstream</b>	<b>Status</b>
Invest in our infrastructure	Work on our Fleet Replacement Programme and renewals work is progressing to plan.
Products, Payments, and Information	Nexus has implemented a price freeze on Pop based on April 2021 prices.
An excellent customer experience	Patronage continues to perform well.

### **Invest in our infrastructure**

- 1.16 Work on delivery of the new depot and train fleet is progressing well, although the ongoing impacts of recent global events on the supply chain/logistics continues to represent a heightened risk to programme delivery, which requires careful management and ongoing monitoring by Stadler. Despite this, we have successfully completed Pre-Delivery Acceptance (Factory Acceptance) for Units 1 to 7 (inclusive), Units 1 and 2 remain at Czech Republic for ongoing Dynamic testing on the test track, and Units 3, 4 and 5 are at Gosforth Depot. In addition to this, and following an extensive planning phase, testing of the new fleet commenced on the Nexus Network on 10 May which represented a key milestone within the Fleet Replacement Programme. It is expected that the testing phase of the project will be challenging, and effective collaboration between Stadler and Nexus, as well as support from across the organisation, will be important in this phase.
- 1.17 Nexus began undertaking a deep clean of all Metro cars in May, which has helped to improve the presentation of the trains after the winter and improve passenger experience.
- 1.18 Works are continuing as Nexus builds up to the proposed relocation of the North Shields Ferry Landing. Borehole investigation works at the proposed new landing site have concluded.
- 1.19 In 2022/23, a number of significant projects were delivered which will improve services for passengers for years to come including the delivery of the first trains of the new Fleet and the completion of the new maintenance depot in South Gosforth along with the completion of Metro Flow.

### **Products, Payments, and Information**

- 1.20 The £2 cap on single journeys and £4 daily cap for all Metro journeys ended on 31 March, whilst the scheme has been continued on buses until October due to additional funding being provided by DfT. For 12 months from November 2023, single fares will be capped at £2.50.
- 1.21 Metro customers who have transferred to Pop Pay as You Go will, however, continue to enjoy better value with fares set at April 2021 prices going forward. The

percentage of PAYG customers has continued to increase in line with this more attractive offer.

### **An excellent customer experience**

- 1.22 Between Periods 12 and 13, Metro patronage was 4,807,662, which was 13.3% above the periodic target of 4,242,378. Metro patronage for 2022/23 was 29,029,194, which was 1.8% above target.
- 1.23 Metro patronage for Periods 1 and 2 of 2023/24 was 4,705,101, which was 1.4% above target.
- 1.24 Metro performance has seen a consistent improvement in Periods 1 and 2 of 2023/24. Punctuality for these Periods was 82.0%, which was 7.8% below the target of 89.8%, whilst the 13-period moving annual average (MAA) at the end of Period 2 was 80.6%, which was 6.6% below target.
- 1.25 This represents an improvement on Periods 12 and 13, when punctuality averaged 77.7%, which was 11.3% below the periodic target of 89%.
- 1.26 In January 2023, Stadler opened the new Metro depot at South Gosforth which coincided with a reduction in fleet availability and punctuality per period. The move to the new depot created issues around Metro cars being stopped while awaiting the wheel lathe, challenges in responding to motor and power faults, and difficulty in allocating depot space for maintenance and repair. Stadler has been unable to meet their contractual availability requirements, resulting in regular cancellation of services, in particular peak short services, for which contractual penalties have been levied by Nexus.
- 1.27 To respond to these challenges, Nexus amended the Metro timetable at the end of Period 11, removing 'peak short' services between Pelaw and Monkseaton in the traditional morning and evening rush hours, which are less pronounced post-Covid.
- 1.28 Whilst the removal of the 'peak shorts' on weekdays has meant a reduction in the frequency of services, this has helped improve the customer offer, with reliability improving. Fleet availability in Period 2 improved to 87.5% having fallen to 27.1% in Period 11.
- 1.29 Stadler are attempting to address these challenges by looking at increasing headcount in key areas and appointing external specialists to assist in diagnosing some of the power faults they are encountering.
- 1.30 On 27 March, Whitley Bay station reopened after a period of closure to customers following damage to the station canopy caused by Storm Otto. Nexus has a major renovation project planned to continue to improve the customer environment, including improvements to the canopy and staircases, with work expected to commence in summer 2023.
- 1.31 Metro services in Gateshead, South Tyneside, and Sunderland were disrupted for three days from Thursday 30 March due to 800 metres of 'de-wirement' between Pelaw and Hebburn. This caused a service suspension between Pelaw and Jarrow

and Pelaw and Brockley Whins, with a short service not to timetable on the remaining sections of the network.

- 1.32 The section of the network between Airport and Regent Centre was closed for five days during Period 13 to allow for renewals work to the overhead power lines. The renewal saw 6000 metres of new contact and catenary overhead line replaced between Regent Centre and Fawdon by Nexus’ in-house team. 67% of overhead wire across Nexus’ infrastructure has now been renewed in the past 10 years
- 1.33 In Period 12, the first train of the new fleet was delivered marking the beginning of the transition away from our ageing rolling stock. Subsequently, the second and third trains were delivered in Period 13.
- 1.34 Ferry patronage in Periods 12 to 13 was 48,737, which was 63.0% above the target of 29,906. For 2022/23 Ferry patronage was 383,422, which was 32.9% above target.
- 1.35 For Periods 1 and 2 of 2023/24 Ferry patronage was 64,846, which was 3.3% above target.
- 1.36 Secured Bus patronage in Periods 12 to 13 was 1,208,551, which was 81.5% above the evenly profiled periodic target of 665,832. For 2022/23, Secured Bus patronage was 6,858,862, which was 58.5% above the target of 4,327,904.
- 1.37 For Period 1 of 2023/24 Secured Bus patronage was 500,108, which was 45.2% above the target of 344,395.
- 1.38 Nexus plans throughout the year to support partners in the region delivering international sports and cultural events. The Metro Operations team has this year been shortlisted as a finalist, alongside our contractor Buckingham Group, at the National Rail Awards for excellence in customer service, recognising its achievement in supporting the Great North Run.

<b>Assets and Technology</b>	
<b>Workstream</b>	<b>Status</b>
Improve our physical assets	Work to improve our physical assets is continuing as planned.
Technology	Nexus is leading on a smart multi modal ticketing project.

**Improve our physical assets**

- 1.39 The Metro Flow project, which was completed last year, has been shortlisted as a finalist for two awards at this year’s National Rail Awards, recognising excellence in project delivery, including the prestigious UK Major Project of the Year award.

- 1.40 Work on the Metro Asset Renewal Plan is progressing well, including the completion of the Overhead Line renewal blockades through the Central Corridor in February 2023, and between Airport and Regent Centre in March 2023.
- 1.41 Lift and escalator refurbishment works across the network continue to be undertaken. Work continues to improve the escalators at Haymarket, with the station being made exit only to respond to customer feedback. All three of the escalators at Haymarket are being refitted with steps and drive chains and the station position is being continually reviewed as work is ongoing. Work is also continuing to improve the lifts at Central Station and Benton.

**Technology**

- 1.42 Nexus is leading a project to develop a smart multi-modal season ticket which can be used across bus, Metro and Shields Ferry services in Tyne and Wear, on behalf of Network One and bus operators.

<b>Sustainability</b>	
<b>Workstream</b>	<b>Status</b>
Environmental	We have started to implement our Sustainability Strategy.
Financial	Additional Metro Rail Grant has been awarded to Nexus.

**Environmental**

- 1.43 Following the completion of our Sustainability strategy, a number of actions to improve Nexus’ environmental performance are progressing to plan.
- 1.44 We are working with our partners on the CLEANFERRY project to explore options to improve the environmental performance of the Shields Ferry.

**Financial**

- 1.45 Metro fare and commercial revenue for Periods 12 to 13 was £7.13million. Metro fare and commercial revenue for 2022/23 was £44.17million, which was 11.5% above the target of £39.61million.
- 1.46 Metro fare and commercial revenue for Periods 1 and 2 of 2023/24 was £7.69million. To the end of Period 2, fare revenue is ahead of target, however it is still below pre-pandemic levels and Nexus’ cost base continues to be under significant pressure due to inflation and the energy crisis. Nexus was awarded £3million of additional Metro Rail Grant for revenue expenditure on the Metro system to 31 March 2023, enabling other funding to be carried forward and held in reserves in order to



accommodate unbudgeted pressures in 2023/24, specifically in relation to the cost of high voltage power.

- 1.47 Ferry fare revenue in Periods 12 to 13 was £54,754, which was 42.7% above the profiled budget of £38,368. Ferry fare revenue for 2022/23 was £395,889, which was 17.2% above the budget of £337,720.
- 1.48 Ferry fare revenue for Periods 1 and 2 of 2023/24 was £70,616, which was 13.0% above the budget of £62,476.
- 1.49 Secured Bus revenue in Periods 12 to 13 was £464,650, which was 101.8% better than the profiled budget target of £230,213. For 2022/23, Secured Bus revenue was £2,768,105, which was 80.4% better than the evenly profiled budget target of £1,534,282.
- 1.50 For Periods 1 and 2 of 2023/24, Secured Bus revenue was £415,102, which was 29.3% better than the target of £321,058.
- 1.51 The last three years have been a time of unprecedented challenge for our finance team, and we are delighted that Head of Finance Rebecca Watson has been shortlisted for North East Accountant of the Year, recognising her role in leading a team which has protected the vital services we provide.

<b>Our People</b>	
<b>Workstream</b>	<b>Status</b>
A great place to work	Delivery on our People and Culture strategy is progressing to plan.
Developing our people	We have launched online learning and development for colleagues across Nexus.
An engaged workforce	We are reviewing our approach to employee engagement.

**A great place to work**

- 1.52 Nexus has continued with early career roles, with the 2023 Apprentice recruitment programme almost complete. Most roles commencing in September have been offered and the remaining are at the final stages.
- 1.53 Developing our People and creating an inclusive and diverse workplace culture is a key strategic objective for Nexus. Our progress to date has been recognised by the North East Human Resources and Development Awards, where Nexus won the Excellence in Inclusivity and Diversity award and was shortlisted for the Excellence in Organisation and People Development award.

**Developing our people**

- 1.54 We have launched online learning development for colleagues across Nexus, allowing upskilling, reskilling, and continuous professional development.
- 1.55 Our new Critical Skills for Managers course, designed to cover a wide range of skills essential for effectiveness as managers, is now being rolled out to managers across the business.

### **An engaged workforce**

- 1.56 Our engagement process is being refreshed as part of the implementation of our People and Culture Strategy.
- 1.57 We launched our Culture Survey 2023 in February to understand how employees feel about working for Nexus. The feedback from the survey will be used to help Nexus make improvements and changes going forward.
- 1.58 Nexus has maintained an 'Excellence Status' in the Better Health at Work Awards.
- 1.59 Work on our Safety and Security, Metro Operations, and Bus strategies are progressing to plan.
- 1.60 The Ferry Strategy has been approved and published.

## **2. Proposals**

- 2.1 There are no proposals in the performance monitoring update.

## **3. Reasons for the Proposals**

- 3.1 Not applicable to a performance monitoring update.

## **4. Alternative Options Available**

- 4.1 No alternatives arise in respect of this performance update.

## **5. Next Steps and Timetable for Implementation**

- 5.1 A concise report updating on Nexus' performance will be presented to each scheduled meeting of the Tyne and Wear Sub-Committee.

## **6. Potential Impact on Objectives**

- 6.1 Monitoring of Nexus' performance helps to provide assurance that local transport policies and objectives are being implemented efficiently and effectively.

## **7. Financial and Other Resources Implications**

7.1 Nexus' Director of Finance and Resources confirms that there are no immediate financial implications arising from this report and that Nexus' performance is being managed from within existing resources.

## **8. Legal Implications**

8.1 There are no direct legal considerations arising from this performance monitoring update report.

## **9. Key Risks**

9.1 There are no direct risk considerations arising directly from this report, though monitoring and reviewing performance information plays an important role in risk management, including the review of Nexus' corporate risk register.

## **10. Equality and Diversity**

10.1 There are no specific equalities and diversity considerations arising from this performance monitoring update.

## **11. Crime and Disorder**

11.1 There are no specific crime and disorder considerations arising from this performance monitoring update report.

## **12. Consultation/Engagement**

12.1 There are no specific consultation or engagement considerations arising from this performance monitoring update report.

## **13. Other Impact of the Proposals**

13.1 There are no direct proposals arising from this performance monitoring update report, and therefore no consequential impacts.

## **14. Appendices**

14.1 None

## **15. Background Papers**

15.1 Nexus Corporate Business Plan 2023/24 as provisionally approved at the Sub-Committee's meeting in November 2022.

## **16. Contact Officers**

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Tel: 0191 2033500

**17. Sign off**

- 17.1
- The Proper Officer for Transport: v
  - Head of Paid Service: v
  - Monitoring Officer: v
  - Chief Finance Officer: v

**18. Glossary**

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

## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 13 July 2023  
**Subject:** Nexus Corporate Risks 2023/24  
**Report of:** Managing Director

### Executive Summary

The purpose of this report is to provide an update on the Nexus Corporate Risk Register for 2023/24 based on the approved Corporate Plan and demonstrates that these risks are being properly managed and controlled.

During June 2023, Nexus undertook a formal review of its risk register in line with the Corporate Plan for 2023/24.

A detailed explanation of the risks for 2023/24 is provided in the appendix including the current Red/Amber/Green (RAG) status, target RAG status, and the direction of travel, where applicable. Each risk has a detailed explanation of the nature of the risk, together with controls and milestones/next steps.

There are currently 3 risks which are 'red'. Of these, 2 risks are red because of funding uncertainties. These risks are:

- Long Term Funding for Metro
- North Shields Ferry Landing

Specifically, in relation to long term funding for Metro and efficiency of delivery of the capital programme, Nexus has received confirmation that the regional devolution agreement provides revenue and capital grant funding for 2023/24 and 2024/25. Whilst this allows for some longer term planning it does not allow Nexus to complete its full essential renewals programme. The rising costs of energy and raw materials has also applied additional pressures on budgets.

The North Shields Ferry Landing risk is red since the project to replace the North Shields Ferry Landing is currently unfunded. Additional funding is being sought to progress the development of the project to be ready for future funding opportunities. A new landing is required by 2025 to ensure the longevity of the service.

The final red risk is Metro Performance which is red as a result of recent disruptions to service including from fleet availability issues, de-wirement, extreme weather, and line possessions.

The Future of the Bus Network risk has improved in RAG status to Green, with the score decreasing from 9 to 6. Additional funding from Government to the Joint Transport Committee through the Bus Service Improvement Plan (BSIP) provides Nexus with the means to make short-term interventions.

### **Recommendations**

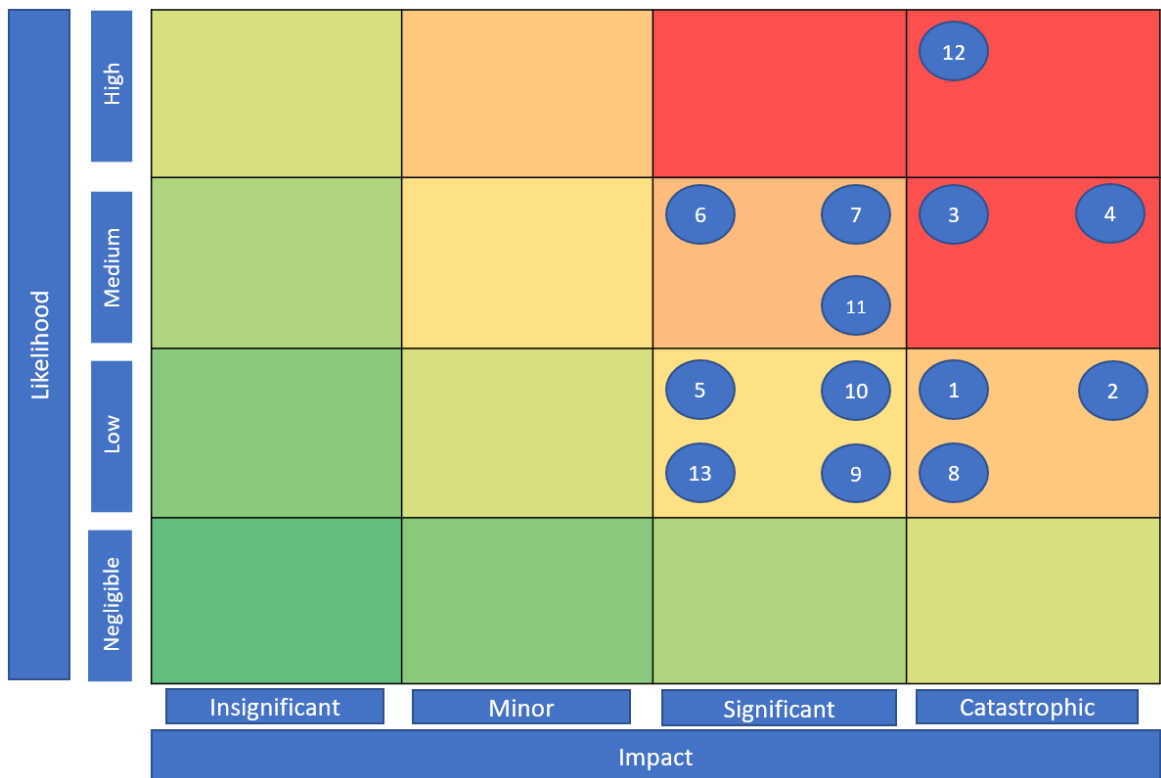
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2023/24.

**1. Background Information**

- 1.1 As part of its governance framework Nexus maintains a Corporate Risk Register. Nexus defines its corporate risks as those which, if the risk occurred, could have adverse consequences for the achievement of the Corporate Business Plan.
- 1.2 The Corporate Plan for 2023/24 was provisionally approved by the Sub-Committee at its meeting in November 2022 and subsequently Nexus undertook a formal review of the risk register to ensure its alignment to the approved plan. The Sub-Committee receives an update on Nexus’ Corporate Risks at each of its meetings.

**2. Proposals**

- 2.1 Nexus has undertaken a formal review of the Corporate Risk Register for 2023/24. The chart below shows an overview of the likelihood and impact of each risk.



2.2

The table below shows a summary of the risks changed since the last review.

	<b>Risk</b>	<b>Summary of Changes</b>	<b>RAG Status</b>
1	Catastrophic security event	Controls updated.  Completed next steps/milestone removed.	<b>↔</b> <b>(Stable)</b>
2	Catastrophic infrastructure or operations event	No changes from previous review.	<b>↔</b> <b>(Stable)</b>
3	Metro Performance	Controls updated.  Next steps/milestones updated.	<b>↔</b> <b>(Stable)</b>
4	Long Term funding for Metro	No changes from previous review.	<b>↔</b> <b>(Stable)</b>
5	Frontline services and discretionary travel schemes	Risk description updated.  Controls updated.  Next steps/milestones updated.	<b>↔</b> <b>(Stable)</b>
6	Delivery and introduction of the new train fleet.	Impact updated.  Controls updated.  Next steps/milestones updated.	<b>↔</b> <b>(Stable)</b>
7	Efficiency of Delivery of the Capital Programme	Controls updated.	<b>↔</b> <b>(Stable)</b>



8	Cybersecurity	No changes from previous review.	↔ (Stable)
9	Products and Payments Offer	Controls updated. Next steps/milestones updated.	↔ (Stable)
10	Funding Bids	Impact updated. Controls updated. Next steps/milestones updated.	↔ (Stable)
11	Anti-Social Behaviour	Controls updated. Next steps/milestones updated.	↔ (Stable)
12	North Shields Ferry Landing	Controls updated. Next steps/milestones updated.	↔ (Stable)
13	Future of the Bus Network	Risk likelihood decreased due to additional short-term funding being provided. Risk description, impacts, controls, and next steps updated.	↑ (Improving)

2.3 Nexus will provide the Sub-Committee with an update on the position of the Corporate Risks at each of its meetings throughout 2023/24

### 3. Reasons for the Proposals

3.1 Risk management is an important aspect of overall performance management and reporting on Nexus' Corporate Risks complements the high-level summary of Nexus' performance, also presented to each scheduled meeting. Together these reports support the Sub-Committee in meeting its delegation under the

JTC's Standing Orders (Part 4.1 refers) to monitor and oversee the performance of Nexus.

#### **4. Alternative Options Available**

4.1 The report is for noting: no alternative options are presented.

#### **5. Next Steps and Timetable for Implementation**

5.1 Nexus will continue to manage its CRR to record and monitor any changes and provide update reports to each subsequent scheduled meeting of the Sub-Committee.

#### **6. Potential Impact on Objectives**

6.1 Nexus' CRR will not impact directly on the objectives of the Authority's policies and priorities; however, Nexus' approach to risk management will support delivery of aims and ambitions by acknowledging the biggest threats and putting plans in place to manage and mitigate them.

#### **7. Financial and Other Resources Implications**

7.1 Nexus' Director of Finance and Resources confirms that there are no immediate financial implications arising from this report and that Nexus' corporate risks are being managed from within existing resources.

#### **8. Legal Implications**

8.1 There are no specific legal implications for the Authorities arising directly from this report, other than ensuring compliance with the Constitution and Standing Orders.

#### **9. Key Risks**

9.1 The report identifies what are considered to be the key corporate risks to the achievement of Nexus' Corporate Plan for 2023/24.

#### **10. Equality and Diversity**

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

#### **11. Crime and Disorder**

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

#### **12. Consultation/Engagement**

12.1 All risk owners and the respective actionees have been consulted in the preparation of this report.

### 13. Other Impact of the Proposals

13.1 There are no other impacts anticipated to arise from the proposal.

### 14. Appendices

14.1 Appendix 1 details each of Nexus' 13 risks for 2023/24

Appendix 2 shows the controlled and uncontrolled risk scores for each risk

Appendix 3 shows the risk matrix applied

### 15. Background Papers

15.1 Nexus' Corporate Plan 2023/24 as provisionally approved by the Sub-Committee at its meeting in November 2022.

### 16. Contact Officers

16.1 Martin Kearney

Managing Director

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Tel: 0191 2033500

### 17. Sign off

- 17.1
- The Proper Officer for Transport: v
  - Head of Paid Service: v
  - Monitoring Officer: v
  - Chief Finance Officer: v

### 18. Glossary

18.1 **CRR** – Corporate Risk Register

**RAG** – Red/Amber/Green (denoting an assigned performance status)

**Corporate Risk** - relates to those factors that might have a significant effect on the achievement of workstreams in Nexus' Corporate Plan and therefore the successful delivery of the JTC's policies and priorities.

**Risk** - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

**Risk appetite** - The level of risk that an organisation is prepared to accept in pursuit of its objectives, and before action is deemed necessary to reduce the risk.

**Risk Controls or control processes** - are those pre-emptive actions which are specifically identified to be taken to lower the impact of the risk or reduce the likelihood of the risk materialising, or both of these.

**Risk Matrix** - a graphical representation of the Risk Severity and the extent to which the Controls mitigate it.

**Risk Owner** - has overall responsibility for the management and reporting of the risk.

**Action Owners** – given delegated responsibility from the Risk Owner to take action and manage the risk through application of the appropriate risk controls and processes.

**Risk Impact** - indicates the potential seriousness should the risk materialise.

**Risk Likelihood** - indicates the chance of a risk materialising in the time period under consideration.

**Risk Score** - the product of the Impact score multiplied by the Likelihood score.

## Appendix 1 – Nexus Corporate Risk Register for 2023/24

Risk 1		
CP Theme: <b>Safety without compromise</b>		
CP Workstream: <b>A Harm Free Environment</b>		
Risk Area: <b>Catastrophic security related event</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
Risk Owners: <b>Safety and Assurance Director/Operations Director</b>	8(2x4)	↔ (stable)
Risk Actionees: <b>Head of Safety and Security/Public Safety and Security Manager</b>	<b>Target RAG Status</b>	
	8(2x4)	
<b>Risk: In running any operational public transport infrastructure there is an inherent risk that a catastrophic security related event may occur, such as a terrorism incident.</b>		
Impact/Consequence(s): The consequences of a catastrophic security related event on Metro, bus or ferry could be significant, including loss of life, prolonged service suspension, protracted legal issues to resolve, fines to pay, impact on insurance, other cost increases and likely loss of business.		
Existing Controls:		
<ul style="list-style-type: none"> <li>• Security management plans in place for operational locations reviewed yearly.</li> <li>• Dedicated security team in place for Metro Operations.</li> <li>• Provision of over 800 CCTV units and over 200 body worn cameras worn by Customer Service Staff, Security, and public facing personnel.</li> <li>• Service Level Agreements in place for external CCTV monitoring by Newcastle Civic CCTV suite.</li> <li>• SLA agreements in place for policing the Metro by Northumberland Police and British Transport Police (BTP).</li> <li>• Production and implementation of an annual Safety and Security plan for approval by Nexus Executive Board.</li> <li>• Extensive liaison between the Security Team and DfT Land Security and compliance to the incoming Light Railway Security Programme (LRSP).</li> <li>• Liaison with National and Regional Counter Terrorism Security Advisors from Home Office and British Transport Police.</li> <li>• Participation in joint emergency preparedness exercises with key stakeholders.</li> <li>• Participation in multiple joint agency groupings focused on security and intelligence.</li> <li>• Communicating regular updates on the current threat from national and international terrorism.</li> <li>• Enhanced Customer Service establishment introduced with a designated roving capability as well as static coverage at key station locations.</li> </ul>		

- Nexus Public Safety & Security Manager presents to Customer Service new starters, and at refresher training which also includes Train Crew at their annual Operational Refresher Training.
- There is a Crime & Disorder forum bringing together internal stakeholders in a joint approach to improve system security and sharing intelligence.
- Periodic security reports shared with colleagues across the organisation and relevant external stakeholders.
- The Security Strategy is currently being produced in partnership with Corporate Planning.
- Security awareness communications posted across network.
- Working with and supporting local authorities via the Prevent programme.
- Completed the review of the Nexus Security Manual and Management Plan, checked and acknowledged by the DfT.

Next Steps/Key Milestones:	Action owner	Due Date
Introduction of improved CCTV coverage, and more efficient review and download capacity, through the new fleet.	Metro Operations Director	Dec 23
Introduction of and adherence to the DfT's Light Rail Security Programme.	Head of Safety and Security	Apr 24

<b>Risk 2</b>		
CP Theme: <b>Safety without compromise</b> CP Workstream: <b>Improve Operational Safety</b>		
Risk Area: <b>Catastrophic Infrastructure or operations event</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
Risk Owners: <b>Safety and Assurance Director</b>	8(2x4)	↔ (stable)
Risk Actionees: <b>Metro Operations/Infrastructure Directors</b>	<b>Target RAG Status</b>	
	8(2x4)	
<b>Risk: Any public transport system is at potential risk of a catastrophic infrastructure failure or major operational incident</b>		
<p>The impact/consequences should a catastrophic infrastructure failure or major operational incident occur on Metro, bus and ferry could be very significant including:</p> <ul style="list-style-type: none"> <li>• In the event of a catastrophic safety related incident the possibility for multiple loss of life.</li> <li>• lengthy loss or reduction of service.</li> <li>• likely loss of business with potential long-term impact on patronage.</li> <li>• protracted legal issues to resolve.</li> <li>• fines to pay, impact on insurance and other cost increases.</li> </ul>		
<p>Controls</p> <ul style="list-style-type: none"> <li>• A Safety Certificate and Authorisation issued by the ORR for the operation of the Metro.</li> <li>• A company-wide Safety Management System (SMS) and a comprehensive suite of technical, operational and safety standards, procedures and rules in all relevant disciplines based on industry best practice.</li> <li>• The development and implementation of an annual Safety and Security Plan and supporting plans (e.g. Signals Passed at Danger (SPAD) Mitigation Plan).</li> <li>• Robust arrangements for the management of change, including authorisation of new or altered assets and the selection and management of contractors and delivery of capital works.</li> <li>• Monitoring of assets and development of mitigation plans in the event of catastrophic failure of key and critical assets.</li> <li>• Development and implementation of emergency preparedness and of business continuity plans in the event of major disruption.</li> <li>• Continuous monitoring and review of safety, infrastructure, and operational Key Performance Indicators by the Nexus' Senior Leadership Team.</li> <li>• Implement a risk-based annual safety plan for approval by Nexus Executive Board.</li> </ul>		

- Continuing to engender an organisational safety and security culture.
- Measures implemented to review opportunities to reduce the number of SPADs.
- Regular inspections of earthworks and structures in accordance with industry standards.
- Vegetation management processes designed to prevent and/or reduce infrastructure damage.
- Remote temperature monitoring of rails to identify instances of extreme high rail temperatures which could lead to rail buckling.
- Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature.


Next Steps/Key Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2023/24 Safety Plan.	Safety and Assurance Director	Mar 24
Developing and delivering on Nexus Track Worker Safety Alliance	Safety and Assurance Director	Mar 24
Implement outcomes of vegetation strategy.	Head of Maintenance Delivery	Mar 24



<b>Risk 3</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>An excellent customer experience</b>		
Risk Area: <b>Metro Performance</b> Risk Owners: <b>Managing Director</b> Risk Actionees: <b>Metro Infrastructure Director, Metro Operations Director, Major Projects Director, Head of ICT</b>	<b>RAG Status (Red)</b>	<b>Direction of Travel</b>
	12(3x4)	<b>↔</b> (stable)
	<b>Target RAG Status</b>	
	8(2x4)	
<b>Risk: There are a number of things which could provide a significant impact on Metro performance, including but not limited to:</b> <ul style="list-style-type: none"> <li>• <b>Ageing fleet and infrastructure leading to increasing numbers of failures and service cancellations.</b></li> <li>• <b>A lack of a long-term funding agreement for asset renewal and vegetation management could result in asset performance declining.</b></li> <li>• <b>Staffing shortages through, vacancies, illness, or industrial action.</b></li> <li>• <b>Extreme weather incidents causing disruption to services.</b></li> </ul>		
Impact/Consequence(s): If Metro’s operational performance were to decline for an extended period, with a fall in punctuality and reliability, this could have an adverse impact on customer satisfaction and ridership.		
Control(s): <ul style="list-style-type: none"> <li>• Overhead line replacement programme.</li> <li>• Close monitoring of key business results such as punctuality, delay minutes and asset reliability.</li> <li>• Delivery of the Essential Renewals programme for 2023-24.</li> <li>• Daily, weekly, and periodic performance reporting embedded across organisation to highlight importance of Metro performance.</li> <li>• Implement plans to ensure resilience of digital assets associated with the operation of Metro.</li> <li>• Working closer with the new Network Rail North Eastern structure to address performance issues from Pelaw to South Hylton.</li> <li>• Regular Performance Management meetings with and stakeholder mapping exercise with Stadler.</li> <li>• “Assets at a Glance” drawings which identify specific problem areas and single points of failure.</li> <li>• Established improvement plans for key assets such as lifts, escalators, and signal track circuits.</li> <li>• Regular review of asset management plans, including regular inspections of assets.</li> </ul>		

- Established possession planning tool to identify conflicts and opportunities to combine closures to minimize disruption to our customers.
- Weather Preparedness Plans in place.
- Vegetation management processes designed to prevent land slips.
- Proactive vegetation management within the bounds of available funding.
- Working with neighbours and partners to control vegetation outside the boundaries of Nexus owned land.
- Proactive communications with Trade Unions.
- Succession planning arrangements for key roles.
- Regular review and application of best practice using COMET and UTG memberships.
- Annual Metro Performance Improvement Plans.
- Four-weekly review with Principal Engineer and Engineering Manager on each asset category.
- Metro Infrastructure Directorate Strategy in place.
- Creation of asset condition dashboard monitoring overhead line condition.
- Refreshed the managing service disruption guidance.
- Major events plans established including stakeholder relations.
- Working closely with Stadler to implement the Fleet Remedial Plan to improve the position of the existing fleet.


Next Steps/Milestones	Owner	Due date
Complete ICT network refresh to improve resilience of digital assets.	Head of ICT	Mar 24
Review of operational fleet management arrangements with Stadler.	Metro Operations Director	Jul 23
Complete review of sectional running and dwell times to provide a high performing timetable that is reliable and punctual for our customers.	Metro Operations Director	Sep 23
Refreshing regulation guidance.	Metro Operations Director	Sep 23
Producing business case for the signal replacement programme.	Head of Corporate Planning	Mar 24
Complete Weather Preparedness review regarding planned outstabling requirements to protect the fleet during cold snaps.	Metro Operations Director	Jul 23

<b>Risk 4</b>		
CP Theme: <b>Sustainability</b>		
CP Workstream: <b>Financial</b>		
Risk Area: <b>Long term funding for Metro</b> Risk Owners: <b>Director of Finance and Resources</b> Risk Actionees: <b>Head of Programme Assurance, Head of Finance</b>	<b>RAG Status (Red)</b>	<b>Direction of Travel</b>
	12 (3x4)	 (stable)
	<b>Target RAG Status</b>	
	3 (1x3)	
<b>Risk: There is no long-term funding agreement in place to replace life expired capital assets, deliver safety and business critical related capital investment. Ongoing revenue support from central government across the medium term is also not keeping pace with inflation.</b>		
Impact/Consequence(s): The lack of external funding for critical asset renewals will lead to a diminution in service, failing infrastructure and major operational disruption. The regional devolution agreement provides for revenue and capital grant funding covering 2023/24 and 2024/25, with a commitment from central government to enter into discussions with Nexus for future years' funding.		
<b>Controls</b> <ul style="list-style-type: none"> <li>• Effective liaison with DfT including 4-weekly progress reporting on the current Essential Renewals programme and quarterly reviews.</li> <li>• Procurement strategy &amp; contractual arrangements that minimise risk and deliver value for money.</li> <li>• Engaging with national government, local councillors &amp; MPs and building public support.</li> <li>• Regular review of potential funding opportunities.</li> <li>• Project management controls in place to ensure effective and efficient delivery.</li> <li>• Effective programme management and prioritisation of projects.</li> <li>• Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board.</li> <li>• Regular review of capital programme for 2023/24 – 2024/25 to ensure deliverability.</li> <li>• Longer term outline capital programme through the next spending review.</li> </ul>		
<b>Next Steps/Milestones</b>	<b>Owner</b>	<b>Due date</b>
Continue close liaison with Government officials to secure confirmation of revenue and capital grant funding for 2025/26 and beyond.	Director of Finance and Resources	Ongoing

Nexus' input to the quarterly monitoring of the Revenue budget and Capital Programme submitted to the JTC.	Director of Finance and Resources	Quarterly
Continue to lobby DfT for index linked inflation of Metro Rail (revenue) Grant.	Director of Finance and Resources	Ongoing
Preparation of business cases for future capital investment in Metro renewals, including a replacement signalling system.	Head of Corporate Planning	Ongoing

<b>Risk 5</b>		
CP Theme: <b>Sustainability</b>		
CP Workstream: <b>Financial</b>		
Risk Area: <b>Frontline services and discretionary travel schemes</b>	<b>RAG Status (Green)</b>	<b>Direction of Travel</b>
Risk Owners: <b>Director of Finance and Resources</b>	6 (2x3)	↔ (Stable)
Risk Actionees: <b>Head of Finance</b>	<b>Target RAG Status</b>	
	3(1x3)	
<b>Risk: The budget proposal agreed by the JTC for 2023/24 includes a levy increase and £8m of reserves.</b>		
Impact/Consequence(s): If inflation rises beyond the levels budgeted, the stretching revenue target is not achieved and/or ENCTS ridership recovers beyond the level budgeted, Nexus will need to consider a range of actions in order to bridge the budget pressure including the use of additional grant support from central government.		
<b>Controls</b> <ul style="list-style-type: none"> <li>• Nexus secured an additional £3m of Metro Rail Grant from DfT at the end of 2022/23 to assist with ongoing pressures relating to High Voltage Power.</li> <li>• Monitoring of Metro patronage and fare revenue, undertake research through the insight panel to gain intelligence on trends and customer behaviours.</li> <li>• Regular financial monitoring to Nexus' Senior Leadership Team, Executive Board and the JTC.</li> <li>• Regular liaison with DfT in relation to government grant.</li> <li>• Regular monitoring of concessionary travel patronage.</li> </ul>		
<b>Next Steps/Milestones</b>	<b>Owner</b>	<b>Due date</b>
Continue close liaison with Government officials to secure indexation of the revenue grant in 2024/25.	Director of Finance and Resources	Ongoing
Periodic revenue budget monitoring, with summary reporting to the Senior Leadership Team and the Nexus Board.	Director of Finance and Resources	Every four weeks
Nexus' input to the quarterly monitoring of the Revenue Budget reports submitted to the JTC.	Director of Finance and Resources	Quarterly

Regular monitoring of inflation to identify emerging budgetary pressures.	Director of Finance and Resources	Periodically
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<b>Risk 6</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>An excellent customer experience</b>		
Risk Area: <b>Delivery and introduction of the new train fleet.</b>  Risk Owners: <b>Major Projects Director</b>  Risk Actionees: <b>Head of Fleet and Depot Replacement</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	9 (3x3)	 (Stable)
	<b>Target RAG Status</b>	
	6(2x3)	
<b>Risk: The possibility of costs escalating or the potential for delays to the delivery of new trains or introduction of the new fleet into passenger service.</b>		
Impact/Consequence(s): Delays to the delivery and implementation of the new fleet could place reliance on extending operation of the old deteriorating fleet at Nexus' cost. Where costs couldn't be contained by Nexus risk contingency sum, funding would have to be diverted from other areas of need. Such affordability issues could result in Nexus having to reconsider the scope of the contracts. In addition, any re-profiling of DfT grant would be subject to agreement with DfT at its sole discretion. In addition, there would be associated reputational implications for delays to new fleet introduction.		
<b>Controls</b> <ul style="list-style-type: none"> <li>• A project risk register is live for the project and is reviewed regularly to monitor and manage existing known risks as well as identifying new and emerging risks along with identifying mitigation measures. This includes comms/media risks management in regards to Nexus reputation.</li> <li>• A project contingency sum is available to fund the impact of known and likely risks identified on the risk register.</li> <li>• Project risks and early warnings are discussed and reviewed with the suppliers of the contracts on a monthly basis and mitigation measures are agreed.</li> <li>• 4-weekly programme reviews/interrogation and challenge to Stadler.</li> <li>• Regular face to face meetings with Stadler now taking place since travel restrictions have lifted.</li> <li>• 4 weekly progress review meetings with Stadler.</li> <li>• Delivery of interdependent projects and enabling work is monitored by Capital Steering Group on a monthly basis and reported to Senior Leadership Team.</li> <li>• Keeping key stakeholders informed regarding progress of the programme.</li> <li>• Established project controls have been adopted to assist with the management of the contracts including CSM and other safety processes.</li> </ul>		

- Operational risks associated with the delivery of the new fleet are managed through the fortnightly Operational Readiness Meeting.
- Quarterly meetings of the joint Nexus/DfT Programme Board to report on project performance, risks and any requirements to reprofile funding.
- Quarterly meetings of the joint Nexus/Stadler Programme Board to report on project performance, risks and any commercial matters.
- Metro Systems Assurance Panel (MSAP) developed and in place to accept and validate safety related decisions for Entry into Service for depot and fleet.
- Fleet and Depot Project Assurance Plan developed for verification and validation for fleet and depot introduction and sits under the MSAP process.
- Systems Assurance Manager commissioned via Technical Consultants to develop, monitor and manage MSAP Governance in regards to safety decision-making for Entry into Service for new depot and fleet.
- Network Rail integrated into project to ensure acceptance of the new train fleet onto Network Rail Infrastructure.
- Periodic progress reporting to Nexus' Senior Leadership Team, JTC and TWSC.
- Weekly face to face meetings with Trade Unions representatives to engage with these groups in regards to concerns about new fleet introduction.
- A new Head of Fleet Transition is now place with a small team leading on the operational readiness and operational transition from old to new fleet.
- We have 3 units delivered to Gosforth Depot (Units 3, 4 and 5), with a programme of pre-delivery acceptances (factory acceptances) ongoing.
- Dynamic commissioning of the recently delivered test units has commenced (May 2023) on the Metro network, ahead of the start of the type test campaign followed by operational acceptance testing and future kilometre accumulation phase.

Next Steps/Milestones	Owner	Due date
First train into passenger service	Head of Fleet and Depot Replacement	By 31 December 2023
Full fleet in service	Head of Fleet and Depot Replacement	By 31 March 2025



<b>Risk 7</b>		
CP Theme: <b>Assets and Technology</b>		
CP Workstream: <b>Improve our physical assets</b>		
Risk Area: <b>Efficiency of delivery of the Capital Programme</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
Risk Owner: <b>Major Projects Director</b>	9 (3x3)	↔ (stable)
Risk Actionee: <b>Head of Programme Assurance, Head of Renewals</b>	<b>Target RAG Status</b>	
	3 (1x3)	
<b>Risk: That the organisation does not have sufficient resource and or the correct skills set to successfully deliver the programme of capital works</b>		
<p>Impact/Consequence(s): The regional devolution agreement provides for capital grant for Essential Renewals of Metro infrastructure until 31<sup>st</sup> March 2025 with a commitment from central government to enter into discussions with Nexus for subsequent years funding.</p> <p>Projects committed through Essential Renewals, are therefore not delivered in the most efficient and effective way due to the limitations of funding as noted above. Consequentially Nexus is unable to forward plan and resource up to take advantage of other emerging funding streams and thereby improve its assets, customer services or operations. Nexus is also unable to expand its limited resources with project management and supporting functions and is likely to be overly reliant on temporary and contract resources. Contractual commitments beyond March 2025 can therefore not be made and the continuity to maintain and repair critical asset renewal including Overhead Line Equipment, Howdon Viaduct and signalling development remains uncertain.</p> <p>Planning beyond March 2025 is also extremely challenging as, without an understanding of the quantum and duration of funding, it is impossible to develop a robust programme of works with any certainty. This creates substantive difficulties with securing tenders for essential renewal works due to a lack of evidential funding.</p> <p>Due to the above, procurement efficiencies are being lost and there is evidence of reduced market interest with very limited competitive tender responses being received by Nexus. Staff turnover is also increasing due to market demands and increased salary offers elsewhere for rail expertise, resulting in a loss of key knowledge, skills, and experience.</p> <p>Uncertainty around long-term funding makes the recruitment and retention of key staff more difficult leading to a reliance on external contracts. The future viability of Nexus internal Infrastructure Delivery is at risk without further longer-term investment.</p>		

Controls:

- Continue to make the case for ongoing funding from the Department for Transport (DfT) with continued engagement of the DfT via Programme Board and HMT regarding future Metro funding arrangements.
- Seek confirmation from the DfT over virement of funding to optimise programme delivery in response to current supply chain and market challenges.
- Procurement and Standing Order reviews and amendments to attract a wider market of consultants and contractors with review of contractual terms and conditions responding to changing market conditions to ensure successful procurement.
- Effective, more streamlined, and dynamic programme management, project prioritisation, delivery, and budget control processes.
- Ensure Portfolio level management of project and programme interfaces, dependencies, and business change.
- Value engineering, technology choice, option analysis, specification, and scope.
- Active stakeholder engagement to obtain involvement and co-operation of third/interested parties e.g., Metro Services, Network Rail, Local Authorities, highway authorities, utility companies etc.
- Periodic project reviews, analysis, and reporting – presentation to Nexus’ Capital Steering Group, Senior Leadership Team, Executive Board, the JTC and the joint Nexus/DfT Programme Board.
- Continuous review of existing vacancies within teams and evaluate mitigation options for retention and recruitment of key skills and resources.
- A work resource plan for capital programme for 2023/24 is being updated with regular reviews planned ensure frameworks are in place to address capacity and skills gaps.
- Devolution plans being developed.

Next Steps/Milestones	Owner	Due date
Continue close liaison with Government officials to secure confirmation of capital grant funding for 2025/26 and beyond.	Director of Finance and Resources	Mar 24

<b>Risk 8</b>		
CP Theme: <b>Assets and technology</b>		
CP Workstream: <b>Technology</b>		
Risk Area: <b>Cybersecurity</b> Risk Owner: <b>Director of Finance and Resources</b> Risk Actionee: <b>Head of ICT</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	8(2x4)	↔ (stable)
	<b>Target RAG Status</b>	
	8(2x4)	
<b>Risk: A successful cyber-attack on Nexus ICT infrastructure.</b>		
Impact/Consequence(s): Nexus' ICT infrastructure is key to all the functions and activities we carry out. Failure to adequately secure and protect this from a cyber-attack could have a severe adverse impact on the delivery of services and potentially preventing critical actions and day-to-day work from being carried out.		
Controls: <ul style="list-style-type: none"> <li>• Nexus utilise a modern supportable resilient firewall, with a subscription to identify and protect against existing and emerging threats.</li> <li>• Security patching for systems including servers, workstations is undertaken on a high frequency level.</li> <li>• Significant technical controls are in place to manage the use of internet, email and reduce potential data loss.</li> <li>• Significant technical controls are in place for anti-virus and anti-malware on workstations and servers.</li> <li>• We subscribe to governmental cyber-threat awareness bulletins and are members of local security working groups.</li> <li>• Should a system fail or be rendered unusable by a cyber-attack, we regularly back-up all essential systems and data so service can be returned safely and efficiently.</li> <li>• Governance and user guidance is published, users are aware of their responsibilities.</li> <li>• Nexus staff complete a yearly cyber security eLearning module to ensure their knowledge is kept updated.</li> <li>• Nexus raises awareness of security threats using internal communications such as global email bulletins.</li> <li>• Nexus measure awareness through different mediums such as planned covert Phishing attacks.</li> <li>• All changes to Nexus ICT assets are subject to a robust change control process.</li> <li>• We have a suite of policies on security controls and acceptable use.</li> <li>• The ICT department maintain DC/BR and cyber incident security policies to respond and manage incidents.</li> <li>• Network segregation to protect critical systems and mitigate risk in particular to rail-based systems is in place.</li> </ul>		

- Security risks within ICT are managed using a suitable risk management process.
- Regular review of ongoing notifications from key suppliers regarding vulnerabilities to ensure timely notification and action.
- 3-year Cyber Security review and improvement plan developed.
- Internal audit for cybersecurity completed.

Next Steps/Milestones	Owner	Due date
Deliver 3-year Cyber Security improvement plan.	Head of ICT	Mar 26

<b>Risk 9</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>Products, Payments, and Information</b>		
Risk Area: <b>Products and Payment Offer</b> Risk Owner: <b>Customer Services Director</b> Risk Actionee: <b>Project Lead – Integrated Ticketing, Commercial Manager</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	6(2x3)	↔ (Stable)
	<b>Target RAG Status</b>	
	3(1x3)	
<b>Risk: Our products and payments offer fails to meet the changing needs of our customers and results in a loss of patronage across modes of transport.</b>		
Impact/Consequence(s): Changes to the way in which people choose to travel and technological developments may mean that the Nexus’ product offer is perceived as inadequate, outdated, and unable to deliver the intended benefits for customers and stakeholders impacting Nexus’ patronage recovery. While Nexus has driven innovation in product and payment channels thus far, the next step towards multi-modal smart travel and then multi-modal contactless travel will requires continued funding and effective partnerships across operators to make it possible.		
Controls: <ul style="list-style-type: none"> <li>• Introduction of a multi-modal price capped Pay As You Go (PAYG) product delivered through smart channels initially using existing ITSO infrastructure and the Pop brand and platform.</li> <li>• Continuous review of retail trends and customer choice with market research carried out to establish product development proposals.</li> <li>• Simplification of the product range on Metro and other Nexus services.</li> <li>• As part of NTL, simplification of the multi-modal and young persons offers.</li> <li>• Provision made in the Fares and Revenue budget in order to support research into the development of new products.</li> <li>• Seeking opportunities to work with partners and explore the potential for attracting external funding.</li> <li>• Continue promotion of PAYG on Android.</li> <li>• Increasing the proportion of card-only and coin and card ticket machines.</li> <li>• Pop PAYG fares on Metro and Shields Ferry frozen at April 2021 prices.</li> <li>• Full NTL ‘Network One’ season product range available on Pop from June 2023.</li> <li>• The single fare of £1 on Metro and bus for young people aged 21 and under has been implemented.</li> <li>• The Take the Kids for Free price promise has been implemented on bus services for the school summer holidays.</li> </ul>		

Next Steps/Milestones	Owner	Due date
Seek funding for continued innovation in product and payments arrangements.	Customer Services Director	Ongoing
Continue to encourage customer transition to cashless and paperless journeys.	Head of Commercial	Mar 25
Add current NTL product range onto smartcard.	Head of Commercial	Aug 23
Deliver a multi-modal price-capped pay-as-you-go product.	Head of Commercial	Mar 24
Develop products to provide integration between Metro and rail on the Northumberland Line.	Customer Services Director	Mar 24
Update back office and on-station ticket infrastructure to be able to accommodate product advancements.	Head of Multi-Modal Smart Ticketing	Mar 25
Extend Take the Kids for Free price promise to all bus services for all periods as part of the Enhanced Partnership.	Head of Commercial	Sep 23
Work with other providers to support PAYG on other mobile devices.	Head of Commercial	Dec 25

<b>Risk 10</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>Invest in our infrastructure</b>		
Risk Area: <b>Funding public transport network improvements</b>  Risk Owner: <b>Director of People and Culture</b>	<b>RAG Status (Green)</b>	<b>Direction of Travel</b>
	6(2x3)	<b>↔</b> (stable)
	<b>Target RAG Status</b>	
4 (2x2)		
<b>Risk:</b> That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful		
Impact/Consequence(s): Nexus will rely on external funding opportunities to implement enhancements to the public transport infrastructure that it is responsible for. Without this funding existing resources will, at best, only be able to maintain assets to their current condition and in some cases, assets will deteriorate due to lack of funding. This will impact on customer perceptions as public transport will not meet expectations leading to reduced patronage and revenue and Nexus will not meet the aspirations set out in the Transport Plan to grow Metro patronage and to replace journeys no longer being made with new markets, to enable Metro to support the economy, environment and communities within the region.		
Controls:		
<ul style="list-style-type: none"> <li>• Nexus schemes are included in the Regional Transport Plan pipeline and regional business case for CRSTF.</li> <li>• A pipeline of capital schemes aligned with the Nexus Corporate Plan will be developed for specified funding opportunities.</li> <li>• A detailed pipeline of potential schemes is developed and maintained for new and currently unspecified funding opportunities.</li> <li>• Nexus resources, both people and financial, are allocated to develop Nexus capital programme pipeline.</li> <li>• New schemes will be subject to the Nexus prioritisation process to match business priorities quickly and effectively to funding opportunities.</li> <li>• Schemes will be developed and governed under the Nexus' Stage-gate control processes.</li> <li>• Internal stakeholders are identified, and regular stakeholder meetings are held.</li> <li>• Regular liaison with Transport North East to provide project updates and ensure that schemes are developed in line with wider regional objectives.</li> <li>• Regular liaison with other external stakeholders, including DfT to ensure alignment with other projects and local objectives.</li> <li>• Match funding has been identified for live bidding opportunities.</li> <li>• Continuous horizon scanning for new funding opportunities.</li> <li>• Feasibility studies are progressing to identify suitable schemes to progress to bids.</li> </ul>		

<ul style="list-style-type: none"> <li>• Strategic outline business cases developed for schemes in the City Region Sustainable Transport Fund.</li> <li>• Funding sought to assist with the development of pipeline priorities</li> </ul>		
Next Steps/Milestones	Owner	Due date
Work with North Tyneside Council and Transport North East to secure funding for the relocation of the Ferry Landing to the Fish Quay.	Head of Corporate Planning	May 24
Seeking funding via Transport North East to support the development of pipeline projects	Head of Corporate Planning	Jul 23
Develop the OBC for the replacement of the signalling system.	Head of Corporate Planning	May 25
Identify funding opportunities to improve the environmental performance of the Ferry.	Head of Corporate Planning	Mar 24



<b>Risk 11</b>		
CP Theme: <b>Putting Safety and Security at the heart of everything we do</b> CP Workstream: <b>Reduce Anti-social Behaviour</b>		
Risk Area: <b>Antisocial behaviour</b> Risk Owner: <b>Managing Director</b> Risk Actionees: <b>Head of Safety and Security, Public safety and Security Manager</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	9(3x3)	<b>↔</b> (stable)
	<b>Target RAG Status</b>	
	3 (1x3)	
<b>Risk: An increase in anti-social behaviour leads to loss of reputation and reduced patronage</b>		
Impact/Consequence(s): An increase in anti-social behaviour across the Metro network could result in the perception that Metro is unsafe to travel on leading to falling patronage and increased costs on repairing and replacing damaged equipment.		
Controls: <ul style="list-style-type: none"> <li>• Weekly attendance at strategic and operational ASB forums, working in cohesion with Police, Local Authority, and Youth Justice colleagues.</li> <li>• Enhanced CCTV installed around system.</li> <li>• Regular security operations held across network to provide customer reassurance and to mitigate ASB.</li> <li>• Body worn cameras available to all public facing staff to support enforcement action.</li> <li>• Radios issued to Customer Service and Security teams to maintain good levels of communication.</li> <li>• Extensive liaison meeting with partner organisations to identify repeat offenders.</li> <li>• Increased messaging and communications at hotspot locations.</li> <li>• Pursue strong enforcement action against repeat offenders.</li> <li>• Metro Police Unit, British Transport Police and Neighbourhood Police Teams presence around network.</li> <li>• Regular roving patrols by Customer Service and Security staff around network.</li> <li>• Nexus Security Team attendance at multiple ASB mitigation events.</li> <li>• Targeted patrols in areas with higher levels of ASB.</li> <li>• Ticketing gate lines at key stations.</li> <li>• Multiple Security Working Groups, including graffiti, vandalism, and crime and disorder forums with key internal and external stakeholders, to implement and adhere to actions.</li> <li>• Increased numbers of Concourse Team members at key locations, and with the Customer Support Team roving resource.</li> </ul>		

- Nexus Security Team direction and support for the business and key external partners.
- Security Team liaison with Youth Justice Teams, to support and attend diversionary, intervention, mediation, and reparation processes.
- Regular review of plans identified in independent security review.
- Additional security staff in place to provide a high-profile presence on the network.
- Nexus supports and is proactively involved with the Safer Transport Northumbria Project where we have been successful again for funding from the Home Office.
- Realising the benefits of the Multi Agency Transport Team, comprised of Nexus Security, and Local Authority Community Safety personnel working together in a joint approach to target crime and unacceptable behaviour on our transport networks.
- Additional funding via the Safer Transport Northumbria Project has resulted in 2x knife arches being hosted and administered by the Nexus Security team. This means that Nexus has oversight of and is involved in all Police knife arch operations. The Public Safety and Security Manager will direct, oversee, and encourage Neighbourhood Teams, Metro Police Unit, British Transport Police, Multi Agency Transport Team, and Local Authority Community Support Teams in the usage of the equipment.
- Delivery of the 2023/24 Safety and Security Strategy.
- Intelligence and information-led targeted operations to curb rise in cable theft.
- Covert cameras to curb rise in cable theft is at the Request for Change stage.
- Involvement in National Infrastructure Crime Reduction Partnership.
- Nexus is working alongside the Police and Crime Commissioners Office to provide training to customer-facing staff on tackling anti-social behaviour.
- Nexus is working alongside local councils to deploy additional policing on Metro, through Operation Coastwatch and Operation Maple.
- Nexus has increased the size of the security team with additional personnel that continue to patrol the network on evenings – this number stands at up to 24 Officers from 15-19:00hrs and 44 Officers from 19-23:59hrs.
- Nexus has recruited a Community Safety Officer, responsible for community safety/security engagement.


Next Steps/Milestones	Owner	Due date
Deliver TCF programme to improve safety and security at carparks.	Customer Service Director	Nov 23

<b>Risk 12</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>Invest in our infrastructure</b>		
<b>Risk Area: North Shields Ferry Landing</b>  <b>Risk Owner: Major Projects Director</b>  <b>Risk Actionee: Head of Renewals, Customer Services Director</b>	<b>RAG Status (Red)</b>	<b>Direction of Travel</b>
	16(4x4)	<b>↔</b> (Stable)
	<b>Target RAG Status</b>	
	9(3x3)	
<b>Risk: The condition of the North Shields Ferry Landing continues to deteriorate and no funding is found to build a replacement</b>		
Impact/Consequence(s): Continued deterioration of the North Shields Ferry Landing is likely to lead to prolonged service suspensions and undermine the viability of the service without significant investment by 2025. This will reduce customer confidence and satisfaction in the service leading to declining patronage putting the long-term viability of the service into doubt.		
<b>Controls:</b> <ul style="list-style-type: none"> <li>• Internal project team-level Steering Group/working group.</li> <li>• Regular updates to the Major Projects Directorate Steering Group.</li> <li>• Periodic progress reporting to Nexus' Senior Leadership Team and JTC.</li> <li>• Continued advance planning and collation of information in identified risk areas to mitigate future deliver risks.</li> <li>• Apply effective and proven project management controls, risk management planning and governance processes with appropriately skilled resources employed in these areas.</li> <li>• Active stakeholder engagement to obtain involvement and co-operation of third/interested parties.</li> <li>• Regular assessment of programme delivery against grant funding conditions and meeting with funding bodies to provide up to date progress.</li> <li>• Horizon scanning and bidding for funding to continue to develop the project.</li> <li>• The borehole investigation has been completed on site. Laboratory Testing is currently on-going, draft factual report will be issued in June; this will be reviewed by Nexus' consultant.</li> <li>• Full planning application conditionally approved on 16<sup>th</sup> December 2022. Conditions to be closed as design progresses post GI work. Note NTC to secure planning permission to allow development of the Western Quay onshore route.</li> </ul>		

- Marine Management Organisation (MMO) have granted a Marine License for the North Shields Ferry Relocation project with a license end date of December 2027.
- River Works License applications have been agreed in principle by Port of Tyne for the main works. Conditions will be issued once the detailed design has been issued to the Port for approval.
- Due to the continued funding uncertainty for the North Shields Landing Relocation project and the age of the previous engineering advice, Nexus is going to procure a new survey to review the condition of the landing and assess whether the current closure date of March 2025 remains valid, could be extended or whether the deterioration has accelerated, and better understand the extent of any possible remedial works to provide an extension to the life of the existing North Landing. Quotation request for the structural and condition survey of North Shields Ferry Landing has been issued on 15/05/23, tender returned expected on 30/06/23.
- Progress design development commission work and contract delivery methods.
- Agree lease demarcations and maintenance strategies.
- Outline design to market.

Next Steps/Milestones	Owner	Due date
Attend and contribute towards ongoing strategic multi-party meetings facilitated/chaired by North Tyneside Council which embed the North Shields Ferry Landing relocation as an integral part of a wider ambition for the Fish Quay area.	Head of Renewals	Ongoing
Land Agreements Leases and Consents to be completed before tender issue	Head of Renewals /Major Projects Director	Jul 23
Nexus to publish Standard Selection Questionnaire (SQ).	Head of Renewals /Major Projects Director	Jul 23 subject to funding confirmation
Nexus to Publish Invitation to Negotiation to those successful at SQ stage.	Head of Renewals /Major Projects Director	Sep 23
Deadline for receipt of Initial Tenders	Head of Renewals /Major Projects Director	Dec 23

Deadline for receipt of Final Tenders	Head of Renewals /Major Projects Director	Jan 24
SLT approval for Contract Approval	Head of Renewals /Major Projects Director	Apr 24
Completion of new Ferry Landing and protection jetty extension works	Head of Renewals /Major Projects Director	Dec 25
Demolition of existing North Landing	Head of Renewals /Major Projects Director	Jun 26

<b>Risk 13</b>		
CP Theme: <b>Customer Experience</b>		
CP Workstream: <b>An excellent customer experience</b>		
Risk Area: <b>Future of the Bus Network</b> Risk Owner: <b>Customer Services Director</b> Risk Actionee: <b>Head of Commercial, Head of Customer Services, Head of Corporate Planning</b>	<b>RAG Status (Amber)</b>	<b>Direction of Travel</b>
	6(2x3)	 (Improving)
	<b>Target RAG Status</b>	
	6(2x3)	
<b>Risk: Meeting the region’s target for access to public transport could become beyond the budget available to Nexus, due to a significant withdrawal of commercial services caused by reduction in Government subsidy while patronage is yet to recover to pre-pandemic levels.</b>		
Impact/Consequence(s): Bus patronage across commercial operators is currently about 80% of historic levels and, with Government support being reduced, commercial and subsidised bus services will become less sustainable and may accelerate the long-term decline of the network.  Service cuts will mean bus would cease to provide an adequate level of public transport options across communities reducing access to education, employment, and leisure opportunities.  Failure to adequately fund improvements and repairs to bus infrastructure is likely to exacerbate negative feelings towards bus services.  Additional funding from Government to the Joint Transport Committee through the Bus Service Improvement Plan (BSIP) provides Nexus with the means to make interventions, but this funding is time-limited to March 2025 after which routes and services we are now able to support will again be under threat.		
<b>Controls:</b> <ul style="list-style-type: none"> <li>• Delivery of an Enhanced Partnership between Transport North East, Nexus and Bus Companies, supported by funding from the Government’s Bus Service Improvement Plan until 2025.</li> <li>• Support local bus boards and customer consultation processes to understand and reflect local priorities for bus services.</li> <li>• Implement further rescue packages where commercial operators make cuts, consulting stakeholders to implement network reviews funded by the BSIP until 2025.</li> <li>• Use BSIP funding to enhance frequencies on commercial routes during the day and evening to make the bus network more attractive, grow passenger numbers and reduce the level of subsidy required overall.</li> </ul>		

<ul style="list-style-type: none"> <li>• Implement fares and discounts agreed by the Enhanced Partnership across all Nexus services including Metro and Ferry in order to deliver the best possible holistic public transport offer.</li> <li>• Monitoring of public transport patronage and undertake research through the insight panel to gain intelligence on trends and passenger behaviours.</li> <li>• Lobby Government for continued funding beyond 2025 to support bus services.</li> <li>• Develop capital and revenue led schemes in readiness for funding opportunities.</li> <li>• Build business cases to fund improvements in bus infrastructure and information provision.</li> </ul>		
Next Steps/Milestones	Owner	Due date
Liaise with TNE to ensure commitments set out within the EP Scheme adequately funded.	Customer Services Director	Ongoing
Develop and fund a programme of network frequency enhancements, consulted on with operators, and funded from BSIP	Head of Commercial	Oct 24
Work with operators to understand cuts they may be making in advance, under the terms of the EP, so effective mitigations can be consulted on and delivered	Head of Commercial	Ongoing
Deliver and monitor the secured bus network and provide monitoring data as agreed.	Head of Commercial	Ongoing
Develop designs alongside Gateshead Council to improve Gateshead bus station as part of Interchange redevelopment proposals.	Customer Services Director	Apr 24
Deliver a Multimodal Price Capped Pay As You Go Product through the Bus Service Improvement Plan.	Customer Services Director	Nov 24

**Appendix 2**

**Table based on the current risk scores in Nexus' Corporate Risk Register**

			<b>Uncontrolled and Controlled Risk Scores</b>						
<b>Risk area</b>	<b>Uncontrolled</b>			<b>Controlled</b>			<b>Target</b>		
	L'hood	Impact	Score	L'hood	Impact	Score	L'hood	Impact	Score
Catastrophic security event	4	4	16	2	4	8	2	4	8
Catastrophic safety event	4	4	16	2	4	8	2	4	8
Metro Performance	4	4	16	3	4	12	2	4	8
Long Term funding for Metro	4	4	16	3	4	12	1	3	3
Frontline services and discretionary travel Schemes	4	4	16	2	3	6	1	3	3
Delivery and introduction of the new train fleet.	4	3	12	3	3	9	2	3	6
Efficiency of Delivery of the Capital Programme	4	3	12	3	3	9	1	3	3
Cybersecurity	4	4	16	2	4	8	2	4	8
Products and Payment Offer	4	3	12	2	3	6	1	3	3



Funding Public Transport Network improvements	4	3	12		2	3	6	2	2	4
Anti-Social Behaviour	4	3	12		3	3	9	1	3	3
Ferry Landing Relocation	4	4	16		4	4	16	3	3	9
Future of the Bus Network	3	4	12		2	3	6	2	3	6

## Appendix 3: Risk Score Matrix

Assess the impact if the risk occurred:

		Impact:			
		Insignificant	Minor	Significant	Critical
Likelihood	High	4	8	12	16
	Medium	3	6	9	12
	Low	2	4	6	8
	Negligible	1	2	3	4

Assess the likelihood of the risk occurring:

Likelihood:	
High	Risk will almost certainly occur or is occurring at present
Medium	Risk is likely to occur in most circumstances
Low	Risk may occur
Negligible	Risk is unlikely to occur

Assess the impact should the risk occur e.g.

	On objectives:	On service delivery:	On finances:	On reputation:
Critical	<ul style="list-style-type: none"> <li>Over half of programmes or objectives affected</li> <li>More than one critical objective impacted</li> <li>Stakeholders do not commit to a shared vision</li> </ul>	<ul style="list-style-type: none"> <li>Significant change in services</li> <li>Relationship breakdown between major stakeholders</li> <li>Serious impact on strategic plans</li> <li>Unplanned major re-prioritisation of resources and/or services</li> <li>Failure of a delivery programme or major project</li> </ul>	<ul style="list-style-type: none"> <li>Unable to secure or loss of significant funding opportunity (£5m)</li> <li>Significant financial loss (£2m)</li> <li>Significant adverse impact on budgets</li> </ul>	<ul style="list-style-type: none"> <li>Adverse national media attention</li> <li>External criticism (in press)</li> <li>Significant loss of confidence or satisfaction from stakeholders</li> <li>Significant loss of community confidence</li> </ul>
Significant	<ul style="list-style-type: none"> <li>One or more objectives or programmes affected</li> <li>One or more stakeholders do not commit to shared vision</li> <li>Significant environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Partner unable to commit to joint arrangements</li> <li>Recoverable impact on service delivery</li> <li>Major project failure</li> </ul>	<ul style="list-style-type: none"> <li>Prosecution</li> <li>Major change in or loss of funding opportunity (£2m)</li> <li>Notable change in an external contribution</li> <li>Notable adverse impact on budget</li> </ul>	<ul style="list-style-type: none"> <li>Notable external criticism</li> <li>Notable reduction in confidence or satisfaction</li> <li>Internal dispute between partners</li> <li>Adverse regional media attention</li> <li>Significant loss of community confidence</li> </ul>
Minor	<ul style="list-style-type: none"> <li>Up to 2 priority outcomes affected</li> <li>Isolated serious injury/ill health</li> <li>Minor environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Threatened loss of partner commitment</li> </ul>	<ul style="list-style-type: none"> <li>Minor financial loss</li> <li>Some loss of funding</li> <li>Funding opportunity threatened</li> </ul>	<ul style="list-style-type: none"> <li>Failure to reach agreement with individual stakeholder organisation</li> <li>Some loss in confidence or satisfaction</li> </ul>
Insignificant	<ul style="list-style-type: none"> <li>Minor effect on priorities/service objectives</li> <li>Isolated minor injury/ill health</li> <li>Insignificant environmental impact</li> </ul>		<ul style="list-style-type: none"> <li>Isolated containable financial impact</li> </ul>	

## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 13<sup>th</sup> July 2023

**Subject:** Review of the £2/£4 offer provided on Metro between January and March 2023

**Report of:** Managing Director, Nexus

### Executive Summary

Between January and March 2023, Nexus introduced a £2 single / £4 day cap limited offer on Metro and the Shields Ferry for Pop Pay As You Go (PAYG) mobile and smartcard users. From an equity perspective, it was important that Nexus matched the national bus offer financially underwritten by central Government, aimed at helping bus users through the cost-of-living crisis. This offer was also an opportunity to encourage transition to Pop, where customers would continue to obtain better value than buying paper tickets as the offer ended. It also supported Nexus' sustainability objectives as paper tickets are non-recyclable. However, Nexus received no external funding to meet the estimated £304k cost of this offer on Metro and the Shields Ferry, and it was instead subsidised within overall operating costs.

The introduction of the £2/£4 scheme saw a shift in the proportion of Metro customers buying Pop products as a proportion of the total sales of single and day saver products. This shift saw the 75:25 ratio in favour of paper-based products change to 70:30, and this has remained the case since the scheme ended.

For the duration of the scheme, an estimated 200,000 additional journeys were made using Pop products, whilst paper-based products saw an estimated reduction of around 50,000 journeys. It should be noted that there was growth in journeys before the scheme and the estimated growth in journeys during the period of the scheme was not as strong as the estimated growth in journeys in the period immediately afterwards, thereby suggesting that the £2/£4 offer did not materially affect what Metro was already exhibiting in terms of medium to long term underlying recovery, post pandemic.

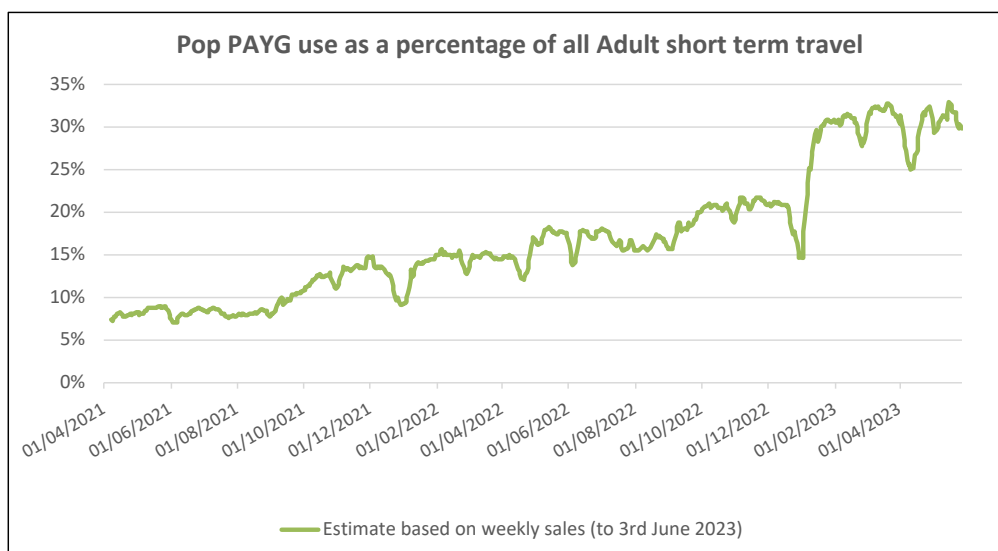
## **Recommendations**

The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to;

- I. Note the contents of the report

## 1. Background Information

- 1.1 The Tyne and Wear Sub-Committee sets fares for Metro, the Shields Ferry and those buses where Nexus collects fare revenue, based on recommendations from Nexus on how to provide the best value possible to customers while also meeting the operating cost of services. The 15<sup>th</sup> November 2022 Tyne and Wear Sub-Committee meeting approved the following recommendations to be implemented from 2<sup>nd</sup> January until 31<sup>st</sup> March 2023;
- i. Adult travel using a Pop Pay As You Go (PAYG) smartcard capped at a maximum of £2 for a single journey, with corresponding prices for a day's travel capped at a maximum of £4.
  - ii. Travel by customers aged 19 to 21 using a Pop 19-21 smartcard capped at a maximum of £2 for a single journey, ensuring parity with adult prices.
  - iii. Fares on minimum cost bus services operating under contract to Nexus capped at a maximum £2, as part of a Government scheme.
- 1.2 This report reviews the impact of Recommendation (i).
- In terms of Recommendation (ii), this has since been superseded by an improved and permanent Pop Blue offer on Metro and the Shields Ferry for all those aged 21 and under of a £1 single or £2.20 maximum day cap. This was approved by the Tyne and Wear Sub-Committee in April and came into effect from 7th May 2023; and
  - In terms of Recommendation (iii), Nexus continues to receive funding from central Government to continue the offer on bus services which it provides and takes fare revenue on, allowing it to extend the £2 fare on this mode.
- 1.3 Recommendation (i) was implemented at financial risk to Nexus and without subsidy to cover the difference between normal Pop PAYG fares and the offer price, or to take account of an accelerated transition from paper to Pop fares. As well as ensuring the offer being financially underwritten by central Government for bus users was matched, the initiative helped provide relief to customers during the height of the cost-of-living crisis, as well as encouraging the transition to Pop PAYG and with it the convenience and attractiveness of public transport.
- 1.4 Pop PAYG delivers a number of benefits for both consumers and society. Because they contain a magnetic stripe, millions of unrecyclable paper tickets go to landfill each year. By encouraging the take up of phone transactions and reusable smartcards, Nexus can reduce Metro's environmental footprint. In addition, Pop PAYG has for some time been the best value product for many customers, with prices frozen at April 2021 prices well below paper ticket equivalents. The limited £2/£4 offer, supported by marketing and community campaigns, encouraged consumers to both make the change to Pop and save money on all future journeys.
- 1.5 The graph below shows the proportion of short-term travel on Metro (choices made on the day, excluding season tickets) made using Pop PAYG.



- 1.6 The introduction of the £2/£4 scheme saw a shift in the proportion of Metro customers buying Pop products as a proportion of total sales of single and day saver products. This shift saw the 75:25 ratio in favour of paper-based products change to a 70:30 ratio, and this has remained the case since the scheme ended. For the duration of the scheme, an estimated 200,000 additional journeys were made using Pop products, whilst paper-based products saw an estimated reduction of around 50,000 journeys. It should be noted that there was growth in journeys before the scheme and the estimated growth in journeys during the period of the scheme was not as strong as the estimated growth in journeys in the period immediately afterwards, thereby suggesting that the £2/£4 offer did not materially affect what Metro was already exhibiting in terms of medium to long term underlying recovery, post pandemic.
- 1.7 The £2 offer did encourage more customers to achieve the convenience and savings that come with Pop PAYG, while also helping customers through a difficult winter when the cost of other commodities was increasing rapidly e.g energy and food. Prices returned to their previous, April 2021 level in April this year, and the increased take up of PAYG remains the same, at around 30% with customers saving 96p per journey when travelling on Metro. This does come at an ongoing cost to Nexus however, as outlined on the financial implications.

## 2. Reasons for the Proposals

- 2.1 This paper contains no proposals and is for noting only.

## 3. Alternative Options Available

- 3.1 This paper contains no proposals and is for noting only.

## 4. Next Steps and Timetable for Implementation

- 4.1 This paper contains no proposals and is for noting only.

## **5. Potential Impact on Objectives**

- 5.1 The review demonstrates a success story in terms of converting customers from non-recyclable paper tickets to more environmentally friendly reusable smartcards.

## **6. Financial and Other Resources Implications**

- 6.1 Nexus' Director of Finance and Resources confirms that the estimated cost of introducing the £2/£4 fare was £165,000 during the period 1 January 2023 to 31 March 2023. This is lower than the previous estimate and does not take account of growth in journeys made during the period of the scheme which were estimated at 5%. However, caution must be taken in attempting to estimate growth in journeys solely because of the scheme; in the periods immediately before and afterwards, growth in journeys are estimated at 3% and 14% respectively. There is therefore underlying growth in journeys being made (as exhibited during the whole of 2022/23 and the beginning of 2023/24), as Metro continues its gradual recovery from the Covid pandemic. Given the amount of growth observed either side of the scheme, it is not reasonable to suggest the scheme was the reason for growth throughout its duration.
- 6.2 What is apparent however, is that the permanent shift from paper-based products to Pop products for single and day saver journeys has an estimated cost implication of £570,000 for the 2023/24 budget.
- 6.3 Members of the Sub-Committee will recall that when the Metro fares review was approved at its January 2023 meeting, the financial implications advised that every 1% movement in the sales of (discounted) PAYG single and day saver products as a proportion of the total journeys made using single and day saver products would have an adverse impact on revenue (minute 45/2022 refers). Given the proportion of journeys made using PAYG products have increased to 30%, this is what gives rise to the estimated cost outlined in paragraph 6.2.
- 6.4 However, to provide reassurance to members, the medium to long term underlying growth in journeys and revenue post Covid means that this cost can be likely to be able to be accommodated from within the overall revenue budget for 2023/24. Having said that, members are also reminded that Nexus is still operating with a significant budget deficit in 2023/24.
- 6.5 Clearly, Nexus has been attempting to encourage further take up of PAYG products for single and day saver journeys for some time, and whilst the £2/£4 scheme has helped increase the proportion of journeys made using these products, it is likely that more will need to be done if Nexus is to achieve anywhere near 100% of such journeys being made with PAYG products. Given the price differential, it is also apparent that further shifts towards PAYG products will come at a significant cost, unless the base price of PAYG products also increases, something that hasn't happened since 2021.

**7. Legal Implications**

7.1 There are no legal implications arising from this report.

**8. Key Risks**

8.1 There are no risks arising from this report.

**9. Equality and Diversity**

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

**10. Crime and Disorder**

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

**11. Consultation/Engagement**

11.1 There are no specific consultation / community engagement considerations.

**12. Other Impact of the Proposals**

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

**13. Appendices**

13.1 None

**14. Background Papers**

14.1 There are no specific background documents for consideration linked to this report.

**15. Contact Officers**

15.1 Huw Lewis, Customer Services Director, Nexus  
Email: [Huw.Lewis@nexus.org.uk](mailto:Huw.Lewis@nexus.org.uk)

**16. Sign off**

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

**17. Glossary**





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## North East Joint Transport Committee, Tyne and Wear Sub-Committee

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**Date:** 13 July 2023  
**Subject:** Tyne Tunnels Update  
**Report of:** Managing Director, Transport North East

### Executive Summary

This report provides an update on activities at the Tyne Tunnels relating to:

1. The management and operation of the traffic tunnels;
2. The management and operation of the Tyne Pedestrian and Cyclist Tunnels (TPCT).

The report provides information on traffic levels at the Tyne Tunnels, which are continuing to be higher than in previous years with over 1.62 million vehicle journeys through the tunnels during May 2023. This compares with 1.54 million in May 2022.

The report also gives an update on the compliance rate (rate of successful toll payments) under the Tyne Pass Scheme which is at 97.01% in May 2023. This compares well with last May and continues the promising trend of fewer tunnel users failing to pay the toll on time and being affected by enforcement.

The report also provides an update on the usage and operation of the Pedestrian and Cyclist tunnels with particular reference to the completion of the inclined lifts.

### Recommendations

The North East Joint Transport (Tyne and Wear) Sub-Committee is recommended to:

- i. Note the contents of the traffic tunnels update; and
- ii. Note the contents of the Tyne Pedestrian and Cyclist Tunnels update.

## 1. Background Information

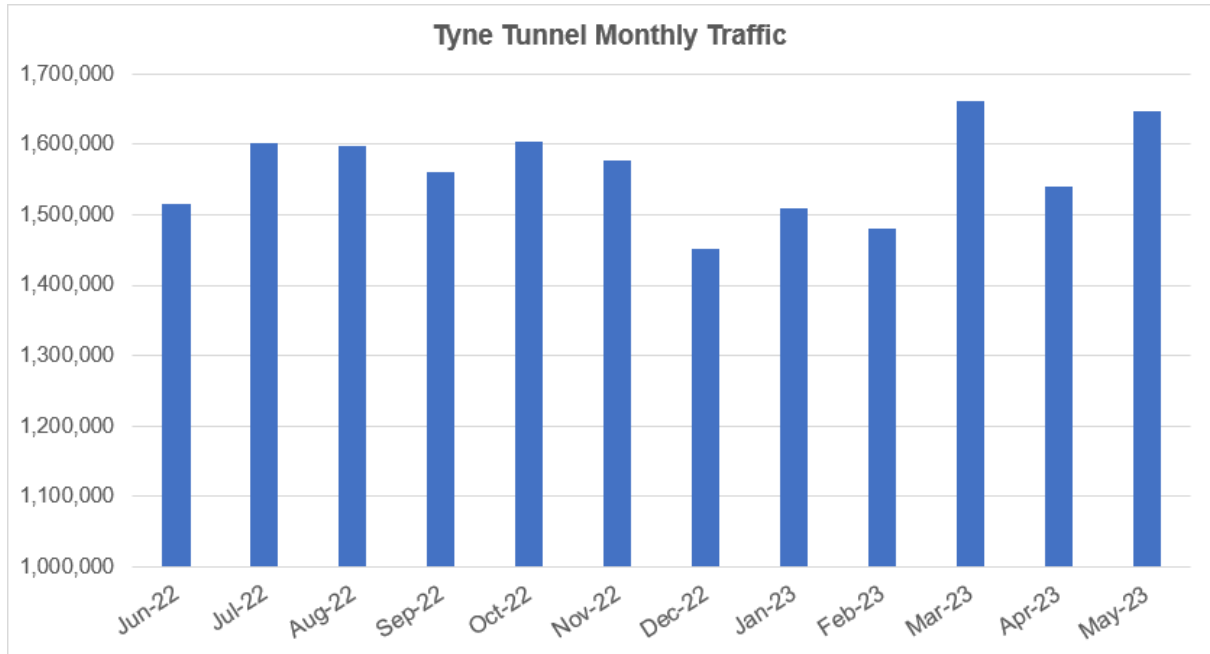
- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East.
- 1.2 The Tyne Tunnels comprise of two vehicle tunnels (one northbound and one southbound) and the pedestrian and cyclist tunnels all passing under the River Tyne and linking North Tyneside with South Tyneside. The first vehicle tunnel was opened in 1967, and the second opened in 2011 having been financed and built using a Concession contract.
- 1.3 The Tyne Tunnels are self-funded and receive no central government funding nor any local authority subsidy or levy, with all operational costs and debt financing costs being met from the tolls charged to users of the vehicle tunnels. The toll charges are necessary to repay the significant debts which were incurred in 2007 by both TT2 Limited and the local authorities in the building of the second tunnel and undertaking substantial refurbishment of the original tunnel.
- 1.4 TT2 Ltd as Concessionaire is responsible for the day-to-day management and operation of the Tunnels, in accordance with the Project Agreement which is in place from 2007 to 2037. This is monitored by the Tyne Tunnels Manager on behalf of Transport North East.

## 2. Traffic Tunnels Update

### Traffic Flows

- 2.1 The number of vehicles travelling through the Tyne Tunnels is monitored daily by TT2 and Transport North East. If traffic levels are low (as they were in 2020 and 2021 due to Covid restrictions), TT2 suffers the income loss from the reduced toll income rather than the JTC, as the JTC income is protected by the nature of the Project Agreement. The agreement is designed so that JTC takes the first share of traffic income, while TT2 takes its income from the additional traffic over that level. This means that TT2 takes the main financial risk on a drop in traffic, but also benefits financially when traffic is higher.
- 2.2 Since the Tyne Pass barrierless system was brought into operation in 2021, more and more drivers are choosing to use the Tyne Tunnels. Traffic is now significantly higher than it has been in the last few years. In May 2023 there were **1,622,785** vehicle journeys through the tunnels, compared with the previous year when in May 2022 **1,540,348** vehicle journeys were made. Whilst the rise in traffic will be in part due to the effects of displaced traffic from other river crossings, TT2 considers that the main reason for the higher traffic levels is the faster journey times due to the barrierless system at the Tyne Tunnels and other A19 improvements such as Testos and Silverlink which have also improved journey times on this stretch of road.

### 2.3 Fig: 2.3 Tyne Tunnel Monthly Traffic

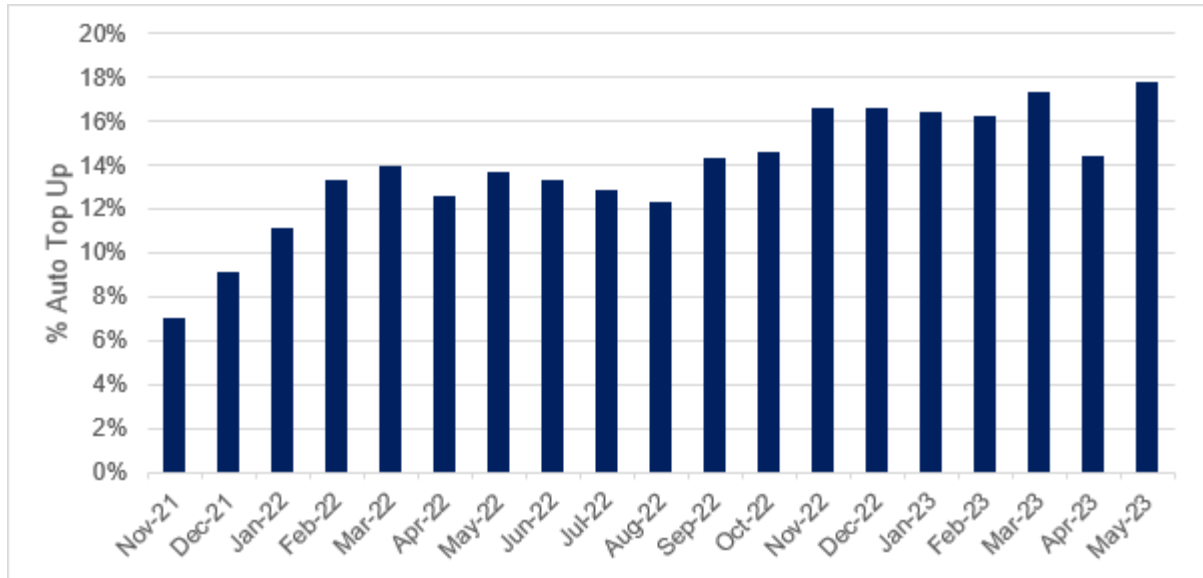


#### Tyne Pass Scheme update

- 2.4 For the last 18 months, the Tyne Pass Scheme for barrierless open road tolling, has been in operation and the number of customers paying the toll successfully for their journey has been improving. Based on experience of other similar schemes it was expected that the non-compliance rate would start at a higher level then reduce as familiarity with the system improved. It was envisaged that the rate would reduce to under 3% within the first 2 years of the scheme. This has now been achieved and the rate is fluctuating between 2% and 3% over the last few months.
- 2.5 The majority of customers pay the toll by pre-paid account (79.9% of all payments in May 2023). These customers benefit from an optimum service as they can:
- pay before or after their journey;
  - use the 'auto-top up' facility with a linked bank card;
  - receive regular email alerts and reminders if their balance is running low;
  - receive a 10% discount on every journey.
- 2.6 Most customers are choosing to pay the toll by digital means with over 97% of customers choosing to pay by web/app or via auto-top up or auto-phone. However, there is still the option to pay the toll in cash for those who need it, with Pay Point locations across the North East accepting toll payments in local retail outlets in cash with no additional charge for this service.
- 2.7 Approximately 40,000 people make payments such as top-ups or journey payments on a typical day. The percentage of people using the 'Auto Top-up' service provided by TT2 as their chosen method of payment has more than doubled since Tyne Pass

went live. Auto Top-up was initially used by 7% of tunnel users in November 2021 but has risen to 18% of users in May 2023.

**Fig: 2.7 Auto top up**



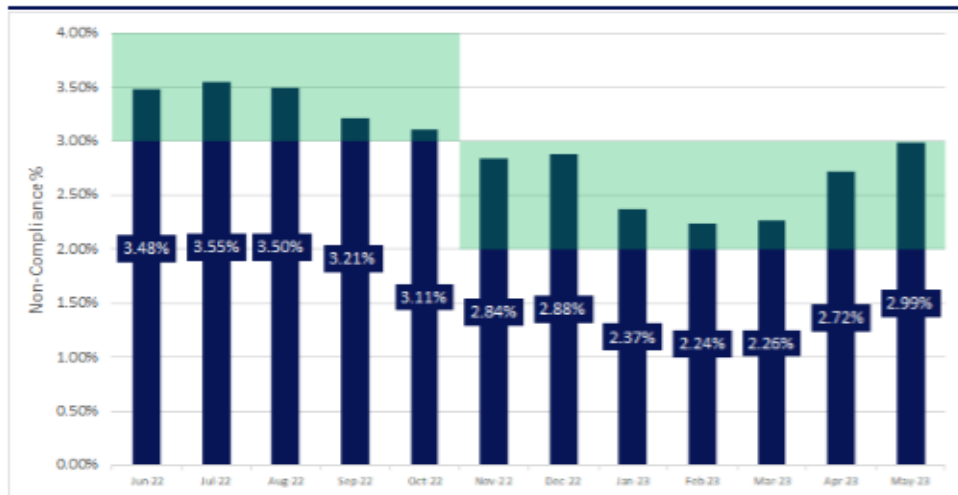
**2.8 Payment of the Toll**

In May 2023, the toll was paid on time for 97.01% of journeys. The chart below shows that the percentage of journeys which were 'non-compliant' (where customers failed to pay the toll and received a UTCN - Unpaid Toll Charge Notice) has decreased significantly since the start of the scheme in November 2021 when it was over 5%.

For the last six months, non-compliance has been under 3% and has fluctuated between 2.24% and 2.99%. The fluctuations can be for a variety of reasons including seasonal traffic, number of weekends/bank holidays in a month and TT2 customer campaigns.

**2.9 Fig: 2.9 Non-compliant journeys (journeys where toll is not paid)**

## Non-Compliance

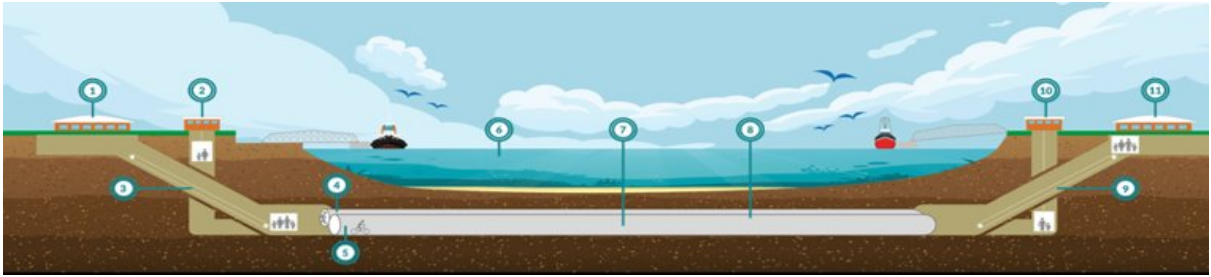


Tyne Pass Non-Compliance is a measure of the non-compliance percentage of traffic. The green band is TT2's target for the end of the year.

- 2.10 Based on previous years' customer data, it is likely that the non-compliance rate may trend slightly upward during the summer months (June, July and August) as there is a different customer profile during those months and more one-off journeys (made by drivers who may be less familiar with the system) rather than regular commuters. It is expected to resume the downward trend in September when the customer profile changes back to more regular users.
- 2.11 To prepare for the changing customer profile and one-off journeys expected over the summer period, TT2 has worked on a Summer Holiday Campaign which includes the following:
- Geo-targeted social media adverts to promote Pre-Paid, pre-pay and how to pay with informative graphics and visual North East locations;
  - Fuel pump adverts in fuel stations across the North East;
  - Smooth Radio Morning Partnership sponsoring weather spots from June to September;
  - Events leaflet distribution at various summer festivals including Mouth of the Tyne and South Tyneside Festival.

## Tyne Pedestrian and Cyclist Tunnels Update

2.12



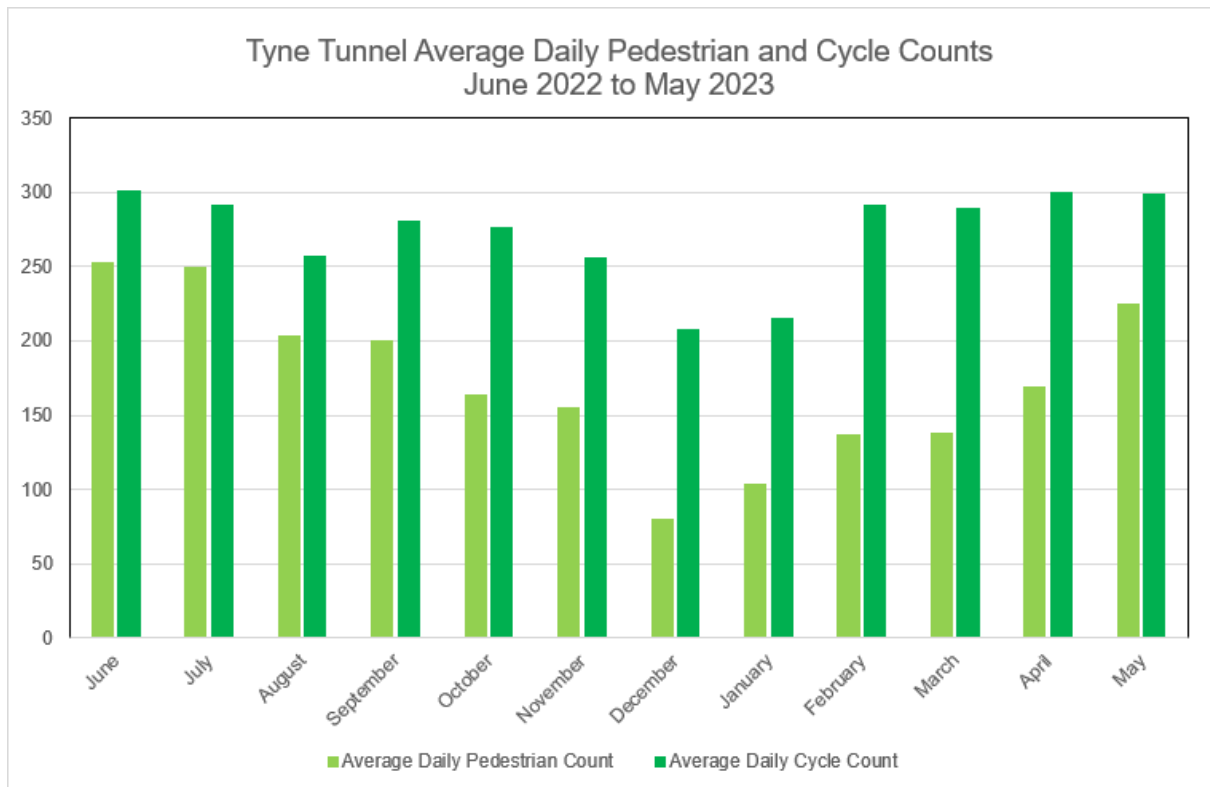
2.13 The Tyne Pedestrian and Cyclist Tunnels reopened for public use in August 2019 after being closed for several years for refurbishment. The tunnels are currently open to the public with no charge to users. To access the tunnels, pedestrians and cyclists can use the vertical lift at both ends. The tunnels are monitored via CCTV by the 24-hour security presence on-site.

2.14 The tunnels were open initially during the hours of 06:00 and 22:00. Following requests from users for night time opening, a trial of 24-hour opening was put in place during 2021 to assess whether there were any concerns regarding safety or anti-social behaviour. The trial proved to be successful and they have remained open 24/7 since then. There have been no major concerns or incidents of antisocial behaviour. The night-time opening has proved very popular, particularly benefiting shift workers who cycle to work at night.

2.15 The tunnels have been closed briefly when lift maintenance works have been carried out on the vertical lifts. There was an unplanned closure in June 2023 for 3 days when the north lift was out of service. On each occasion, when the tunnels are closed a replacement bus service with cycle trailer has operated free of charge for users from 6am to 10pm.

2.16 Daily use of the tunnels has increased since the tunnels reopened in 2019. Cycling in particular, has increased in popularity. Daily average usage is shown below.





### **Inclined lifts refurbishment**

- 2.17 Additional lifts are being installed to increase capacity for cyclists and to provide a tourist attraction. These are bespoke glass “inclined” lifts which travel on a steep incline down the historic escalator shaft to the lowest part of the tunnels. Completion and certification of the inclined lifts is awaited as they have proved difficult to complete due to the bespoke nature of the design and issues with contractors.
- 2.18 The completion of the inclined lifts was delayed throughout 2020 with the lift engineers (Maspero) citing Covid-19 travel restrictions as the principal reason for this. Maspero engineers were last on site in January 2020 and have not been back to site since. However, the completion of the inclined glass lifts is a priority and therefore other options have been considered to reach a solution that allows the inclined lifts to be brought into operation as soon as possible.
- 2.19 New lift contractors were appointed in late 2021 with works taking place in 2022. The new specialist lift engineers have made good progress in 2022 on the wiring and mechanical systems which control the lift and in the last few months have completed further works on the glass cabin, doors and the door operating mechanisms. New parts were required and were ordered in mid-2022 however they were subject to a longer delivery process than expected due to supply chain delays.
- 2.20 The new parts were delivered to the UK in December 2022, and the works have progressed well over the last few months with all parts being installed and fitted. During August and September works should be in the final stages of testing and certification with the lifts opening to the public soon after. Once they are operational, the new lifts will be able to carry up to 6 cyclists and their bikes in one journey.

2.21 Once the inclined lifts have been opened to the public for use, there will be a handover process to TT2 who will resume day-to-day operational responsibility for the Tyne Pedestrian and Cyclist Tunnels.

### **3. Reasons for the Proposals**

Not applicable.

### **4. Alternative Options Available**

Not applicable.

### **5. Next Steps and Timetable for Implementation**

Officers will continue to work with TT2 on customer-focused improvements to the Tyne Pass system which has now been in operation for over 18 months.

The lift contractor is continuing work on the inclined lifts to enable them to be brought into operation as soon as possible.

### **6. Potential Impact on Objectives**

The promotion of cycling and walking is in line with the JTC objectives on sustainable transport.

The Tyne Pass scheme provides significant environmental benefits which contribute to the Combined Authorities' objective to improve air quality and reduce carbon emissions. This is also in line with the Transport Plan objectives and the Combined Authorities' objectives to respond to the Climate Change Emergency which has been declared by all constituent authorities.

The Tyne Pass scheme has created new jobs for local people which contributes to the Combined Authorities' objectives to improve employment opportunities in the region and reduce levels of unemployment.

### **7. Financial and Other Resources Implications**

7.1 There are no financial implications arising directly from this report, which is for information.

7.2 The cost of the original refurbishment works on the Tyne Pedestrian and Cyclist Tunnels were included in the JTC capital programme and have been funded from Tyne Tunnel reserves and from prudential borrowing in line with the original approval for the project. It is important to note that the Tyne Tunnels reserves are ring-fenced for use on the tunnels.

### **8. Legal Implications**

There are no legal implications arising directly from this report.

### **9. Key Risks**

There are no key risks associated with this report.

**10. Equality and Diversity**

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

**11. Crime and Disorder**

There are no implications for Crime and Disorder arising directly from this report.

**12. Consultation/Engagement**

The Head of Paid Service, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the Transport North East (Tyne and Wear) Sub-Committee. TT2 website and the Pedestrian and Cycle Tunnel website both provide updates to the public on all matters related to the Tunnels.

**13. Other Impact of the Proposals**

Not applicable.

**14. Appendices**

None.

**15. Background Papers**

River Tyne (Tunnels) Order 2005

River Tyne (Tunnels) (Modification) Order 2011

Tyne Tunnel Update reports to previous meetings of the Tyne and Wear Sub-committee.

**16. Contact Officers**

Michael Dodds, Strategic Infrastructure Contract Manager (Tyne Tunnels)  
[Michael.Dodds@transportnortheast.gov.uk](mailto:Michael.Dodds@transportnortheast.gov.uk)

**17. Sign off**

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

**18. Glossary**

TCPT – Tyne Cyclist and Pedestrian Tunnel

PA – Project Agreement (Concession agreement with TT2)

JTC – Joint Transport Committee

UTCN – Unpaid Toll Charge Notice

DfT – Department for Transport

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

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