



## Joint Transport Committee Tyne and Wear Sub-Committee

Thursday, 18th January, 2024 at 2.00 pm

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

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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 9 November 2023</b>	<b>5 - 12</b>
<p>The Tyne and Wear Sub-Committee is asked to approve the minutes of the meeting held on 9 November 2023.</p>	
4. <b>Revision to Metro, Shields Ferry and Secured Bus Fares April 2024</b>	<b>13 - 26</b>
5. <b>Tyne Tunnels Toll Revision 2024</b>	<b>27 - 34</b>
6. <b>Nexus Corporate Business Plan 2024/25 - 2028/29</b>	<b>35 - 52</b>
7. <b>Nexus Corporate Performance Update</b>	<b>53 - 62</b>
8. <b>Nexus Corporate Risks 2023/24</b>	<b>63 - 102</b>
9. <b>Tyne Tunnels Update</b>	<b>103 - 110</b>
10. <b>Exclusion of the Press and Public</b>	

The Tyne and Wear Sub-Committee may wish to exclude the press and public during consideration of item 11 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

11. **Tyne Tunnels Renewable Energy Project** **111 - 116**
12. **Date of next meeting**

The next meeting will take place on Thursday 11 April at 2pm at Gateshead Civic Centre.

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

**DRAFT MINUTES FOR APPROVAL**

**DATE:** 9 November 2023

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

**Committee Members Present:**

Councillor: C Johnson (Chair)

Councillors: A Hay, F Cunningham and J McElroy

**In attendance:**

Councillors: S Dean and S Graham

Statutory Officers: R Curry (Deputy Monitoring Officer)  
E Goodman (NECA Finance Manager)  
T Hughes (Managing Director, Transport North East)

Officers: J Cram, M Dodds, J Fenwick, A Graham, H Lewis,  
C Massarella, H Mathews and E Reynard

**25. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor G Miller, Councillor C Rowntree and Councillor M Williams.

**26. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**27. MINUTES OF THE PREVIOUS MEETING HELD ON 14 SEPTEMBER 2023**

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

## 28. TYNE TUNNELS UPDATE

The Sub-Committee received a report which provided an update on the management and operation of the Tyne traffic, pedestrian, and cyclist tunnels.

### Traffic Tunnels

Traffic levels continue to remain higher than previous years with over 1.64 million vehicle journeys through the traffic tunnels during September 2023. This compares with 1.55 million journeys in September 2022.

### Tyne Pass Scheme

Compliance rates for successful toll payments under the Tyne Pass Scheme were 97.22% in September 2023. This is comparable with the same time period in 2022 and continues the trend of fewer tunnel users failing to pay the toll on time.

As the Sub-Committee were advised at the last meeting, TT2 are planning to switch their online toll payment system to deliver improvements for customers. These improvements will include the option to pay by GooglePay and ApplePay, which has been requested by customers, and will offer an enhanced user interface.

The system changes will require the TT2 website to be unavailable from 09:30 into the evening on Saturday 11 November, and the TT2 app to be unavailable from 09:30 on Saturday 11 November until Monday 13 November. This has been planned to minimise disruption, although during this time it will still be possible to pay the toll by visiting a Paypoint retailer. There will be a requirement for all account holders to reupload their card details following the system change.

TT2 have developed a comprehensive communications plan about the changes and downtime of the website and app. This includes advanced notice and reminders for customers with accounts and extending the payment window to midnight on Tuesday 14 November for all customers who travel on Friday 10, Saturday 11 or Sunday 12 November. Any customers who are unable to make a payment during the extended payment window and subsequently receive an unpaid toll charge notice will be able appeal through TT2's normal process and each appeal will be considered on a case-by-case basis.

### Pedestrian and Cyclist Tunnels

The vertical lifts were out of service for short periods of time on Tuesday 19 September and Monday 2 October for a planned inspection and subsequent maintenance work.

The north vertical lift then developed a fault on Saturday 14 October and as such it went out of service at 21:15 until 14:30 on Tuesday 17 October. The delay reinstating the lift was due to the need for a replacement part and access equipment.

Given that the issue with the lift was unexpected, it was not possible to arrange a replacement bus service because the bus companies contacted did not have a vehicle and/or driver available at short notice.

During the period that the lift was out of service, the stationary escalator could be used as a staircase for accessing the tunnel, however it was advised that only those who are able-bodied should use the escalator staircase. Updates were provided on the TPCT social media channels throughout the course of the incident.

Work continues on the inclined glass lifts which will, once completed, provide additional capacity for cyclists. During Autumn 2023 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. 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 pedestrian and cyclist tunnels.

Councillor Graham asked for clarification on auto top up facility once the works to the website have been completed. She was advised that all customers must re-add their payment details to their account whether they use the website or the app.

Councillor McElroy was pleased that it appears that the inclined lifts will soon be in use. He asked whether the schedule was up to date and was advised that everything remained on track to be completed in the next two to three months.

**RESOLVED:** The Tyne and Wear Sub-Committee noted:

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

## **29. NEXUS CORPORATE PERFORMANCE UPDATE**

The Sub-Committee received an update on the performance of Nexus against its Corporate Business plan for 2023/2024. The report covers the period from 23 July – 16 September 2023.

Metro patronage continues to perform well and was 4.2% above target for Periods 5 and 6.

Despite significant disruption caused by flash flooding in South Tyneside which caused a 90-minute service suspension, Metro carried over 100,000 customers on Great North Run Day. In order to assist customers on the day, the Shields Ferry operated for an additional two and a half hours beyond its scheduled finishing time.

Metro fare and commercial revenue is ahead of budget and if this performance continues, it may reach pre-pandemic levels this year. However, this still represents a reduction in real terms and 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 budget.

In periods 5 and 6, Nexus delivered 94.55% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited train capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption.

In times of disruption, Nexus prioritises providing passengers with a frequent service even if trains are not running to timetable. As such, punctuality was 80.31% in periods 5 and 6 which is below the target of 89.25%. To assist passengers with their journeys, more announcements are being made in real time at stations. In addition to this., more activity is taking place on social media to assist with journey planning.

In the reporting period, Nexus won the Major Project of the Year award for the Metro Flow project at the National Rail awards whilst the project was also Highly Commended in the Infrastructure Achievement of the Year award.

Nexus was also Highly Commended in the Customer Service Excellence category for its work on the 2022 Great North Run.

Nexus was also successful in receiving three gold awards at the CIPR North East Pride awards for its communication campaigns for Metro Flow and its work engaging stakeholders with our new fleet.

Councillor Cunningham advised officers that she had missed the last meeting, so wanted to take the opportunity to commend everyone involved in the response to the weather and flooding issues experienced on the day of the Great North Run.

Councillor McElroy welcomed the progress on the new fleet, but asked what impact the introduction and testing would have on the delivery of existing services?

Officers advised that the transition period would be extremely challenging. More than 22,000 tests need to take place on each train which includes safety compliance testing, along with driver training and including passengers in some of the testing. The whole process will be communicated with passengers on a regular basis, and it is hoped that the benefits of the new fleet will be felt very quickly.

**RESOLVED:** The Tyne and Wear Sub-Committee noted Nexus' performance against its key priorities in its Corporate Plan for 2023/24, including Metro performance.

### **30. NEXUS CORPORATE RISKS 2023/2024**

The Sub-Committee received a report which provided an update on the Nexus Corporate Risk Register for 2023/24 based on the approved Corporate Plan.

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

There are currently four risks which are 'red'. Of these, two risks – long term funding for Metro and North Shields Ferry Landing are red because of funding uncertainties.

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. Nexus is continuing to work with Transport North East and the DfT to secure funding for the proposed relocation of the North Shields Ferry Landing and the Joint Transport Committee provided its support for a funding solution at its July meeting. A new landing is required by 2025 to ensure the longevity of the service.

The Fleet Replacement risk is 'red' due to the programme reset which will result in changes to date at which the new fleet will be fully introduced into service which will increase Nexus' reliance on the existing fleet for a longer period of time.

The final red risk is Metro Performance which is as a result of recent disruptions to service, particularly in relation to fleet availability and reliability.

Since the last review, Nexus has added a new risk regarding Climate Change Mitigation and Resilience outlining how Nexus manages the risk it faces due to extreme weather events.

Councillor McElroy welcomed the addition of the new risk and felt it was useful to have all the information relating to this issue captured in once place. He also asked whether there were any options for solar regeneration on Nexus land?

Officers advised that feasibility works have been carried out around Nexus' estate and the best option would be for panels on buildings, or as part of station redevelopments. In addition, there may be an opportunity to use a private energy supplier for cheaper electricity when the new fleet is in place. Investigations will continue into all of these areas and updates will be provided in due course.

Councillor McElroy asked for clarity on how the ongoing Go North East bus strike was impacting on secured services and whether the contracts were being

fulfilled. He also asked whether any services would be coming up for tender. He added that the strike was causing misery and suffering for residents and hoped that it would be resolved as soon as possible.

Officers agreed that the industrial action was having an enormous impact on residents. There was a mixed picture in terms of Nexus and any financial impact. Go North East will only receive payment for services that are operating. There is also a clear priority over which services can still operate and school services are included in this. There is only a small amount of commuter services that Nexus pays for such as Newcastle to Team Valley and Gateshead to DWP. It is hoped that some additional services could be added during the day, and these will be publicised as and when.

The Sub-Committee was further advised that there has been a fall in Nexus revenue as the bus operators are charged to use the Interchange centres, but as there are no buses running, this is not happening. There has also been a negative impact on Metro use – usually one in seven journeys use a bus to connect to a Metro service, which amounts to 30,000 journeys per week.

The contracts with Go North East will be looked into – although there are clauses within the contracts that protect both sides. It is hoped that the strike will be resolved as soon as possible as around 175,000 customers are being affected every day.

Councillor Graham agreed and added that the strike was having an enormous economic impact in the region, as well as adding to congestion issues on the roads with the increase in car use, which in turn would have an impact on the climate. She appealed to Unite to come to a resolution.

Councillor Johnson agreed and added that every avenue would be pursued in relation to the public funding provided to Go North East, which he reminded the Sub-Committee, was also provided with public funding during Covid. He noted that the dispute was becoming very bitter on both sides, with negative statements being issued by Go North East.

Councillor Johnson added that this was a critical time for retail in the region in the lead up to Christmas, as well as the impact on residents who need public transport to travel to work and medical appointments, as well people being socially isolated. He noted that there were more cars on the roads, which in turn was leading to delays to the very few buses that are in service.

He urged both sides to negotiate and come to an agreement as soon as possible and added that the situation was undermining all public transport including those services which are not run by Go North East.

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

### **31. EXCLUSION OF THE PRESS AND PUBLIC**



The Tyne and Wear Sub-Committee agreed to exclude the press and public during consideration of item 8 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

### **32. MINUTES OF THE CONFIDENTIAL MEETING HELD ON 14 SEPTEMBER 2023**

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

### **33. DATE OF NEXT MEETING**

The next meeting will take place on Thursday 18 January 2024 at 2pm at Gateshead Civic Centre.

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

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**Date:** 18 January 2024

**Subject:** Revision to Metro, Shields Ferry and Secured Bus Fares April 2024

**Report of:** Managing Director, Nexus

### Executive Summary

The fares proposal for 2024/25 is presented against a backdrop of an ongoing cost of living crisis and inflation which, whilst trending downwards, continues to put significant pressure on Nexus' financial position. The proposal presented in this paper aims to respond to these competing demands with an overall 3.4% fares increase for Metro, 5.8% for Shields Ferry and 4.6% for Secured Bus. These changes are below RPI inflation as at July 2023 (9.0%). The month of July is used each year by the rail industry as the benchmark for fare changes. Measures will include:

- Introducing zonal variants of the Corporate Metro Season Ticket, offering customers undertaking travel in 1 or 2 zones and who purchase their Metro Season Ticket through their employer a discount over the current all zones-only pricing.
- The discount offered for customers switching to adult Pay As You Go (PAYG) travel on Metro from paper tickets increasing to up to £1.10 for a single journey and up to £1.60 for daily travel. This will be facilitated by increasing the price of adult PAYG fares by 15p for single and daily travel, significantly less than equivalent Single and Day paper tickets which increase by 20p, 30p or 40p depending on the number of zones travelled in. The 3 zone paper Day ticket is held at £5.90, reflecting the £6.00 multimodal Day Rover ticket introduced in November 2023 as part of the region's Bus Service Improvement Plan.
- PAYG travel on Metro for young people aged 16 to 21 using Pop blue smartcards will be frozen at current prices.
- Adult, Student and 18 and Under Metro season ticket prices increasing at or below RPI inflation.
- A further freeze in the Metro Gold Card for older and disabled customers at £12 a year, and £24 for those not resident in Tyne and Wear.

The proposal contained in this report is designed to ensure that fare increases balance the need to provide affordable travel to customers whilst ensuring Nexus continues to be able to offset its budgetary pressures.

Changes to Shields Ferry and Secured Bus fares are also covered in this report and broadly mirror the proposals put forward for Metro. Pricing for Nexus' car park customers will remain frozen for 2024/25 to help drive Park and Ride use, which remains significantly below target and the levels seen before the Covid-19 pandemic.

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

## **Recommendations**

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

- I. Approve the Metro, Shields Ferry and Secured Bus fares proposal detailed in Appendices A to F, to be implemented from 1<sup>st</sup> April 2024 which includes an overall increase in the weighted basket of fares of 3.4% for Metro, 5.8% for Shields Ferry and 4.6% for Secured Bus;
- II. Note that the fares review is estimated to generate increased revenue of £0.670m and that the price freeze of the All-Zone day ticket is estimated to cost £0.477m in revenue foregone;
- III. Approve a freeze in the price of concessionary products (paragraph 2.6 refers); and
- IV. Note the alternative options explored as part of the fares review process (Section 4 refers).

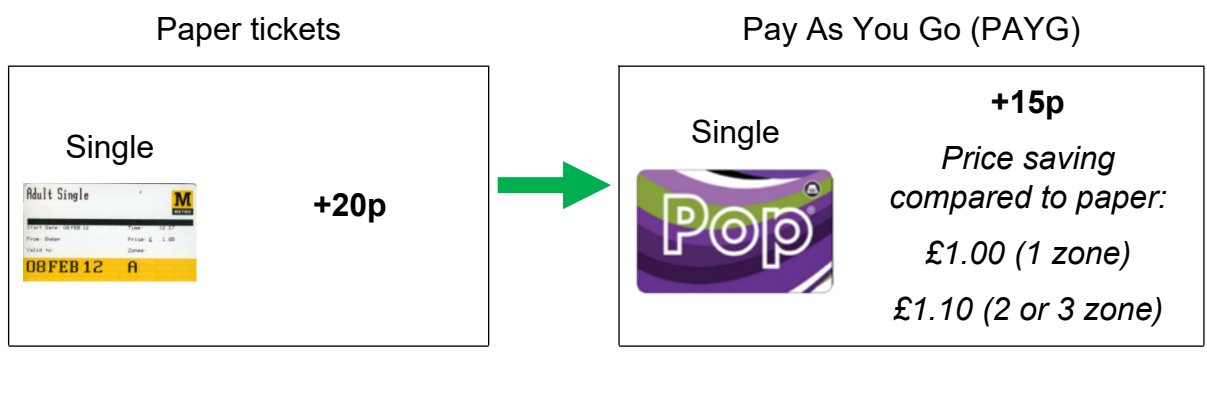
## 1. Background Information

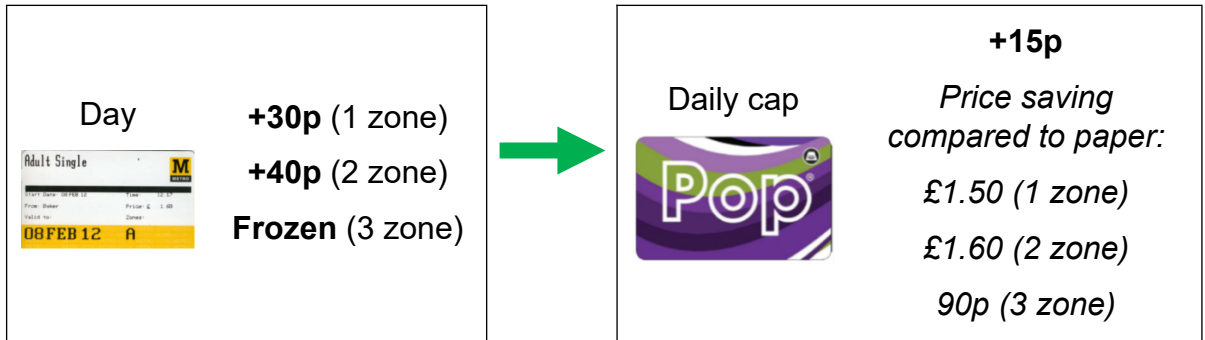
- 1.1 Financial performance of the Tyne and Wear Metro has been strong recently, with fare revenue in the financial year to date 9% ahead of target. However, Nexus faces significant financial challenges as operational costs continue to increase, driven by ongoing inflationary pressures. Furthermore, Metro is going through a highly challenging operational period in which service performance is being impacted by ageing trains as well as the transition towards the new fleet, which is currently undergoing delivery and testing. This situation has informed the rationale for the recommendations contained in this paper whilst bearing in mind the ongoing cost of living challenge customers face.
- 1.2 The 2024/25 fares review is presented shortly after the launch of fares and ticketing initiatives put forward as part of the region's Bus Service Improvement Plan (BSIP). In September 2023, a £3 multimodal fare for young people aged 21 and under was introduced, offering multimodal travel across the North East. This was followed in November 2023 by the launch of new multimodal adult day fares – a £6 'Day Rover' for travel in Tyne and Wear and a £6.80 'TNE Day Saver' for travel in Tyne and Wear, County Durham and Northumberland.
- 1.3 In order to accommodate the introduction of the £6 'Day Rover' in Tyne and Wear, Nexus lowered the price of the 3 zone Metro day ticket from £6.20 to £5.90. This has introduced a constraint in the fare setting process to ensure logical fare structures are maintained between multimodal and Metro only products. However, in the absence of the £6 'Day Rover' fare, the 3 zone Metro day ticket would be due a rise from £6.20 to £6.60. This is known as the shadow fare and the revenue loss associated from not being able to implement this fare is outlined in paragraph 7.2.
- 1.4 The 2024/25 fares review aims to balance the competing needs of addressing Nexus' budgetary pressures whilst maintaining the attractiveness of Metro, Ferry and Secured Bus as mode choices. The policy objectives underpinning the pricing proposals contained in this report and to be implemented, subject to approval, on 1<sup>st</sup> April 2024 are therefore:
- A balanced weighted basket of fares increase, offsetting increasing costs as outlined in the budget report for 2024/25 being presented to the Joint Transport Committee on 18 January 2024, whilst continuing to offer customers value for money;
  - Continue to encourage the conversion to smart ticketing
  - Enhancing the attractiveness of long term tickets through an expanded Corporate travel scheme
- 1.5 The scope of the fares review for April 2024 covers the commercial ticket ranges of both Metro and Shields Ferry which encompass the following ticket types:
- Adult commercial tickets (Single/Day/Transfare/Seasons)

- Child commercial tickets (Single/Day/Transfare/Junior blue)
- Adult Pay As You Go (PAYG)
- Discounted tickets for young people including Pop blue and Student and 18 and Under Season Tickets
- Discounted Corporate Season Tickets allowing cheaper travel for employees of registered companies who purchase tickets in bulk
- Other miscellaneous tickets, for example tickets that add Metro travel to a rail journey or enable the transportation of a whole class of school children.

## 2. Proposals – Metro

- 2.1 The 2024/25 fares proposals contained in this report are underpinned by the core principle of continuing to drive conversion of customers from paper to smart ticketing and to offset increasing costs that Metro is facing. Most single and day trip customers continue to purchase paper tickets instead of using smart based products such as PAYG. Larger increases in paper-based adult ticket prices will be offset by smaller increases in smartcard single and daily cap pricing, resulting in the price saving customers can achieve by switching to PAYG increases. Prices of season tickets will rise at levels at or below RPI inflation. PAYG fares for young people aged 16 to 21 will be frozen, encouraging sustainable travel choices. Prices for children under 16 will remain frozen for single journeys and increase by 20p for a day’s travel.
- 2.2 All of the above will be presented as a fares package representing a 3.4% increase on the weighted basket of fares.
- 2.3 *Short term adult products*





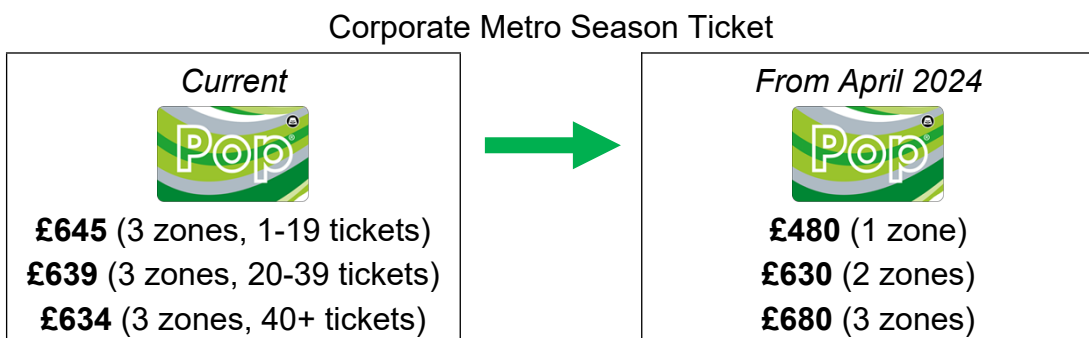
For 2024/25, the price saving by switching from paper tickets to adult PAYG, which is available on a smartcard and Android smartphone, will increase. Switching to adult PAYG will save customers money and will also result in a reduction in the use of paper and plastic, if customers opt for the mobile version. These changes will continue to be marketed to help customers understand the benefits of making the switch.

2.4 During the coming year the new Northumberland Line will open to customers with trains operated by Northern Railway, which will offer national rail fares between stations it serves. Customers will also be able to use Pop PAYG products on their phone or a smart card, in order to interchange easily between Northern trains and Metro. This will require new zones to open up Pop travel on the Northumberland Line which will be determined with Northern in the coming months.

2.5 *Season Ticket products – One week, four week, annual, corporate and students*





The price of Metro season tickets is proposed to increase by 4-9% as shown in Appendix B. These products still remain competitively priced for those who can commit to longer term product purchases, with a day's travel from as low as £2.37 for adults.

Following customer consultation undertaken after the Covid-19 pandemic, 1 and 2 zone variants of the Corporate Metro Season Ticket will be introduced for the first time. Over half of existing Corporate customers will benefit from a price reduction over the current all zones-only product, and the Corporate scheme itself will also be streamlined by removing the price differential on the basis of how many tickets an organisation purchases. This will make the scheme simpler and more attractive to smaller organisations who do not order as many tickets.



## 2.6 *Fares for young people*

PAYG fares for young people aged 16 to 21 will be frozen, encouraging sustainable travel choices. The daily cap for young people aged under 16 who do not have a concessionary Under 16 Pop card will increase by +20p.

<i>Current</i>	<i>From April 2024</i>
Junior blue (Under 16)  <b>£1.00</b> Single <b>£1.70</b> Daily cap	Junior blue (under 16)  <b>£1.00</b> Single (Frozen) <b>£1.90</b> Daily cap (+20p)
Pop blue (16-21)  <b>£1.00</b> Single <b>£2.20</b> Daily cap	Pop blue (16-21)  <b>£1.00</b> Single (Frozen) <b>£2.20</b> Daily cap (Frozen)

## 2.7 *Concessionary Products*

Although the pricing of Gold Card and other concessionary products continues to be managed as part of the budget process, Nexus intends to maintain the price of the annual Gold Card at £12 for Tyne and Wear residents and £24 for non-Tyne and Wear residents and intends to freeze the price of the Under 16 Child All Day Concessionary Fare (CAT ticket).

## 2.8 *Miscellaneous tickets*

The following miscellaneous ticket types are proposed to increase approximately in line with RPI as part of the proposals outlined in Appendix D:

- Business Pass
- Conference Pass
- Metro Rail Add on fares (six ticket types).

2.9 Prices for customers to park in Nexus six Park and Ride car parks will be frozen at £1.20 per day, £16 for a 4-week permit and £196 for an annual permit. Recovery of Park and Ride use has been sluggish since the Covid-19 pandemic with occupancy at around 50% of pre-pandemic levels. Nexus is currently in the process of introducing new car park payment machines which are expected to improve the



attractiveness of park and ride. This initiative will be complemented by the freeze in prices.

### **Proposals – Shields Ferry**

- 2.10 As in previous years, Shields Ferry fares for 2024/25 will broadly mirror the changes proposed for Metro fares. Customers will see an increase of 20p for paper single and day tickets, while prices for customers using a Pop PAYG smartcard will increase by up to 15p. Therefore, customers who make the switch to Pop PAYG will benefit from an increased discount over paper single and day tickets of £1.00 and £1.20 respectively. Ferry season ticket products are proposed to increase by 6%, below RPI.
- 2.11 Prices of Ferry tickets for young people will be aligned with equivalent Metro tickets. Commercial child tickets will increase by 20p, while 21 and under single fares with a Pop blue card respectively will be frozen.
- 2.12 The above changes result in an overall weighted fares basket increase of 5.8%, below the level of RPI inflation at July 2023 of 9%.
- 2.13 With a weighted average basket of 5.8% across the Ferry ticket range, this proposal can be expected to generate additional revenue of £0.044m. Proposed prices of Ferry tickets are shown in Appendix E.

### **Proposals – Secured Bus**

- 2.14 Nexus utilises a simplified fare scale for secured bus services which are wholly within Nexus' control, currently charging adults either £1.60 or £2.00 for a single trip depending on journey length, £3.60 for a day ticket, £16.50 for a weekly ticket and £1 single for those aged 21 and under.
- 2.15 It should be noted that the £2.00 price for a single trip is part of the government's £2 national bus fare cap scheme which will run until 31<sup>st</sup> December 2024. The underlying 'shadow fare' price that Nexus would charge for this ticket without the scheme in place is £2.20.
- 2.16 For Secured Bus services, adult fares are proposed to rise by an average of 4.6%. Short distance singles will rise by 20p and the long distance single shadow fare associated with the national bus fare cap will increase by 10p to £2.30. Day tickets will increase by 10p to £3.70. Weekly tickets will rise by 3%, increasing from £16.50 to £17. Fares for young people will be frozen, keeping secured services in alignment with other bus services across the region. Proposed prices of Secured Bus tickets are shown in Appendix F.

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

- 3.1 The proposals contained in this report are designed to ensure a balanced approach to the policy objectives outlined in section 1 of this report.

#### 4. Alternative Options Available

- 4.1 A number of alternative fares proposals were considered as part of the review, including a fares freeze and an option where prices rise in line with RPI, a weighted fares increase of around 9%.
- 4.2 Whilst a freeze in fares could result in passenger numbers growing, it would result in a detrimental impact to Nexus' Medium Term Financial Plan. This option is therefore not recommended.
- 4.3 A 9% rise in line with July 2023 RPI was examined in the context of maximising additional revenue generation. It was determined that meeting this weighted fare increase target would require very high price increases across all product types, significantly impacting on customer numbers and not aligning with the policy objectives outlined in paragraph 1.3. This option is therefore not recommended.

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

- 5.1 Should the Sub-Committee approve the proposed fare changes set out in this report, the new fare levels will come into force on 1<sup>st</sup> April 2024.

#### 6. Potential Impact on Objectives

- 6.1 The proposals in this report are intended to ensure the continued operation of the Metro within the subsidy levels available, whilst also being mindful of achieving the policy objectives outlined in section 1.2 of this report.

#### 7. Financial and Other Resources Implications

- 7.1 Nexus' Director of Finance and Resources confirms that the increase in revenue that will be generated from the proposal outlined in this report for 2024/25 is estimated to be:

Mode	Estimate (£m)
Metro	0.614
Ferry	0.044
Secured Bus	0.012
<b>TOTAL</b>	<b>0.670</b>

- 7.2 Nexus 2024/25 budget is predicated on achieving an additional £1.800m of Metro fare revenue, from a combination of this fares proposal and the phased introduction of the new fleet. The impact of freezing the price of the All-Zone Day ticket at £5.90 (paragraph 1.2 refers), is that the Metro fares increase is estimated to generate £0.614m of additional fare revenue instead of £1.091m. Therefore, freezing the cost of the All-Zone Day ticket is estimated to cost £0.477m in revenue foregone. This risk will be managed from within Nexus' overall budget.

## **8. Legal Implications**

8.1 There are no legal implications arising from this report.

## **9. Key Risks**

9.1 If the recommended proposal contained in this report is not approved, there could be a risk to Nexus' ability to deliver public transport, given a reduction in income associated with a freezing of fares or a significant reduction in customer numbers associated with an increase in fares significantly above inflation.

## **10. Equality and Diversity**

10.1 The proposal contained in this report seeks to increase Metro fares by an average of 3.4%, Ferry fares by an average of 5.8% and Secured Bus fares by an average of 4.6%, which represents below-inflation fare rises across all modes. Nevertheless, Nexus recognises that the proposals still represent a significant increase to some fares and that such rises will have an impact on vulnerable customer groups. Nexus has ensured that where the largest increases are proposed with adult paper based single and day tickets, customers have an alternative option they can switch to which will see smaller price increases. Paragraph 2.3 outlines the benefits customers stand to gain should they switch to a Pop Pay As You Go smartcard and this proposal will continue to be supported by significant marketing initiatives to ensure all customers are aware that they can avoid a price increase. Marketing and community outreach activity will target people and families on low incomes to ensure they have access to Pop PAYG cards, as well as those not speaking English as a first language. Older people and those with disabilities continue to benefit from the Metro Gold Card, which is frozen in price.

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 There are no specific consultation / community engagement considerations.

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

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

## **14. Appendices**

14.1 Appendix A – Proposed short term ticket prices.

Appendix B – Proposed season ticket prices.

Appendix C – Proposed fares for young people.

Appendix D – Proposed miscellaneous Metro ticket prices.

Appendix E – Proposed Ferry ticket prices.

Appendix F – Proposed Secured Bus ticket prices.

## **15. Background Papers**

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

## **16. Contact Officers**

16.1 Huw Lewis, Customer Services Director, Nexus

Email: [Huw.Lewis@nexus.org.uk](mailto:Huw.Lewis@nexus.org.uk)

## **17. Sign off**

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

## **18. Glossary**

**Pay As You Go (PAYG)** – a smart card that allows customers to top up in advance and pay for journeys as they are made.

**Retail Price Index (RPI)** – a measure of inflation published monthly by the Office for National Statistics.

## Appendix A – Short term ticket price changes from 1<sup>st</sup> April 2024

Metro Fares - short term ticket prices effective 1st April 2024						
Product	2023	2024	Change £	Change %	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Single 1 Zone (A, B, C)	£2.60	£2.80	£0.20	7.7%	1037	2707
Single 2 Zone (A+B, B+C)	£3.60	£3.80	£0.20	5.6%	940	
Single All Zones (A+B+C)	£4.30	£4.50	£0.20	4.7%	815	
Single 1 Zone PAYG	£1.65	£1.80	£0.15	9.1%	n/a	2187
Single 2 Zone PAYG	£2.55	£2.70	£0.15	5.9%	n/a	
Single All Zones PAYG	£3.25	£3.40	£0.15	4.6%	n/a	
Daily Cap 1 Zone PAYG	£2.75	£2.90	£0.15	5.5%	n/a	
Daily Cap 2 Zone PAYG	£3.85	£4.00	£0.15	3.9%	n/a	
Daily Cap All Zones PAYG	£4.85	£5.00	£0.15	3.1%	n/a	7273
Day 1 Zone (A, B, C)	£4.10	£4.40	£0.30	7.3%	817	
Day 2 Zone (A+B, B+C)	£5.20	£5.60	£0.40	7.7%	1161	
Day All Zones (A+B+C)	£5.90	£5.90	£0.00	0.0%	940	47
Transfare 1 Zone (T1)	£3.80	£4.10	£0.30	7.9%	4	
Transfare 2 Zone (T2)	£4.80	£5.10	£0.30	6.3%	10	
Transfare 3 Zone (T3)	£5.60	£5.90	£0.30	5.4%	7	
Add Zone 1 Day 1 Zone (Season add on)	£4.10	£4.40	£0.30	7.3%	0.3	~
Add Zone 1 Day 2 Zone (Season add on)	£5.20	£5.60	£0.40	7.7%	0.8	~

## Appendix B – Season ticket price changes from 1<sup>st</sup> April 2024

Metro Fares - adult season ticket prices effective 1st April 2024						
Product	2023	2024	Change £	Change %	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Metro Season 1 Week 1 Zone (A, B, C)	£12.20	£13.20	£1.00	8.2%	77	2698
Metro Season 1 Week 2 Zone (A+B, B+C)	£18.00	£19.40	£1.40	7.8%	85	
Metro Season 1 Week All Zones (A+B+C)	£24.40	£25.70	£1.30	5.3%	32	
Metro Season 4 Week 1 Zone (A, B, C)	£46.50	£50.70	£4.20	9.0%	3	926
Metro Season 4 Week 2 Zone (A+B, B+C)	£68.20	£72.50	£4.30	6.3%	5	
Metro Season 4 Week All Zones (A+B+C)	£90.20	£94.00	£3.80	4.2%	2	
Metro Season Annual 1 Zone (A,B,C)	£513.30	£559.00	£45.70	8.9%	<0.1	935
Metro Season Annual 2 Zone (A+B, B+C)	£717.00	£780.00	£63.00	8.8%	<0.1	
Metro Season Annual All Zones (A+B+C)	£793.60	£864.00	£70.40	8.9%	0.2	
Corporate Metro Season 1 Zone (A, B, C)	N/A	£480.00	N/A	N/A	N/A	
Corporate Metro Season 2 Zone (A+B, B+C)	N/A	£630.00	N/A	N/A	N/A	
Corporate Metro Season All Zones (A+B+C)	N/A	£680.00	N/A	N/A	3	

## Appendix C – Fares for young people, price changes from 1<sup>st</sup> April 2024

Metro Fares - fares for young people effective 1st April 2024						
Product	2023	2024	Change £	Change %	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Pop blue 21 and Under Single PAYG (A+B+C)	£1.00	£1.00	£0.00	0.0%	n/a	785
Pop blue 21 and Under Day PAYG (A+B+C)	£2.20	£2.20	£0.00	0.0%	n/a	
18 and Under Metro Season 1 Week All Zones	£9.10	£9.50	£0.40	4.4%	4	23
18 and Under Metro Season 4 Week All Zones	£34.40	£36.90	£2.50	7.3%	6	
Junior blue Under 16 Single PAYG (A+B+C)	£1.00	£1.00	£0.00	0.0%	n/a	1162
Junior blue Under 16 Day PAYG (A+B+C)	£1.70	£1.90	£0.20	11.8%	n/a	
Child Commercial Single (A+B+C)	£1.00	£1.00	£0.00	0.0%	323	
Child DaySaver (A+B+C)	£1.70	£1.90	£0.20	11.8%	458	
Child Transfare (T3)	£1.20	£1.40	£0.20	16.7%	5	
Student Metro Season 4 Week Inner Newcastle	£31.80	£34.10	£2.30	7.2%	9	493
Student Metro Season 4 Week Inner Sunderland	£31.80	£34.10	£2.30	7.2%	~	
Student Metro Season 4 Week All Zones	£61.90	£66.50	£4.60	7.4%	3	
Student Metro Season Annual Inner Newcastle	£354.00	£380.50	£26.50	7.5%	0.1	
Student Metro Season Annual Inner Sunderland	£354.00	£380.50	£26.50	7.5%	~	
Student Metro Season Annual All Zones	£456.20	£497.00	£40.80	8.9%	1	

## Appendix D – Miscellaneous ticket price changes from 1<sup>st</sup> April 2024

Metro Fares - misc prices effective 1st April 2024						
Product	2023	2024	Change	%	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Business Pass	£215.00	£222.50	£7.50	3.5%	~	~
Class Pass - 1 Pass 1 Day	£33.10	£33.10	£0.00	0.0%	~	~
Class Pass - 2 Passes 1 Day	£52.30	£52.30	£0.00	0.0%	~	~
Class Pass - 1 Pass 1 Term	£100.50	£100.50	£0.00	0.0%	~	~
Class Pass - 2 Passes 1 Term	£165.70	£165.70	£0.00	0.0%	~	~
Class Pass - 1 Pass Annual	£258.50	£258.50	£0.00	0.0%	~	~
Class Pass - 2 Passes Annual	£458.60	£458.60	£0.00	0.0%	~	~
Single Inner Zone Rail Add On	£2.40	£2.70	£0.30	12.5%	~	~
Return Inner Zone Rail Add On	£3.20	£3.60	£0.40	12.5%	~	~
7 Day Inner Zone Rail Add On	£11.00	£11.80	£0.80	7.3%	~	~
Single Outer Zone Rail Add On	£3.40	£3.70	£0.30	8.8%	~	~
Return Outer Zone Rail Add On	£5.00	£5.40	£0.40	8.0%	~	~
7 Day Outer Zone Rail Add On	£19.90	£21.20	£1.30	6.5%	~	~

## Appendix E – Ferry ticket price changes from 1<sup>st</sup> April 2024

Ferry Fares - prices effective 1st April 2024						
Product	2023	2024	Change £	Change %	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Pop blue (21 and under) Ferry Single	£1.00	£1.00	£0.00	0.0%	~	228
Pop blue (21 and under) Ferry Day	£2.20	£2.20	£0.00	0.0%	~	
Ferry Single	£2.30	£2.50	£0.20	8.7%	25	
Ferry Single - PAYG	£1.45	£1.50	£0.05	3.4%	6	
Ferry Day	£3.70	£3.90	£0.20	5.4%	48	
Ferry Day - PAYG	£2.55	£2.70	£0.15	5.9%	8	
Ferry Season 1 Week	£11.30	£12.00	£0.70	6.2%	1	
Ferry Season 4 Week	£42.40	£45.00	£2.60	6.1%	0.1	
1 Zone Transfare	£3.80	£4.10	£0.30	7.9%	0.1	
2 Zone Transfare	£4.80	£5.10	£0.30	6.3%	0.2	
3 Zone Transfare	£5.60	£5.90	£0.30	5.4%	<0.1	
Child Commercial Single	£0.90	£1.00	£0.10	11.1%	1	
Child Transfare	£1.20	£1.40	£0.20	16.7%	~	

## Appendix F – Secured Bus ticket price changes from 1<sup>st</sup> April 2024

Secured Bus Fares - prices effective 1st April 2024						
Product	2023	2024	Change £	Change %	Sales (000s) - based on 22/23 data	Journeys (000s) - based on 22/23 data
Adult Single (short journey)	£1.60	£1.80	£0.20	12.5%	253	420
Adult Single (long journey)	£2.20	£2.30	£0.10	4.5%		
Adult Day Ticket	£3.60	£3.70	£0.10	2.8%	35	
Adult Weekly ticket	£16.50	£17.00	£0.50	3.0%	1.5	
Child Commercial Single	£1.00	£1.00	£0.00	0.0%	80	

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

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**Date:** 18 January 2024  
**Subject:** Tyne Tunnels Toll Revision  
**Report of:** Managing Director, Transport North East

### Executive Summary

This report provides information to enable members to make a decision on a toll increase at the Tyne Tunnels, which is required to maintain a “self-funded” balance on the Tyne Tunnels Account and keep pace with the Shadow Toll payable to the operator (TT2 Limited) under the concession agreement, which has been contractually triggered by movements in rates of inflation over the last year.

The report provides information on the toll increase mechanism set out in legislation and explains that the level of inflation, as measured by the Retail Price Index (RPI), has reached a level such that an increase can be applied to the tolls from 1 May 2024 under the terms of the River Tyne (Tunnels) Order 2005.

It is proposed that the toll is increased for both Class 2 and Class 3 vehicles. The calculated increases based on RPI are from £2.20 to £2.40 for Class 2 vehicles (cars) and £4.40 to £4.80 for Class 3 vehicles.

No change is proposed to the 10% discount available to Pre-Paid account holders or the toll exemptions for emergency response vehicles, public bus services, disabled users and other categories of exempt vehicle as set out in the Tyne Tunnels Bylaws and River Tyne (Tunnels) Order 2005.

The proposals in this report have been factored into the draft budget proposals presented to the Joint Transport Committee on 16 January 2024.

### Recommendations

The North East Joint Transport Committee’s Tyne and Wear Sub-Committee is recommended to:

- i. Approve an increase in tolls for Class 2 vehicles from £2.20 to £2.40 to take effect from 1 May 2024;

- ii. Approve an increase in tolls for Class 3 vehicles from £4.40 to £4.80 to take effect from 1 May 2024; and
- iii. Authorise the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005.

## 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 Tyne and Wear local authorities are represented by the Joint Transport Committee's (JTC) Tyne and Wear Sub-Committee (TWSC) and administered by officers of Transport North East.
- 1.2 The Tyne Tunnels comprise 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 PFI-style Concession contract.
- 1.3 The Tyne Tunnels receive no central government funding nor any local subsidy, 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 operational costs as well as the significant debts which were incurred by TT2 Ltd and the local authorities in the building of the second 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 Strategic Infrastructure Contract Manager on behalf of Transport North East.

## 2. Toll revision background

- 2.1 The first 'Concession Toll' was implemented on 1 January 2014, at a level of £1.60 for cars and £3.20 for HGVs with a 10% discount for permit holders.
- 2.2 The Tyne Tunnels toll revision mechanism is set out in the **River Tyne Tunnels Order 2005** and allows the TWSC to increase the toll paid by customers (the '**Real Toll**') once every 12 months. The calculation for the toll increase is set out in the legislation and is based on the Retail Prices Index (RPI) from the application of the last increase.
- 2.3 Separately, a '**Shadow Toll**' is used to calculate the amount paid to TT2 per journey, also based on RPI. It increases every January and is a contractual commitment as set out in the **Project Agreement** agreed in 2007.
- 2.4 The current Real Toll lags slightly behind the Shadow Toll (10p lower) due to a decision taken by the Tyne and Wear Integrated Transport Authority (TWITA) in August 2011. This came about because of a conflict between the construction period and the date that the Shadow Toll increased, where the TWITA felt it was inappropriate to raise tolls for tunnel users during a period of major road disruption. However, this has been the position for several years and is accounted for each year within the budget. The current Real Toll is £2.20 and the Shadow Toll is £2.30.
- 2.5 The Real Toll charged to users needs to remain as similar as possible to the Shadow Toll paid to TT2 per journey, otherwise the JTC would incur further losses on each

tunnel journey. Keeping them in alignment means that JTC toll income is sufficient to make the appropriate monthly payment to TT2 for operating the tunnels.

2.6 The TWSC previously decided to delay an increase to the tolls in 2023 from February to May to provide relief for tunnels users during the winter period taking into account winter fuel bills, rising inflation and the cost-of-living crisis at that time. This provided a 30p discount per journey for car drivers in early 2023, however the lost income during this period had to be funded from the Tyne Tunnel reserves at a cost of over £1m. Moreover, as a result of the delayed increase to the Real Toll in 2023, there is a subsequent delay to future toll increases due to the need to, in normal circumstances, allow a 12-month period before any revisions. As a result, there will be a 30p lag between the Shadow Toll and the Real Toll between January and May 2024 again.

**Current toll position**

2.7 The legislation that governs the tunnels permits the JTC (via TWSC, to whom tolling decisions are delegated) to revise the Real Toll no more than once every 12 months in normal circumstances. The last revision for cars was set to take place in January 2023 and then subsequently delayed to May 2023 so an increase can be proposed to take effect any time from May 2024. To allow the Real Toll to promptly follow the increase in the Shadow Toll which will increase on 1 January 2024, it is necessary for members to make a decision at this (January 2024) committee meeting.

2.8 Due to RPI continuing to remain high, the Shadow Toll has increased in January 2024 and the Real Toll therefore also needs to increase to maintain an acceptable difference and ensure the account remains in a broadly balanced position and the JTC can meet its liabilities. To complicate matters further, both the Real and Shadow Tolls are rounded to the nearest 10 pence. However, the legislation also permits a 10% discount to be offered to users with pre-paid accounts.

2.9 The current and proposed tolls are provided in Table 1.

**Table 1: Current and proposed tolls**

	<b>Class 2 toll (Cars)</b>	<b>Discounted toll for pre-paid customers (Cars)</b>	<b>Class 3 toll (HGVs)</b>	<b>Discounted toll for pre-paid customers (HGVs)</b>
<b>Real Toll paid by users May 2023 to date:</b>	£2.20	<b>£1.98</b>	£4.40	<b>£3.96</b>
<b>RPI calculation gives a proposed increase in May 2024 to:</b>	£2.40	<b>£2.16</b>	£4.80	<b>£4.32</b>

2.10 Given the circumstances, it is proposed that members approve an increase in tolls for Class 2 vehicles (cars) from £2.20 to £2.40 and for Class 3 vehicles (HGVs) from £4.40

to £4.80 to take effect from 1 May 2024. It is important to note that most users of the tunnels are Class 2 vehicles (cars) which make up 90.4% of journeys, with Class 3 (HGV) journeys comprising 5.8% of total journeys.

- 2.11 The new Real Toll charge of £2.40 for Class 2 vehicles from May 2024 would represent an increase of 20p in the toll. The legislation and the Project Agreement operate on the basis that this increase is necessary to make the required payments to TT2 as the Shadow Toll will increase to £2.50, and to keep a balanced budget.
- 2.12 The Class 3 increase proposed to take effect in May 2024 would be an increase to £4.80 for one-off users or £4.32 for pre-paid account holders which make up the majority of Class 3 users. This increase results in the toll level for Class 3 vehicles being set at twice the Class 2 toll level. This is in line with the intention of the Project Agreement which was that Class 3 vehicles (vehicles over 3.5 tonnes) should pay twice the charge of cars. Other similar operations such as Dartford Crossing, Mersey Tunnel and Mersey Gateway Bridge have much higher charges for certain HGVs than cars (around three times the cost) on the basis that these vehicles cause more damage to the infrastructure per journey than cars, due to their size and weight. The tolling bands at the Tunnel are also simpler, with only 2 compared to 4 at Mersey Tunnel (excluding exempt vehicles)
- 2.13 The legislation does not provide for any alternative to the RPI based increase in the Real Toll, except for particular circumstances, and assumes that the authority will always increase user charges in line with the RPI calculation when possible. The Project Agreement similarly prescribes the calculation for the Shadow Toll increase without any alternative. Based on the calculation, TT2 has confirmed that the Shadow Toll has increased to £2.50 on 1 January 2024; therefore, to fund this, members should consider an increase in the Real Toll at the earliest opportunity to fund the payments to TT2 under the Project Agreement.
- 2.14 Members may be concerned at an increase in the toll given cost pressures for customers elsewhere, however, to delay the proposed increase in line with RPI would significantly deplete the Tyne Tunnels reserves and thus threaten the long-term financial health of the budget.
- 2.15 There is no change proposed to the 10% discount available to Pre-Paid account holders or the toll exemptions for ambulances, police vehicles, public bus services and disabled users.
- 2.16 When a decision has been made to increase the toll, the River Tyne (Tunnels) Order 2005 prescribes the process to effect an increase in the tolls at the Tyne Tunnels. Following a decision to increase the tolls, the Authority is required to publish in at least one local newspaper circulating in the area a notice substantially in the form set out in the Order. Following publication of the notices, the Authority is required to apply to the Secretary of State for a toll revision order.

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

- 3.1 Responsibility for setting tolls for the Tyne Tunnels is a function delegated by the JTC to the TWSC. The financial model for the Tyne Tunnels assumes that increases to the

tolls in line with inflation will be applied when available to keep pace with inflationary increases in contract payment to the Concessionaire.

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

- 4.1 Option 1 – The North East Joint Transport Committee’s Tyne and Wear Sub-Committee may decide to:
- i. Approve an increase in tolls for Class 2 vehicles from £2.20 to £2.40 to take effect from 1 May 2024;
  - ii. Approve an increase in tolls for Class 3 vehicles from £4.40 to £4.80 to take effect from 1 May 2024; and
  - iii. Authorise the Monitoring Officer to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005.
- 4.2 Option 2 – The North East Joint Transport Committee’s Tyne and Wear Sub-Committee may decide not to effect any toll increase. This is not recommended as it would mean the Tyne Tunnels budget would be depleted as a result of further subsidies to customers, which will in time require external funding to meet the costs.
- 4.3 Option 3 – The North East Joint Transport Committee’s Tyne and Wear Sub-Committee may decide to delay the proposed toll increase. This is not recommended as it would mean the Tyne Tunnels budget would not be balanced in the short term, and will lead to an increased gap between the Shadow Toll and Real Toll in the long term, potentially threatening the long-term financial health of the tunnels’ reserves and inhibit NECA’s ability to service existing debts linked to the construction and refurbishment of the tunnels.

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

- 5.1 Should the TWSC approve the proposed toll increase, the process as specified in the River Tyne (Tunnels) Order 2005 and detailed in the report will be enacted. The increase will be applied from the month proposed by the committee, with the specific date to be agreed with TT2 Ltd taking into account operational considerations.

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

- 6.1 The need to increase the toll at the Tyne Tunnels is essential to meet the financial commitments of the JTC in relation to the Tunnels.

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

- 7.1 The legislation and the Project Agreement operate on the basis that tolls will be increased in line with inflation. The legislation does not provide for any alternative to the RPI based increase in the Real Toll, except in certain particular circumstances, and assumes that the authority will always increase user charges in line with the RPI calculation. The Project Agreement similarly prescribes the calculation for the Shadow Toll increase without any alternative.

7.2 Based on the calculations, TT2 has confirmed that the Shadow Toll will increase on 1 January 2024. Members should therefore consider an increase in the Real Toll in order to fund the payments to TT2 under the Project Agreement and ensure that the Tyne Tunnels Account is balanced.

## **8. Legal Implications**

8.1 Responsibility for setting tolls in relation to the Tyne Tunnels is a function delegated by the JTC to the TWSC, in line with the co-operation agreement established when the Combined Authority was first created. If a decision to increase the tolls is taken, officers from the NECA, as the Accountable Body for the JTC, will follow the legal process set out in the River Tyne (Tunnels) Order 2005 to implement the decision of the committee.

## **9. Key Risks**

9.1 A ringfenced reserve is held to manage financial risk associated with the Tyne Tunnels. Approval of the toll increase will enable a balanced budget to be set for 2024/25 including the planned use of reserves where required to cover the cost of the previously enacted subsidy which will see an additional 30p discrepancy between the Real Toll and Shadow Toll from January to May 2024.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 The Managing Director Transport North East, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the JTC (Tyne and Wear) Sub-Committee. The TT2 website provides updates to the public on all matters related to the road tunnels.

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

13.1 Not applicable.

## **14 Appendices**

14.1 None.

## **15. Background Papers**

15.1 River Tyne (Tunnels) Order 2005  
River Tyne (Tunnels) (Modification) Order 2011

**16. Contact Officers**

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

**17. Sign off**

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

**18. Glossary**

HGV – Heavy Goods Vehicle

JTC – Joint Transport Committee

NECA – North East Combined Authority

NTCA – North of Tyne Combined Authority

RPI – Retail Prices Index

TWSC – Tyne & Wear Sub-Committee



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

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**Date:** 18 January 2024

**Subject:** Nexus Corporate Business Plan 2024/25 – 2028/29

**Report of:** Managing Director, Nexus

### Executive Summary

The Nexus Corporate Business Plan for 2024/25 – 2028/29 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 dependent 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 mission:

‘Together we make public transport great for our environment, economy and communities.’

#### And Five themes:

- Safety Always
- Customer Experience
- Our People
- Assets and Technology
- Sustainability

#### The themes are underpinned by 13 Key Performance Indicators:

- Fatality Weighted Incident Rate
- Signals Passed at Danger (SPADs)
- Metro punctuality
- Metro service reliability
- Fleet reliability
- Customer satisfaction
- Customer perception of safety and security

- Satisfaction with public transport facilities
- Public transport patronage
- Asset availability
- Carbon Emissions
- Employee engagement
- Diversity

The Corporate Business Plan will direct Nexus' actions over the 2024/25 and set the framework to achieve our vision for 2030.

Transport North East is currently refreshing the North East Regional Transport Plan and we will continue to work closely with them to ensure that our Corporate Business Plan reflects any changes to the priorities outlined in the updated plan.

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 is recommended to comment on Nexus' draft Corporate Plan for 2024/25. A further report will be brought to the Sub-Committee in April 2024 once the Joint Transport Committee has agreed Nexus' budget for 2024/25 and subject to confirmation of revenue support from Central Government.

## 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 Always**. As a public transport operator, the safety of our network, our customers and colleagues 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 reliance on lookout protection for track-based work through the implementation of the Nexus Track Worker Safety Alliance.
- 1.6 We will ensure that we have the correct safety procedures in place for our new fleet and that our colleagues are confident in all aspects of 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 into service over the course of 2024/25 will mark a new era for the Tyne and Wear Metro, improving the reliability of services and the level of comfort for our customers.
- 1.10 We will continue to deliver on our plans to reduce demand on paper tickets by making our Pay as You Go products accessible through all mobile devices.
- 1.11 We will look to modernise a number of bus stops and shelters across the region using funding provided by BSIP.
- 1.12 We will continue to develop our stations finalising plans and identifying funding for the redevelopment of Monument, Gateshead and Regent Centre Stations whilst also delivering on a programme of renewing and refreshing the stations elsewhere

on the network including work at both Regent Centre and Whitley Bay Metro stations.

- 1.13 Our third theme is **Our People**. We will continue to take steps to increase the number of women and minority ethnic candidates applying to work at Nexus through the engagement with targeted groups, including local schools and colleges, and our presence at events and occasions such as Pride which celebrate the diversity of our region.
- 1.14 Nexus will continue to provide opportunities for people at the start of their careers by offering apprenticeships and T-Level placement opportunities.
- 1.15 Over the year we will develop a plan for our corporate office hubs, depot and maintenance facilities and small office spaces and frontline teams' welfare facilities through our Nexus Places Project.
- 1.16 As part of our fourth theme, **Assets and Technology**, we will continue to build the business case for a replacement of our life expired signalling system whilst also developing plans for extending Metro services to Washington.
- 1.17 Following the completion of our Research Strategy, we will begin to implement a series of research led trials to test our ideas on smaller sections of our network and targeted customer groups to understand if a larger scale project would have the desired impact.
- 1.18 Our fifth theme is **Sustainability**, we will continue to identify ways to improve our environmental performance, including realising the benefits of the improved energy efficiency of our new fleet, including regenerative braking.
- 1.19 We will work with stakeholders to deliver a feasibility study for decarbonising our ferry and will have identified a suitable funding stream to progress with the outputs from the feasibility study.
- 1.20 We will continue to deliver on our medium-term financial plan to ensure organisational stability.
- 1.21 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 offers comments on the Nexus Corporate Business Plan 2024/25 – 2028/29.

## **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 at the TWSC meeting in April 2024, 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 delivery of the Corporate Business Plan is dependent on the agreement of the medium-term financial plan by the JTC.

7.2 In addition, some elements of the Corporate Business Plan are subject to external funding bids which, if unsuccessful would impact on 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 office of the Police and Crime Commissioner, Metro Police Unit and British Transport Police to ensure the safety of the network.

## **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 2023.

## **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 2024/25 – 2028/29

## **15. Background Papers**

15.1 None

## **16. Contact Officers**

16.1 Name: Cathy Massarella

Designation: Managing Director

E-mail: Catherine.massarella@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 Business Plan 2024/25 – 2028/29

### Executive Summary

Our Corporate Plan sets out the framework for what Nexus will deliver from 2024/25 to 2028/29. The plan draws from the North East Transport Plan, Nexus Corporate Strategies and is underpinned by market research, evidence, and best practice.

### **Our Vision for 2030 is built on five core principles:**

#### Safety Always

We will always care about our people's **health** and wellbeing and create a **safe** and **secure** network by:

- Being accountable for ensuring our training, processes and procedures are of high **quality** and manage the risk of mistakes.
- Creating a harm-free **environment** whereby we are willing to accept vulnerability, yet learn and continuously improve.
- Identifying, adopting and sharing best practice.

#### Customer experience

Providing excellence at all stages of the customer journey by:

- Understanding and meeting the needs of our customers.
- Taking an innovative approach to the evolution of our products, methods of payments and in the delivery of information.
- Having a fit for purpose estate and services that are accessible for all

#### Our people

Creating an engaged, inclusive and agile workplace culture by:

- Building a positive employer brand and reputation to attract and retain diverse talent.
- Trusting and developing our people to deliver flexibly.
- Creating inspiring workplaces to enable collaboration and engagement.

#### Assets and technology

Being agile and innovative to drive efficiency and effectiveness by:

- Delivery of planned investment and maintenance.
- Utilising research, data and technology to enhance our services.
- Safeguarding and protecting our assets.

#### Sustainability

Have a positive impact in the North East by:

- Improving our environmental performance and engaging people in our sustainability journey.

- Delivering economic and socially beneficial services to support the success of the region.
- Working towards a sustainable financial future.

### **Nexus Mission**

**‘Together we make public transport great for our environment, economy and communities’**

Our performance will be measured via thirteen Key Performance Indicators:

- Fatality Weighted Incident Rate (Colleagues and Passengers)
- Signals Passed at Danger (SPADs)
- Metro punctuality
- Metro service reliability
- Fleet reliability
- Customer satisfaction
- Customer perception of safety and security
- Satisfaction with public transport facilities
- Public transport patronage
- Asset availability
- Carbon Emissions
- Employee satisfaction
- Diversity

Nexus has established a long-term Corporate Plan which aligns with the regional planning framework that is set out in the North East Transport Plan. The North East Transport Plan sets out five objectives for transport across the North East and Nexus are tasked 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

Transport North East is currently refreshing the North East Regional Transport Plan and we will continue to work closely with them to ensure that our Corporate Business Plan reflects any changes to the priorities outlined in the updated plan.

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 including projects earmarked for funding through the City



Region Sustainable Transport Scheme which will become available upon creation of the North East Mayoral Combined Authority in 2024.

Nexus is committed to becoming more agile and innovative in the way it works, using its flexibility to improve services for customers, being ready to deliver on major projects at short notice when appropriate sources of funding become available. This agility will allow us to work alongside key stakeholders and partner organisations to deliver on regional objectives whilst also preparing for the introduction of the Mayoral Combined Authority in 2024 and the change in organisational priorities which may follow with a newly elected mayor.

Our work in public transport helps deliver wider benefits to the region, including supporting economic growth, social inclusion, environmental sustainability and better education and health outcomes.

## **Safety Always**

### **In 2024/25 we will:**

#### **Be accountable for ensuring our training, processes and procedures are of high quality and manage the risk of mistakes**

We will ensure that our new fleet has the required safety procedures in place and that our colleagues are confident in all aspects of our new trains through a blended approach to learning, combining classroom based training with practical hands-on experience on both the train and the simulator. This will be supplemented by ongoing coaching and support from colleagues.

We will continue to work with industry partners and introduce best practice on SPAD reduction to ensure that the measures we have in place to reduce the likelihood of SPADs occurring are comprehensive and effective.

#### **Creating a harm-free environment whereby we are willing to accept vulnerability, yet learn and continuously improve**

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

We will continue to work towards reducing our reliance on lookout protection for track-based work through the implementation of the Nexus Track Worker Safety Alliance.

We will begin to implement remote asset monitoring on our network, reducing the need for colleagues to carry out inspections in person.

We will complete a review of the crossings on our network to ensure that they continue to have suitable safety features.

#### **Identifying, adopting and sharing best practice**

Anti-social behaviour (ASB), 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 to put significant funding into an increased security presence on our network working with the Office of the Police and Crime Commissioner, Northumbria Police, British Transport Police and Local Authority partners to provide a co-ordinated to tackling ASB, a problem which extends beyond Nexus Infrastructure.

We will begin deliver on the actions identified in our Security Strategy including improving our data collection regarding incidents of crime and anti-social behaviour on the network which will allow for more intelligent deployment resources to tackle ASB.

As part of our Lineside Management Strategy, we will begin to plant bushes and shrubs which make trespass on the network more difficult.

We will implement changes to the way in which we record and analyse safety data to ensure that we are able to identify and act on developing trends.

**By 2028/29:**

We will have industry leading safety record with colleagues confident that the training provided, processes in place and support available, provides them with a safe working environment.

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

## **Customer Experience**

### **In 2024/25 we will:**

#### **Understanding and meeting the needs of our customers.**

The introduction of our new fleet into service over the course of 2024/25 will mark a new era for the Tyne and Wear Metro, improving the reliability of services and the level of comfort for our customers. However, the experience of peers suggests that the process of introducing a new fleet will present challenges to the delivery of Metro services in the short term.

We will work closely with colleagues at Stadler Rail to maintain fleet availability whilst we work through the process of testing and commissioning our new trains and training our drivers.

Whilst the challenges facing Metro Service provision may mean disruption to journeys, Nexus will look to ensure that other elements of the customer journey are as enjoyable as possible by making our stations more appealing and accessible, improving levels of passenger information and journey planning and providing a broad range of ticketing and payment options.

Working with Transport North East, bus operators and local authority partners we will deliver on the outcomes identified in the Bus Services Improvement Plan to enhance bus services in the region.

We will continue to monitor and review our secured bus services in order to ensure that communities where commercial bus services are unviable continue to have access to public transport in line with the outputs of our Bus Strategy.

#### **Taking an innovative approach to the evolution of our products, methods of payments and in the delivery of information**

Customers will be able to review real time updates on Bus, Ferry and Metro services on a single, mobile enabled website allowing them to make informed choices about how they travel as well as being able to review their ticketing choices for their journey.

Through properly integrated multi-modal ticketing systems our customers will feel reassured that they have a clear understanding of how to secure the most cost-effective product and payment method for their travel choices.

We will continue to deliver on our plans to reduce demand on paper tickets by making our Pay as You Go products accessible through all mobile devices.

#### **Having a fit for purpose estate and services that are accessible for all**

We will continue to develop our stations finalising plans and identifying funding for the redevelopment of Monument, Gateshead and Regent Centre Stations whilst also delivering on a programme of renewing and refreshing the stations elsewhere on the network including work at Regent Centre and Whitley Bay stations.

Nexus recognises the social value our that stations and services add to communities and will look for opportunities to further engage residents around our stations to

identify and develop opportunities for better community engagement in our stations including 'adopt a station' opportunities for local residents, schools and community groups.

Metro Stations provide space for over 30 small businesses, assisting with the economic growth of the region whilst also having a positive impact on local communities. We will continue to support small businesses who seek to use our station facilities to start, or build, their businesses.

We will continue to work with Local Authorities and other partners to develop plans for a new station at Murton Gap.

We will look to modernise a number of bus stops and shelters across the region using funding provided by BSIP. We also hope to secure CRSTS funding for the North Shields Ferry Landing relocation, delivery of additional gatelines, the refurbishment of Regent Centre Metro Station and for the expansion of Callerton Metro Station Carpark.

Internally, Nexus will begin the process of delivering on its Nexus Places project.

**By 2028/29:**

Metro Fleet performance will be in its strongest position in a generation with more reliable services and enhanced service frequencies at times of highest demand leading to increased patronage and high levels of customer satisfaction.

Customers will be able to make informed travel choices and will have a range of ticketing options designed to meet their needs including the opportunity to pay for price capped travel directly via their bank card.

The North Shields Ferry Landing will have been relocated to the Fish Quay, securing the future of the service for another generation.

We will be in the process of delivering a new Metro station at Murton Gap and will have secured funding to redevelop some of our busiest Metro stations.

Nexus will have delivered on its Nexus Places project, providing colleagues with environmentally sustainable office space designed to facilitate collaborative working along with workshops, depots and rest spaces which are modern and easy to access.

We will have a well-established Environment, Social and Governance framework in place.

# Our People

## In 2024/25 we will:

### **Building a positive employer brand and reputation to attract and retain diverse talent**

We want our people to be brand ambassadors for Nexus, proud of the work they do and the role that Nexus plays for the communities of Tyne and Wear. We will continue to review feedback from our employee engagement surveys to identify ways in which we can improve the experience of working for Nexus.

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.

We will continue to take steps to increase the number of women and minority ethnic candidates applying to work at Nexus through the engagement with targeted groups, including local schools and colleges, and our presence at events and occasions such as Pride which celebrate the diversity of our region.

### **Trusting and developing our people to deliver flexibly.**

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 continue to implement our career development and succession planning activities to ensure that people have the opportunities to progress in their career within Nexus.

We will have completed the renewal of our competency management system ensuring that our people have the correct skills in which to safely, efficiently and confidently carry out their roles.

We will complete a uniform review with our Customer facing colleagues.

Nexus will continue to provide opportunities for people at the start of their careers by offering a diverse range of apprenticeships and T-Level placement opportunities.

### **Creating inspiring workplaces to enable collaboration and engagement**

Our Nexus Places project will develop a plan for the future of our corporate office hubs, depot and maintenance facilities and small office spaces and frontline teams' welfare facilities. We will look to develop our work spaces so that they promote effective working relationships providing teams with the facilities, space and tools to be efficient and effective.

## **By 2028/29:**

Nexus' will be seen as an employer of choice in the region attracting a younger and more diverse range of individuals applying to work with us.

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.

# Assets and Technology

## In 2024/25 we will:

### **Delivery of planned investment and maintenance**

We will continue our essential renewals programme, improving the reliability of the network.

We will continue to develop the business case for an extension of the Metro service to Washington, connecting a major strategic population and economic centre in Tyne and Wear to both Sunderland and Newcastle city centres.

Any extension to our network will not be possible without replacing our existing life expired signalling system and over the course of 2024/25 we will work with key stakeholders to develop the business case to secure funding to deliver these essential renewals projects.

### **Utilising research, data and technology to enhance our services**

We will continue to utilise technology to enhance our services, through the implementation of remote asset monitoring, Nexus will be able to better maintain its infrastructure reducing delays to services.

Our new train fleet will provide us with a rich source of new data to allow us to understand how our network is performing. Ranging from a better understanding passenger demand levels to the impact of Low Rail Adhesion (LRA) the data available from the new fleet is going to mark a step change in how we use data to shape the decisions we make on a daily basis.

We will continue with the implementation of our Cyber Security Plan with the aim of achieving 'Cyber Essentials' accreditation in 2026.

Following the completion of our Research Strategy, we will begin to implement a series of research led trials to test our ideas on smaller sections of our network and targeted customer groups to understand if a larger scale project would have the desired impact.

We will continue to conduct research with the public of Tyne and Wear in order to understand the drivers of, and barriers to, public transport usage.

### **Safeguarding and protecting our assets**

Along with making our network more secure for our customers and colleagues we will also look to improve the security of our infrastructure including improving the physical security of our work spaces for colleagues. Cable theft is an industry wide problem and we will work to reduce incidents on our network by working with partners and by identifying best practice from elsewhere.

We will also continue to review our approach to tackling graffiti on the network.

## **By 2028/29:**

Following the successful introduction of our new fleet, by 2029, Nexus will have secured funding for, and begun delivery of a new signalling system. This

modernisation will allow for the existing, life expired, signalling system to be replaced with a modern digital signalling system making systems which will improve service reliability and reduce delays caused by signalling faults.

We will have built our data analysis capacity within the organisation to ensure that all of our decisions are driven through evidence gathered and that the benefits of our actions are being properly realised.

We will look for funding opportunities to increase the number of gatelines on our network helping reduce the level of fraudulent travel on the network.



## **Sustainability**

### **In 2024/25 we will:**

#### **Improving our environmental performance and engaging people in our sustainability journey**

Nexus will continue to identify ways to improve its environmental performance, including realising the benefits of the improved energy efficiency of our new fleet, including regenerative braking.

We will improve our active travel offers for passengers through improvements to our cycling storage facilities whilst we will work with Local Authority partners to improve cycling and walking routes to public transport from nearby residential areas.

We will work with stakeholders to deliver a feasibility study for decarbonising our ferry and will have identified a suitable funding stream to progress with the outputs from the feasibility study.

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 and introducing an environmental framework for our major projects. We will ensure that all of our externally funded projects will have Carbon Management Plans in place.

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 continue to deliver on the vegetation management techniques identified in our lineside management strategy. This approach includes replanting areas where vegetation management has taken place with appropriate species to encourage biodiversity and creating suitable habitats for wildlife around the network whilst ensuring a lower level of impact on train performance in the autumn.

#### **Delivering economic and socially beneficial services to support the success of the region**

Nexus plays a pivotal role in supporting the economic and social success of the region and we will continue to explore ways to provide our customers with affordable fares including, where appropriate, reduced-price travel for groups in extra need of support including care leavers.

#### **Working towards a sustainable financial future**

To continue to offer some of these the socially beneficial services, Nexus needs to ensure it continues to deliver on its medium-term financial plan to ensure organisational sustainability whilst developing and implement strategies to grow our revenue to allow us to invest further in services and products that support the regions' priorities such as reducing child poverty and overcoming cost of living pressures.

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

We will continue to work with colleagues in central government to secure long term capital and revenue funding agreements.

**By 2028/29:**

By 2029, Nexus will have replaced its fleet of road vehicles with electric equivalents and will be working with bus operators to increase the number of buses in our regions which have Euro 6 or better engines. We will also have secured funding to make our ferry vessels more environmentally friendly through cleaner engines and reduced power required for docking.

We will have a well established strategies designed to generate more income from our services and infrastructure which will in turn allow for improvements to service provision and support for those with the highest levels of need. We will have delivered on our medium term financial plan and will be operating with a balanced budget.

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

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**Date:** 18 January 2024  
**Subject:** Nexus Corporate Performance Update  
**Report of:** Managing Director, Nexus

### 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 7 and 8 which encompasses 17 September 2023 to 11 November 2023.

Metro patronage continues to perform well and, despite the impact of Storm Babet and the effects of industrial action, was only 0.3% below target for Periods 7 and 8.

In the reporting period, Metro performance was affected by Storm Babet which caused Overhead Line damage on Network Rail Infrastructure and also caused several incidents of flooding elsewhere on the network.

In periods 7 and 8, Nexus delivered 89.13% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited train capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption.

In times of disruption, Nexus prioritises providing passengers with a frequent service even if trains are not running to timetable. As such punctuality was 66.3% in periods 7 and 8 which is below the target of 84.4%.

Metro fare and commercial revenue is ahead of budget and if this performance continues, it will reach pre-pandemic levels this year. However, this still represents a reduction in real terms and 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 budget.

### 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	Partnership work to tackle ASB continues

### **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.

### **Improve Operational Safety**

- 1.6 Nexus is continuing to deliver on the 2023/24 Signals Passed at Danger reduction plan.
- 1.7 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.

### **Reduce anti-social behaviour**

- 1.8 In the reporting period, Nexus' Schools liaison officer visited over 30 schools and spoke to over 1,000 year 6 students about Anti-Social Behaviour and rail safety.

- 1.9 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.

<b>Customer Experience</b>	
<b>Workstream</b>	<b>Status</b>
Invest in our infrastructure	Our fleet replacement programme has recently been reviewed.
Products, Payments, and Information	A range of new products have been launched as part of the Bus Services Improvement Plan
An excellent customer experience	Patronage continues to perform well however challenges around fleet availability continue.

### **Invest in our infrastructure**

- 1.10 Work on construction of the new depot and the manufacture and supply of the new train fleet is progressing against the revised programme. All of the existing/old buildings at the depot have now been demolished, and construction of the remaining stabling roads is progressing towards entry into service in the early part of 2024. This will provide improved maintenance capacity.
- 1.11 Unit 4 has spent a lot of time at Nexus Learning Centre to facilitate familiarisation of the new trains with Nexus' Customer Service teams and emergency services, as well as visits by key stakeholders, including customers who played a key role in the consultation process and helped shape the design of the new trains.
- 1.12 We have now successfully completed Pre-Delivery Acceptance (PDA) for Units 1 to 15 (inclusive). Units 1 and 2 have finished testing on the test track in the Czech Republic, and Units 3, 4 and 5 are already at Gosforth Depot and are subject to ongoing rigorous testing. Units 6-15 have all successfully completed their PDA inspections and are stabled in Switzerland ready for future delivery.
- 1.13 Testing of the new fleet continues on the Nexus network and is the most challenging phase of any fleet transition project. Nexus and Stadler continue to work collaboratively on the testing process to ensure the new trains work safely and seamlessly with Metro's 60 stations and 77km of track.
- 1.14 90% of all type tests have been physically carried out on the Nexus Network, with 73% of reports submitted to Nexus and of this, 30% of Type Test reports have been accepted and closed by Nexus.

- 1.15 We are continuing to work with Transport North East and the DfT to secure funding for the proposed relocation of the North Shields Ferry Landing and the Joint Transport Committee provided its support for a funding solution at its July meeting.

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

- 1.16 In Period 8, a new fare model for adults was launched as part of a series of ticketing initiatives introduced as part of the region's Bus Service Improvement Plan. All day bus, Metro and Shields Ferry travel across Tyne and Wear is now priced at £6 which is a reduction on the previous price which was £9.10.
- 1.17 A new Multimodal ticket was also launched allowing travel on bus, Metro and Ferry in Tyne and Wear, Durham and Northumberland for £6.80
- 1.18 Prices on All Zone Metro Day tickets was also reduced to ensure that customers were not paying more than customers using more than one mode of transport. Nexus has taken a revenue risk on this without the reimbursement available to bus operator products in order to provide the best possible offer for local people.

### **An excellent customer experience**

- 1.19 Metro patronage for Periods 7 and 8 of 2023/24 was 5.05m, which was 3.8% below target.
- 1.20 The rolling 13 period Metro patronage figure is 31.28m which is 3.7% above the target of 30.1m journeys.
- 1.21 In the reporting period, Metro performance was affected by Storm Babet which caused OHL damage on Network Rail Infrastructure and also caused several incidents of flooding elsewhere on the network.
- 1.22 In Periods 7 and 8, Nexus delivered 89.13% of its scheduled timetable. The ongoing challenges of maintaining the existing train fleet means that there is limited train capacity to replace trains which develop faults or to put in additional capacity to return trains to time in periods of disruption.
- 1.23 In times of disruption, Nexus prioritises providing passengers with a frequent service even if trains are not running to timetable. As such punctuality was 66.3% in periods 7 and 8 which is below the target of 84.4%.
- 1.24 We are committed to proactive and transparent communication with key stakeholder groups including the business community and large employers to update them on progress and talk them through the transition process and what customers can expect.
- 1.25 We remain focused on keeping our customers informed of any service disruption and planned major work and aim to offer clear and accessible information so they can plan their journeys effectively. To help with this we have recently reviewed the communications channels we are using and are encouraging customers to download our free Pop App. The app enables them to track their nearest Metro train in real

time and view the latest departure times from their local station. It can also be used to plan Metro journeys in advance, view the Metro map, report issues or concerns as well as find information on park and ride facilities.

- 1.26 For Periods 7 and 8 of 2023/24 Ferry patronage was 43,718, which was 14.5% below target. During the reporting period, ferry operations were significantly affected by periods of extreme weather.

<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**

- 1.27 Work on the refurbishment of Whitley Bay and Monkseaton Metro Stations is progressing to plan. Work on the footbridge at Cullercoats station is also progressing to plan.
- 1.28 Work on the refurbishment of Monument Metro Station lift began in the reporting period whilst work to renew the third escalator at Haymarket continued in the reporting period.

#### **Technology**

- 1.29 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.
- 1.30 Nexus is also working alongside Northumberland County Council to introduce Zonal ticketing to the Northumberland line which is currently under construction.

<b>Sustainability</b>	
<b>Workstream</b>	<b>Status</b>
Environmental	We have started to implement our Sustainability Strategy.
Financial	Fare Revenue continues to perform well

## Environmental

- 1.31 Following the completion of our Sustainability strategy, a number of actions to improve Nexus' environmental performance are progressing to plan.

## Financial

- 1.32 Metro fare and commercial revenue for Periods 7 and 8 of 2023/24 was £7.83 million. To the end of Period 8, fare revenue is ahead of budget and if this performance continues, it may reach pre-pandemic levels this year. However, this still represents a reduction in real terms 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.
- 1.33 Ferry fare revenue for Periods 7 and 8 of 2023/24 was £57,311, which was 8.1% above the budget of £53,038.
- 1.34 For Periods 7 and 8, Secured Bus revenue was £604,252 which was 63.3% better than the budget of £369,812.

<b>Our People</b>	
<b>Workstream</b>	<b>Status</b>
A great place to work	Nexus has been nominated for several awards within the reporting period.
Developing our people	Nexus hosted its first 'Brilliant Breakfast' in the reporting period.
An engaged workforce	We are reviewing our approach to employee engagement.

### **A great place to work**

- 1.35 In September, Nexus' in house research team was shortlisted for the for the Market Research Society's In-House Team of the Year award alongside organisations such as Google, BBC and HSBC.
- 1.36 Also in the reporting period, Nexus' People and Culture Director, Rachel Redshaw, was nominated in the North East Chamber of Commerce's Inspiring Female awards.



## **Developing our people**

- 1.37 As part of the introduction of the new fleet, our customer services colleagues have been able to familiarise themselves with one of our new trains at the Nexus Learning Centre.
- 1.38 In the reporting period, Nexus hosted its first 'Brilliant Breakfast' where colleagues and partners heard three special guest speakers discussing Gender Equality and the importance of Diversity and Inclusion whilst also raising funds for the Princes Trust.
- 1.39 Nexus has won three prizes at the 2023 UK Bus Awards, recognising its success in working in partnership with bus operators and local authorities to deliver better services. The Partnership won a Gold Award for delivery of public transport for the Great North Run. It won two Silver Awards for creating free travel for care experienced young people across North East England, and for the Nexus-led marketing of the new £1 flat fare offer for customers aged 21 and under. Nexus has also won Best In-House Marketing Team at the North East Marketing Awards.
- 1.40 Nexus has also been shortlisted for a record five awards at the 2024 UK Rail Business Awards: The nominations recognise the successful completion of the £104 million Metro Flow Project, the delivery of the Great North Run this year, and innovation in asset management for its overhead line infrastructure.

## **An engaged workforce**

- 1.41 Work to consult with colleagues on our Nexus Places project began in the reporting period. The project will develop a plan for the future of our corporate office hubs, depot and maintenance facilities and small office spaces and frontline teams' welfare facilities.
- 1.42 Work on our Safety and Security, Metro Operations, and Bus strategies are progressing to plan.

## **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 approved at the Sub-Committee's meeting in July 2023.

## **16. Contact Officers**

16.1 Cathy Massarella  
Managing Director, Nexus  
Email Catherine.Massarella@nexus.org.uk  
Tel: 0191 2033500

**17. Sign off**

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

**18. Glossary**

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

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

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**Date:** 18 January 2024  
**Subject:** Nexus Corporate Risks 2023/24  
**Report of:** Managing Director, Nexus

### 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 Business Plan and demonstrate that these risks are being properly managed and controlled.

During December 2023, Nexus undertook a formal review of its risk register in line with the Corporate Business 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. We are continuing to work with Transport North East and the DfT to secure funding for the proposed relocation of the North Shields Ferry Landing and the Joint Transport Committee provided its support for a funding solution at its July meeting. 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, particularly in relation to fleet availability and reliability.

Since the last review, the Funding public transport network improvements risk has declined in RAG status to amber, with the score increasing from 6 to 9. This is to reflect the fact that Nexus' ability to provide match funding for external funding bids may limit its ability to access capital funding.

The Fleet Replacement risk has seen its score improve from 12 to 9 the reflects the new level of certainty provided by the recent programme reset which provides more certainty to the future of the fleet replacement programme.

### **Recommendations**

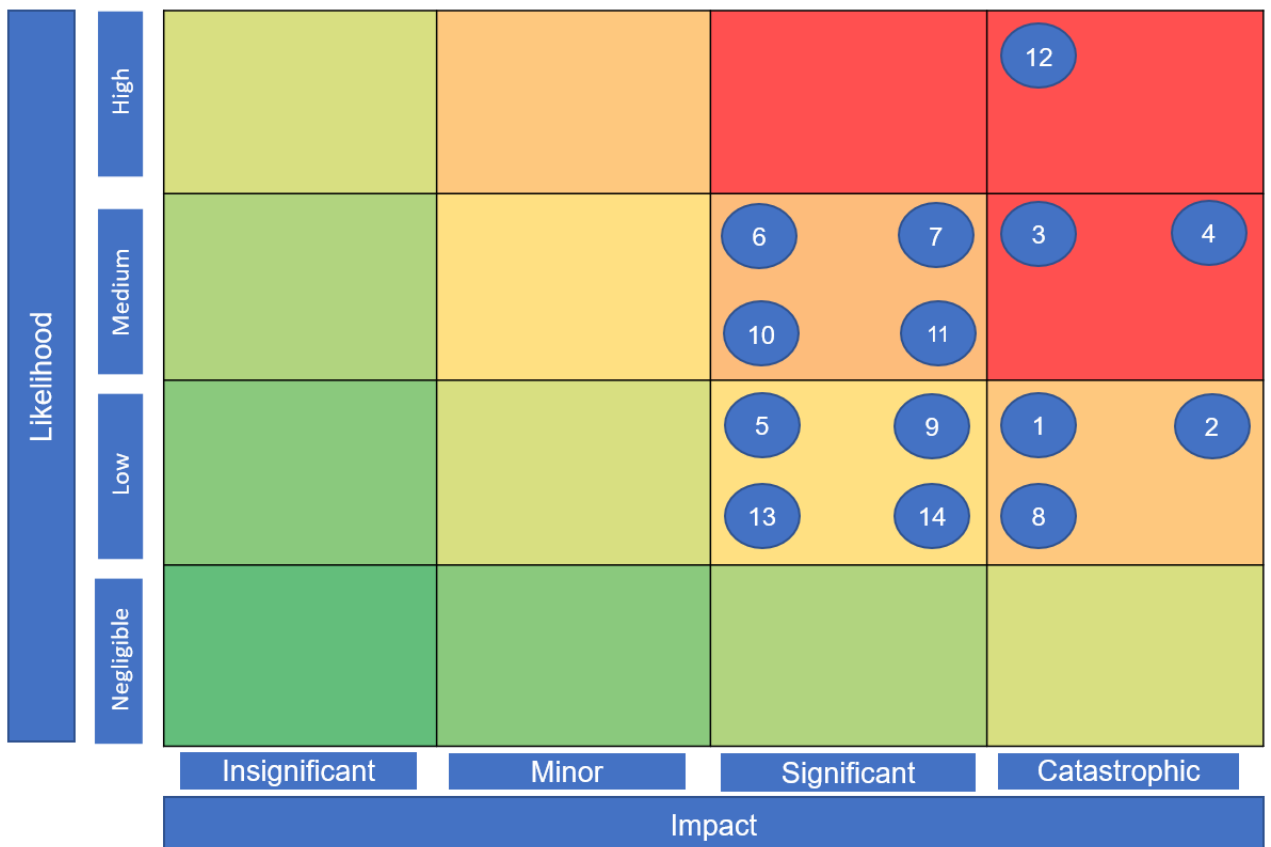
The North East Joint Transport Committee, Tyne and Wear Sub-Committee is recommended to receive and note this update on Nexus' Corporate Risk Register for 2023/24.

**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 Business Plan for 2023/24 was approved by the Sub-Committee at its meeting in July 2023 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 risk changes since the last review.

	<b>Risk</b>	<b>Summary of Changes</b>	<b>RAG Status</b>
1	Catastrophic security event	No changes from previous review.	<b>↔</b> <b>(Stable)</b>
2	Catastrophic infrastructure or operations event	Next Steps/Milestones updated.	<b>↔</b> <b>(Stable)</b>
3	Metro Performance	Controls updated. Completed Next Steps/Milestones removed.	<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	No changes from previous review.	<b>↔</b> <b>(Stable)</b>
6	Delivery and introduction of the new train fleet.	Risk Likelihood reduced Controls updated. Next Steps/Milestones updated.	<b>↑</b> <b>(Improving)</b>
7	Efficiency of Delivery of the Capital Programme	Controls updated. Next Steps/Milestones updated.	<b>↔</b> <b>(Stable)</b>
8	Cybersecurity	No changes from previous review.	<b>↔</b> <b>(Stable)</b>
9	Products and Payments Offer	Controls updated. Next Steps/Milestones updated.	<b>↔</b> <b>(Stable)</b>
10	Funding Bids	Risk likelihood increased to reflect Nexus' ability to provide match funding for projects. Risk impact updated.	<b>↓</b> <b>(Declining)</b>



		Controls updated. Next Steps/Milestones Updated. Completed Next Steps/Milestones removed.	
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	No changes from previous review.	↔ (Stable)
14	Climate Change Mitigation and Resilience	Controls updated. Next Steps/Milestones updated.	↔ (Stable)

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 Business 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' 14 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 approved by the Sub-Committee at its meeting in July 2023.

## **16. Contact Officers**

16.1 Cathy Massarella  
Managing Director, Nexus  
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Tel: 0191 2033500

## **17. Sign off**

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

## 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</b>	8(2x4)	↔ (stable)
Risk Actionees: <b>Head of Safety and Security, Public Safety and Security Manager, Operations Director</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 cameras throughout the Nexus infrastructure, 540 Cameras on trains, and over 200 body worn video units worn by Customer Service Staff, Security, and public facing personnel.</li> <li>• Service Level Agreement in place for external CCTV monitoring by Newcastle Civic CCTV suite.</li> <li>• SLA agreements in place for policing the Metro by the Metro Police Neighbourhood Team from Northumbria 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>• Individual station security plans produced in compliance with the Light Rail Security Programme.</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>• 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.
- Nexus Safety and Security Strategy is currently being produced in partnership with Corporate Planning.
- Security awareness communications posted across network.
- Security messaging to internal and external stakeholders via the periodic Security Bulletin
- Working with and supporting local authorities via the Prevent programme.
- The Nexus Security Manual and Management Plan has been produced, is compliant with Light Rail Security Programme parameters, and has been 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	Apr 24
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 Infrastructure Director, Head of Maintenance Delivery</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 Integrated Management System (IMS) 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> </ul>		

- Implement a risk-based annual safety plan for approval by Nexus Executive Board.
- 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/ Milestones:	Action owner	Due Date
Deliver on the actions outlined in the 2023/24 Safety Plan.	Safety and Assurance Director	Mar 24
Development of a combined QHSSE Strategy and supporting annual plans plus a team restructure to create a more agile and continuous improvement driven team.	Safety and Assurance Director	Mar 24
Developing and delivering on Nexus Track Worker Safety Alliance	Metro Infrastructure 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 including the creation of discipline specific asset risk registers.
- 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.
- Outstabling plan for cold weather developed.
- Active recruitment for a Fleet Operations Manager to control/manage availability levels with Stadler.
- Daily meetings between MOD & Stadler regarding forecast position and drives to improve availability.
- Refreshed Regulation Guidance
- Organisational changes approved which increase capacity in the front line to deliver more sustainable infrastructure performance improvements.
- Review of sectional running and dwell times have been completed.
- Regulation guidance refreshed.
- Ongoing liaison with Northumbrian Water to identify flooding issues and manage flood risk.

Next Steps/Milestones	Owner	Due date
Complete ICT network refresh to improve resilience of digital assets.	Head of ICT	Mar 24
Producing business case for the signal replacement programme.	Head of Corporate Planning	Mar 24

<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)	↑ <b>(Improving)</b>
	<b>Target RAG Status</b>	
	6(2x3)	
<b>Risk: The possibility of costs escalating or for delays to the delivery of new trains or introduction of the new fleet into passenger service introduces a continued reliance on the existing fleet.</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 which may impact on the reliability of services for passengers along with potential reputational damage amongst customers and key stakeholders.		
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.		
<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> </ul>		

- Established project controls have been adopted to assist with the management of the contracts including CSM RA and other safety processes.
- 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.
- Head of Fleet Transition 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.
- Type testing in Control of Line (COL) is nearing completion, with next key milestone being in-traffic testing and KM accumulation phase.
- Additional ICT Project Management Resource allocated to integration of the new fleet into the Control Room, working closely with Control Room Interface Manager within the project team.
- Interface Manager working closely with performance, resource and planning teams on the rollout of the new fleet from a driver rostering perspective.
- Additional technical resource secured (Nexus and external Consultants) to ensure programme of Pre-delivery Acceptances and future unit acceptances can be achieved.

Next Steps/Milestones	Owner	Due date
First train into passenger service (limited duration demonstration run)	Head of Fleet and Depot Replacement	Spring 24


<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.
- Monitor Keir who have accepted novation of the Whitley Bay station roofing works contract and who are now on site.
- Funding submission to secure capital grant for 2025/26 to 2027/28 provided to DfT in July 2023.
- Capital Programme reviewed to develop delivery options and identify capital grant funding required.

Next Steps/Milestones	Owner	Due date
Awaiting feedback on the submission of funding options to DfT seeking capital grant for 2025/26 to 2027/28.	Director of Finance and Resources	Ongoing

<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>• The co-ordination of multiple delivery streams for products and payment systems within Nexus’ Smart Ticketing Evolution Programme (STEP) to ensure they build towards a single vision.</li> <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 person’s 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 priced to incentivise uptake, increase customer satisfaction and encourage more travel.</li> <li>• Full NTL ‘Network One’ season product range available on Pop from early 2024.</li> </ul>		

<ul style="list-style-type: none"> <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	Feb 24
Deliver a multi-modal price-capped pay-as-you-go product.	Head of Commercial	Nov 24
Convert 40 further Metro ticket machines to card-only or card & coin operation reflecting customer choice.	Head of Commercial	Mar 24
Develop products to provide integration between Metro and rail on the Northumberland Line.	Customer Services Director	Sept 24
Update back office and on-station ticket infrastructure to be able to accommodate product advancements.	Head of Multi-Modal Smart Ticketing	Mar 25
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>	<b>RAG Status (Green)</b>	<b>Direction of Travel</b>
Risk Owner: <b>Director of People and Culture</b>	9(3x3)	 (Declining)
Risk Actionee: <b>Head of Corporate Planning</b>	<b>Target RAG Status</b>	
	4 (2x2)	
<b>Risk: That opportunities to secure additional funding for public transport improvements through competitive funding bids are not successful.</b>		
<p>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. Nexus' ability to provide match funding for external funding bids may limit its ability to access capital funding.</p>		
<p>Controls:</p> <ul style="list-style-type: none"> <li>• Nexus schemes are included in the Regional Transport Plan pipeline and regional business case for CRSTS.</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> </ul>		


<ul style="list-style-type: none"> <li>• Feasibility studies are progressing to identify suitable schemes to progress to bids.</li> <li>• Strategic outline business cases developed for schemes in the City Region Sustainable Transport Settlement.</li> <li>• Funding sought via Transport North East to support with the development of pipeline projects.</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
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	May 24
Develop OBC's for CRSTS schemes	Head of Corporate Planning	Sept 24
Continue to work with partners to better understand match funding requirements.	Head of Corporate Planning.	Sept 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)	 (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.
- 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, Operation Tanoak, Operation Brazilwood, and Operation Impact.
- 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.
- LED lighting works as part of the Digital Car Parks project in operation at Northumberland Park, Regent Centre, Four Lane Ends, Bank Foot and Stadium of Light. Upgraded CCTV operational and brought into use at Northumberland Park, Regent Centre, and Four Lane Ends.

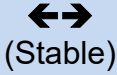
Next Steps/Milestones	Owner	Due date
Deliver TCF programme to improve safety and security at carparks.	Customer Services Director	Feb 24

<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)	 (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>		
<p>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.</p>		
<p>Controls:</p> <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>• Steering Group with North Tyneside Council and Port of Tyne.</li> <li>• Ongoing reviews of lease proposals with North Tyneside Council and Port of Tyne by Nexus Interim Managing Director</li> <li>• Periodic progress reporting to Nexus' Senior Leadership Team</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 expected 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. The final report issued and accepted by Nexus Engineering and external 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 conditions cannot be discharged until principal contractor is appointed.</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.
- Progress design development commission work and contract delivery methods.
- Agreed lease demarcations and maintenance strategies.


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	Interim Managing Director, Head of Legal, Head of Renewals /Major Projects Director	Jan 24
Anticipated Funding Announcement	Head of Corporate Planning	Feb 24
Nexus to Publish Invitation to Negotiation Tender	Head of Renewals /Major Projects Director	Jun 24
Deadline for receipt of Tenders	Head of Renewals /Major Projects Director	Aug 24
SLT approval for contract award	Head of Renewals /Major Projects Director	Oct 24
Completion of new Ferry Landing and protection jetty extension works	Head of Renewals /Major Projects Director	Oct 26
Demolition of existing North Landing	Head of Renewals /Major Projects Director	Dec 26

Review results of Condition and Structural Survey of existing North Shields ferry landing	Head of Renewals	Mar 24
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<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)	
	<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.  The BSIP funding also provides the potential to enhance the frequency of existing commercial routes and increase evening and Sunday frequencies, making bus travel as a whole more convenient and appealing – but this is only possible where bus companies have the vehicles and drivers to make improvements which Nnexus is offering to fund.		
Controls: <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> </ul>		

- 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, where commercial bus companies have the drivers and vehicles to do so.
- 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.
- Monitor public transport patronage and undertake research through the insight panel to gain intelligence on trends and passenger behaviours.
- Lobby Government for continued funding beyond 2025 to support bus services.
- Develop capital and revenue led schemes in readiness for funding opportunities.
- Build business cases to fund improvements in bus infrastructure and information provision.
- Developed and funded a programme of network frequency enhancements, consulted on with operators, and funded from BSIP

Next Steps/Milestones	Owner	Due date
Liaise with TNE to ensure commitments set out within the EP Scheme adequately funded.	Customer Services Director	Ongoing
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
Seek investment through BSIP in stops and shelters to improve safety and accessibility to bus services	Customer Services Director	Mar 24

<b>Risk 14</b>		
CP Theme: <b>Sustainability</b>		
CP Workstream: <b>Environment</b>		
<b>Risk Area: Climate change mitigation and resilience</b>  <b>Risk Owner: Safety and Assurance Director</b>  <b>Risk Actionees: Metro Operations Director, Head of Engineering, Head of Maintenance Delivery, Metro Infrastructure Director</b>	<b>RAG Status (Green)</b>	<b>Direction of Travel</b>
	6(2x3)	 (stable)
	<b>Target RAG Status</b>	
	4 (2x2)	
<b>Risk: There is a risk that Nexus is unable to mitigate sufficiently against the growing number of incidents of extreme weather occurring due to climate change to ensure service resilience.</b>		
Impact/Consequence(s): If incidents of extreme weather including; heavy rain, extreme heat and high winds continue to occur on a more frequent basis then, without suitable mitigation, Nexus is likely to experience more regular and prolonged disruption to its services.		
<b>Controls:</b> <ul style="list-style-type: none"> <li>• Outstabling plan for cold weather developed to protect fleet.</li> <li>• Proactive vegetation management within the bounds of available funding.</li> <li>• Lineside Management Strategy developed.</li> <li>• Vegetation management processes designed to prevent land slips, tree falls and leaves on the line.</li> <li>• Weather Preparedness Plans in place.</li> <li>• Additional track and OHL inspections during times of extreme heat.</li> <li>• Capital programme in place to deliver OHL and track renewal projects, ensuring greater asset reliability.</li> <li>• Rail and joint treatment to support predictable levels of expansion and contraction caused by changes in temperature.</li> <li>• Strategy for renewal of OHL sections susceptible to extreme heat.</li> <li>• Remote temperature monitoring of rails to identify instances of extreme high rail temperatures which could lead to rail buckling.</li> <li>• Regular visual and detailed inspections of earthworks and structures in accordance with industry standards.</li> <li>• Development and implementation of emergency preparedness and of business continuity plans in the event of major disruption.</li> <li>• Liaison with neighbours and other statutory bodies to resolve flooding risk.</li> <li>• Promote modal shift to public transport and sustainable travel to support regional targets to reduce carbon.</li> </ul>		

- Implement the Environment & Sustainability Strategy in order to reduce Nexus' climate impact.
- Support the transition to EV's through our own van fleet and through developing 'Charge and Ride' options at major car parks.
- Participation in regional environment and sustainability forums.
- Promotion of the environmental benefits of sustainable travel and travel on Metro in order to support modal shift and assist in reducing carbon emissions in the region.
- Well established processes to protect Shields Ferry in times of extreme weather whilst also maintaining a service for passengers.
- Working with global comparators to understand best practice in relation to climate change resilience.
- CCTV camera surveys of suspected pipe blockages at Regent Centre undertaken.

Next Steps/Milestones	Owner	Due date
Working with Northumbria Water, South Tyneside Council, and the Environment Agency to identify solutions to flooding issues in the Tyne Dock area.	Metro Infrastructure Director	Ongoing
Liaising with Network Rail to understand their plans for improving resilience on the Sunderland extension.	Metro Infrastructure Director	Ongoing
Implement outcomes of Vegetation Management Strategy.	Head of Maintenance Delivery	Mar 24
Procure designs for removal of fixed tension sections of OHL and replace with auto tension.	Head of Engineering	Feb 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		3	3	9	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
Climate Change Mitigation and Resilience	4	3	12		2	3	6	2	2	4

### 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>	

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

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**Date:** 18 January 2024  
**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 through the Tyne Tunnels, which continue to be higher than in previous years, with over 1.639 million vehicle journeys through the tunnels during November 2023. This compares with 1.577 million in November 2022 – a year on year increase of circa 62,000 journeys.

The report also provides an update on the compliance rate (rate of journeys for which the toll was paid) under the Tyne Pass Scheme which was 97.63% in October 2023. This compares well with last October and continues the promising trend of fewer tunnel users failing to pay the toll on time and being affected by enforcement.

The report includes an update on the release of a Tyne Tunnels Customer Guide and separately the audit reports of the independent audits undertaken on TT2's appeals handling.

Finally the report also provides an update on the usage and operation of the Tyne 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

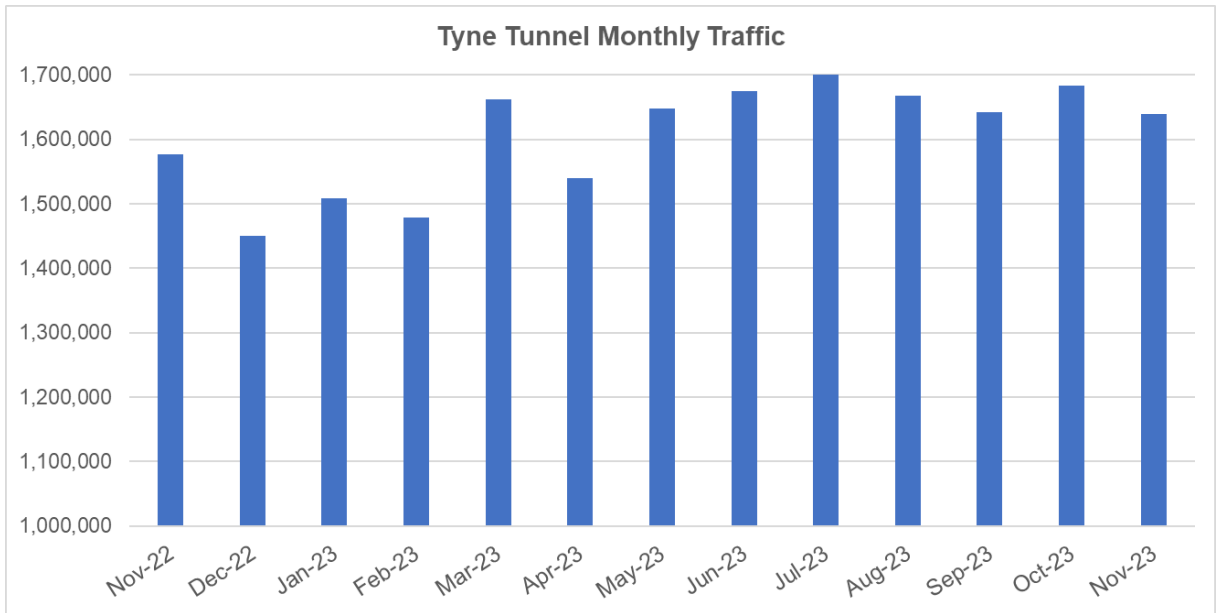
- 1.1 The Tyne Tunnels are jointly owned by the five Tyne and Wear Councils through their membership of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA). Through the region's joint transport arrangements, the interests of the local authorities are represented by the Joint Transport Committee's Tyne and Wear Sub Committee (TWSC) and administered by officers of Transport North East (TNE).
- 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 a Strategic Infrastructure Contract Manager in TNE.

## 2. Traffic Tunnels Update

### Traffic Flows

- 2.1 The number of vehicles travelling through the Tyne Tunnels is monitored daily by TT2 and TNE. 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 November 2023 there were **1,639,003** vehicle journeys through the tunnels, compared with the previous year when in November 2022 **1,577,251** vehicle journeys were made – a year on year increase of 61,752 or 4%. Whilst the rise in usage may 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.

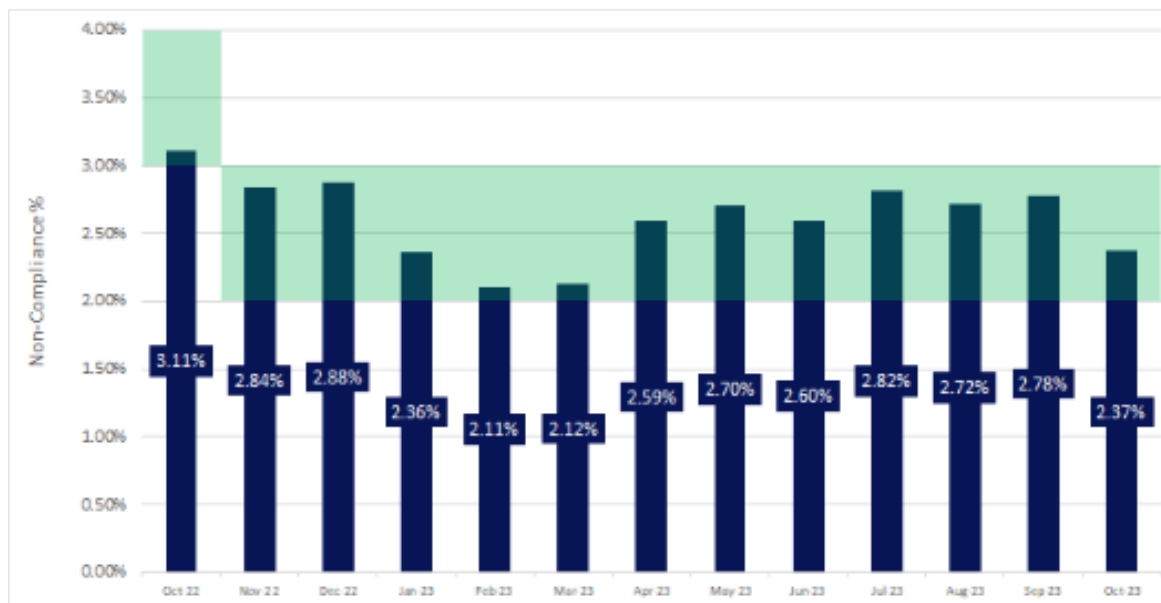
**Figure 2.1: Tyne Tunnel Monthly Traffic**



**Payment of the Toll**

2.3 In October 2023, the toll was paid on time for 97.63% 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%. Non-compliance has been fluctuating between 2% and 3% for almost a year, with the fluctuations resulting from a variety of reasons including seasonal traffic, number of weekends/bank holidays in a month and TT2 customer campaigns to improve awareness of the toll.

**Figure 2.2: Non-compliant journeys (journeys where toll is not paid)**



*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.*

### **Independent audit of appeals**

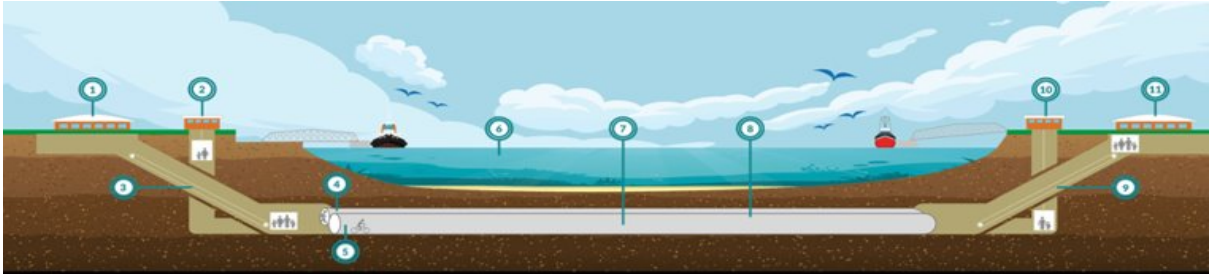
- 2.4 Following a number of requests for independent bodies to be involved in the appeals process, it was jointly agreed with TT2 that an independent auditor be appointed to review appeals on a periodic basis. The independent auditor assesses a sample of appeals randomly selected every 2-3 months. The auditor reviews whether each appeal in the sample taken is determined in line with the appeal rules agreed with TNE that exist at the time of the appeal and whether individual circumstances have been appropriately considered in each case. The audits provide independent reassurance to TNE and customers that appeals are being determined fairly and in line with the agreed rules.
- 2.5 Further to the review of sampled appeals, the auditor also conducts reviews of internal processes and IT systems. In one example from the most recent report it can be found that consideration has been given to a proposed implementation of speech recognition systems to support agents in more efficiently replying to appeals and communications.
- 2.6 The quarterly audit reports produced by the independent auditor will be published shortly.

### **Tyne Tunnels customer guide**

- 2.7 In response to customer feedback reviewed as part of TNE's appraisal of the Tyne Pass scheme, a customer guide to using the Tyne Tunnels has been produced by TNE and TT2, with input from a local customer group. The aim of the guide is to help customers understand how to use and pay for the Tyne Tunnels, as well as provide information about the appeals and enforcement processes for unpaid tolls. The guide also includes an explanation of the complaints process that TT2 and the NECA operate. The customer guide will be published shortly following final review by TNE and TT2.

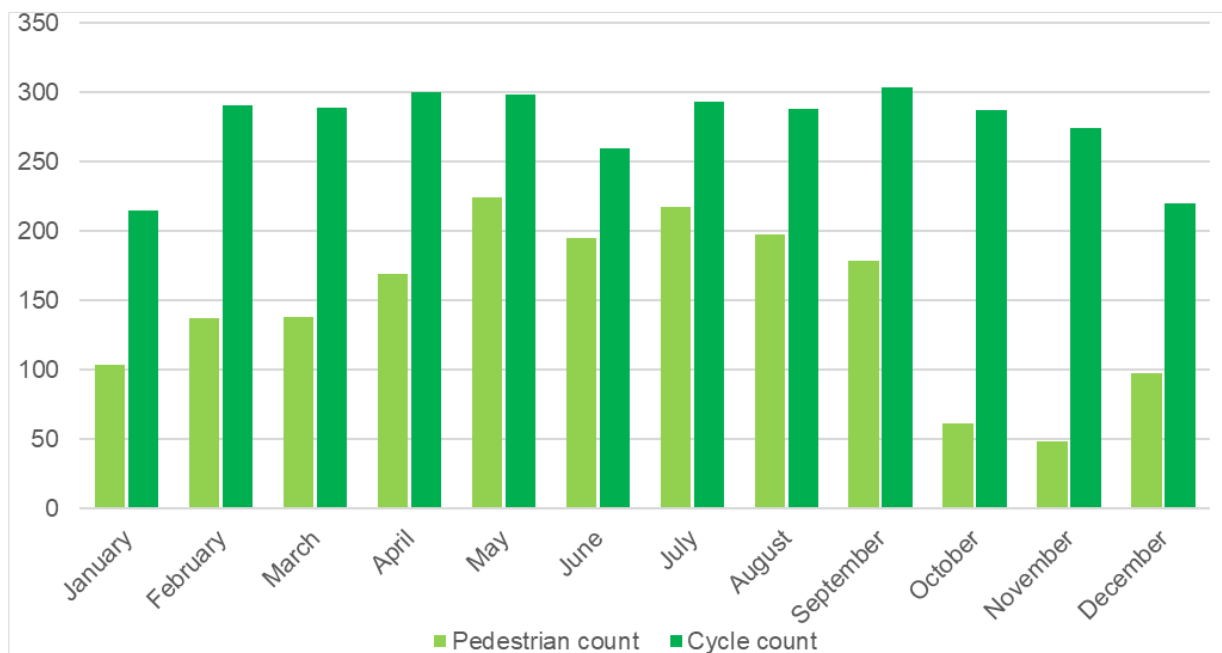


## Tyne Pedestrian and Cyclist Tunnels Update



- 2.8 The Tyne Pedestrian and Cyclist Tunnels (TPCT) 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.
- 2.9 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.
- 2.10 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.

**Figure 2.3: Tyne Pedestrian and Cyclist Tunnel average daily counts January to December 2023**



## **Inclined lifts refurbishment**

- 2.11 Additional lifts have been 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. Final completion and certification of the inclined lifts is still awaited as they have proved difficult to complete due to the bespoke nature of the design and issues with the original contractors.
- 2.12 New lift contractors were however appointed in late 2021 with works taking place in 2022/2023. The new specialist lift engineers have made good progress 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, including the war in Ukraine.
- 2.13 The new parts were delivered to the UK in December 2022, and the necessary works have progressed well over the last few years with all parts now being installed and fitted. The works are now 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.
- 2.14 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 TPCT. It is planned that the hand over will happen from May 2024.

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

- 3.1 Not applicable.

## **4. Alternative Options Available**

- 4.1 Not applicable.

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

- 5.1 TNE will publish the reports of the independent audits of TT2’s appeals handling and the Customer Guide in early 2024.
- 5.2 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**

- 6.1 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.

6.2 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.

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

## **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 TPCT 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**

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

## **9. Key Risks**

9.1 There are no key risks associated with this report.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 The Head of Paid Service, Monitoring Officer and Chief Finance Officer have been consulted. Regular updates are provided to the TWSC. TT2's website and the TPCT website both provide updates to the public on all matters related to the Tunnels.

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

13.1 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 TWSC

**16. Contact Officers**

Michael Dodds, Strategic Infrastructure Contract Manager  
[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**

JTC – Joint Transport Committee

TPCT – Tyne Pedestrian and Cyclist Tunnel

TWSC – Tyne & Wear Sub-Committee

UTCN – Unpaid Toll Charge Notice

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

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